

**Willamette Water Supply System Commission
Board Meeting Minutes
Thursday, February 6, 2020**

Commissioners present:

Tualatin Valley Water District (TVWD): Jim Duggan
Hillsboro: David Judah
Beaverton: Denny Doyle

Committee Members present:

TVWD: Clark Balfour for Tom Hickmann, Management Committee
Paul Matthews, Finance Committee
Justin Carlton, Finance Committee
Carrie Pak, Operations Committee
Hillsboro: Chris Wilson for Niki Iverson, Management Committee
Beaverton: David Donaldson, Management Committee
David Winship, Operations Committee

Managing Agency Administrative Staff present:

Dave Kraska, Willamette Water Supply Program (WWSP) Director; WWSS Commission General Manager
Joelle Bennett, WWSP Assistant Director
Bill Van Derveer, WWSP Program Manager
Faye Branton, WWSP Administrative Assistant; WWSS Commission Recorder

Other Attendees:

Christina Walter, WWSP Permitting and Outreach Manager
Norm Eder, CFM Advocates
Mark McConnell, TVWD Facilities

No members of the public were present.

CALL TO ORDER

Chairman Duggan called the regular Willamette Water Supply System (WWSS) Commission meeting to order at 12:00 p.m.

1. GENERAL MANAGER'S REPORT

Mr. Kraska opened by thanking David Donaldson (City of Beaverton), Chris Wilson (City of Hillsboro), and Clark Balfour (TVWD) for representing the WWSS Management Committee at today's Board meeting. He then presented a safety moment on preventing the spread of colds in the office. ([See attached presentation.](#))

The General Manager's report included an overview of the Approvals and Procurement Forecast; updates on projects planning, permitting, and communications; and status updates on the design and construction of projects.

In response to Commissioner's question, staff replied that, at this time, the Program is not experiencing delays in processing of numerous permit applications submitted in December and January related to the Raw Water Facilities (RWF) Project. The GM report noted that these permit applications were submitted to the City of Wilsonville, Clackamas County, and the Bonneville Power Administration, as well as an application to the Oregon Health Authority for plan review of the RWF Project design.

In response to Commissioner's question, staff replied that a hearing related to WWSS's notice of immediate possession is scheduled for February 10, 2020, for the final property acquisition on the PLM_5.2 project. WWSS' legal counsel reported that the objection issued by the property owners is not relevant because it is not one of the allowable immediate possession objections per the statutes. The Program has a plan in place to address the property owners' concerns about discovery and repair, if necessary, of the owners' septic system.

2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

- A. Approve the January 2020 meeting minutes.

Motion was made by Doyle, seconded by Judah, to approve the consent agenda as presented. The motion passed unanimously with Doyle, Duggan, and Judah voting in favor.

4. BUSINESS AGENDA

- A. Consider approving the Professional Services Agreement 2020-038 with Black & Veatch Corporation for RES_1.0 Design, Bidding Phase, and Services During Construction for the Willamette Water Supply Program." – *Staff Report – Mike Britch*

Mr. Britch presented the staff report requesting the Board's approval of the Professional Services Agreement 2020-038 with Black & Veatch Corporation for RES_1.0 Design, Bidding Phase, and Services During Construction for the Willamette Water Supply Program (WWSP).

Motion was made by Judah, seconded by Doyle, to approve the Professional Services Agreement 2020-038 with Black & Veatch Corporation for RES_1.0 Design, Bidding Phase, and Services During Construction for the Willamette Water Supply Program (WWSP). The motion passed unanimously with Doyle, Duggan, and Judah voting in favor.

- B. Consider adopting Resolution No. WWSS-03-20, an update to Resolution WWSS-02-19 declaring public necessity to acquire permanent and temporary construction easements over, upon, under and through tax lot 1S2140002404 for pipeline section PLW_1.3 for the Willamette Water Supply System. – *Staff Report – Joelle Bennett*

Ms. Bennett presented the staff report requesting the Board's adoption of Resolution No. WWSS-03-20.

Motion was made by Doyle, seconded by Judah, to adopt Resolution No. WWSS-03-20. The motion passed unanimously with Doyle, Duggan, and Judah voting in favor.

5. INFORMATION ITEMS

A. WWSP Baseline 5.0 Status Update – *Dave Kraska*

Mr. Kraska presented a summary update of the annual WWSP Baseline Budget development activity and feedback received to date. The update included an overview of Baseline 5.0 status and major cost changes, provided the WWSS budget request for FY 2020 – 21, as well as outlined the approach for Program-level cost management. (*See attached presentation.*)

In response to Commissioner’s questions, staff replied that the entire WWSS pipeline is being built to accommodate the maximum WWSS capacity at full treatment plant build-out. One significant change the proposed Baseline recognizes is the pipeline alignment change in PLM_5.0, changing the WWSS pipeline alignment from SW Farmington Road to a cross-county approach (from SW Clark Hill Road and SW Farmington Road north to SW Rosedale Road at future Cornelius Pass Road). With this adjustment, a connection to SW 209th Avenue and SW Farmington Road is still needed to serve TVWD’s future turnout. This connection can be made using a smaller diameter pipe (30-inches in diameter). Staff also confirmed that Baseline 5.0 incorporates cost savings from the Program’s opportunity projects.

B. Planned February Business Agenda items – *Joelle Bennett*

Ms. Bennett presented information on anticipated business agenda items for the March 5, 2020 WWSS Commission Board meeting, including potential recommendations for approval of a PLM_1.2 construction contract change order, PLM_5.3 design contract amendment, PLM_4.3 resolution of public necessity, and WTP_1.0 design contract amendment.

C. The next Board meeting is scheduled on March 5, 2020, at the Hillsboro Civic Center – Room 113B/C, 150 E. Main Street, Hillsboro, OR.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

ADJOURNMENT

There being no further business, Chairman Duggan adjourned the meeting at 12:57 p.m.

James Duggan, Chair

Denny Doyle, Vice Chair

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Safety Moment:

Preventing the Spread of Colds in the Office

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5 Simple Tips (rules?)

1. Take care of yourself
 - Sleep
 - Exercise
 - Manage stress
 - Eat Right



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5 Simple Tips (rules?)

1. Take care of yourself
2. Wash your hands and don't touch your face
 - According to the Center for Disease Control, 80% of disease is spread by touch



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5 Simple Tips (rules?)

1. Take care of yourself
2. Wash your hands
3. Cover your nose and mouth
 - DON'T cough or sneeze into your hands
 - Use a tissue or crook of your elbow



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5 Simple Tips (rules?)

1. Take care of yourself
2. Wash your hands
3. Cover your nose and mouth
4. Disinfect surfaces you touch often
 - Again, wash hands often
 - Use disinfectant wipes in your area



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5 Simple Tips (rules?)

1. Take care of yourself
2. Wash your hands
3. Cover your nose and mouth
4. Disinfect surfaces you touch
5. Encourage people who are ill to stay home
 - Including yourself
 - Offer to back each other up



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5 Simple Tips (rules?)

1. Take care of yourself
2. Wash your hands
3. Cover your nose and mouth
4. Disinfect surfaces you touch often
5. Encourage sick people to stay home

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Other interesting office health ideas

1. Get a flu shot
2. Keep a geranium at your desk
 - Crumpled leaves release phytoncides
3. Eat yogurt
 - Reduces susceptibility by 25%
4. Keep an ionizer at your desk

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WWSP Baseline 5.0 Status Update

February 6, 2020

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WWSP Baseline 5.0 Status Update

- Overview of Baseline status and major cost drivers
- WWSS Baseline 5.0 budget request for FY 2020 - 21
- Outline approach for Program-level cost management

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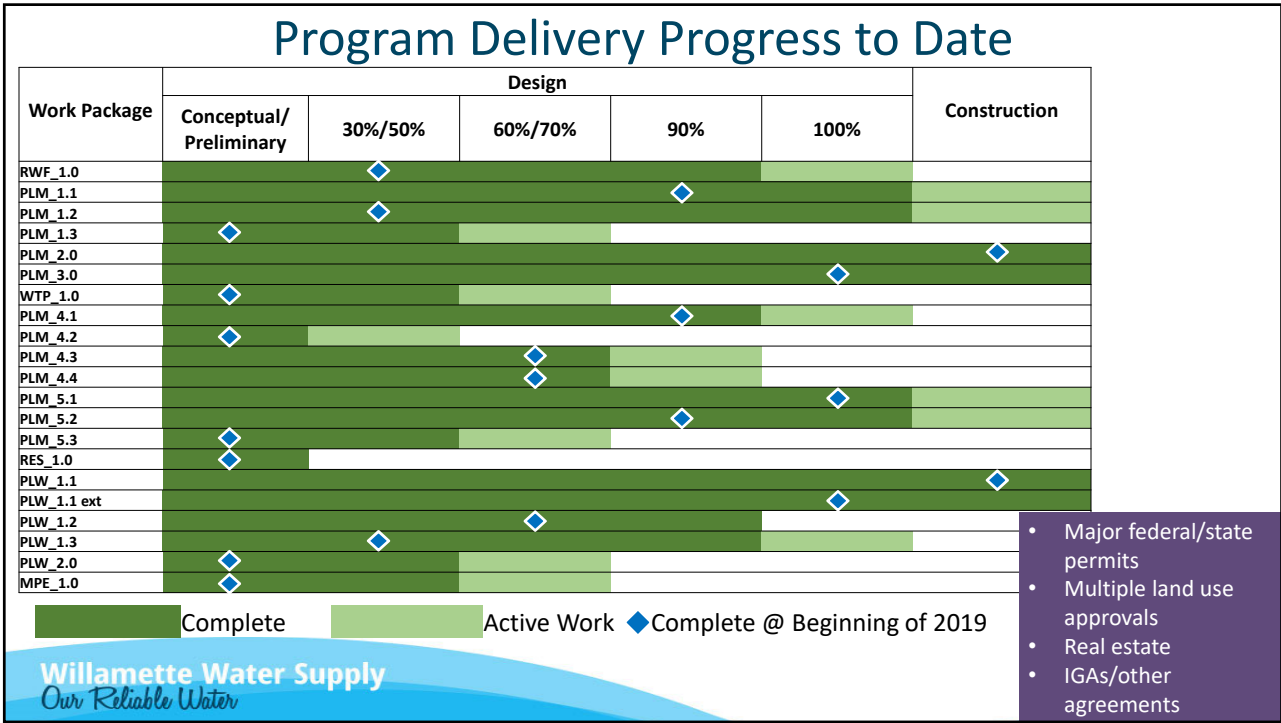
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OVERVIEW OF BASELINE STATUS AND MAJOR COST DRIVERS

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Re-baseline Milestones Schedule

February 7th

- Distribute Baseline 5.1

February 20th

- Management Committee Approval

March 5th

- WWSS Board Adoption as part of the FY 2020-21 Proposed Budget

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Baseline Summary

	Current	Baseline 5.0	Change
WWSS Projects	\$ 910,565,495	\$ 941,551,612	\$ 30,986,117
Ancillary Projects	106,026,157	128,003,776	21,977,620
System Wide	156,316,106	151,275,899	(5,040,206)
WWSS Real Estate	50,441,611	52,689,691	2,248,080
WWSS Management Reserve	41,629,045	13,452,861	(28,176,184)
Total	\$ 1,264,978,414	\$ 1,286,973,840	\$ 21,995,426

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WWSS Projects Summary

	Current	Baseline 5.0	Change
WWSS Projects	\$ 910,565,495	\$ 941,551,612	\$ 30,986,117
Ancillary Projects	106,026,157	128,003,776	21,977,620
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Total	\$ 1,264,978,414	\$ 1,286,973,840	\$ 21,995,426

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WTP_1.0

\$32,562,668 increase



Budget Changes Due to:

- Project definition represents the 30% OPCC (with subsequent modifications to refine the 30% design concept)
 - Increase from treatment plant concept represented in the predesign

Value-Based Decisions Related to Cost:

- 72 mgd re-rate capability
- Disinfection strategy
- Seismic design approach
- Standby power

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PLM_4.0

\$2,408,688 increase:

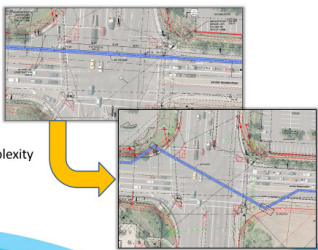
PLM_4.1 Hwy99 Crossing

Open Cut

- 250 LF of Open Cut
- Extensive Traffic Control
- Limited work hours

Re-Baseline Alignment

- 270 LF of Trenchless
- Minimizes traffic control complexity
- Allows for normal work hours



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Budget Changes Due to:

- PLM 4.1 change from open cut construction to trenchless construction driven by Washington Co.
- Delays to project due to Washington Co. lead (escalation cost to WWSP)

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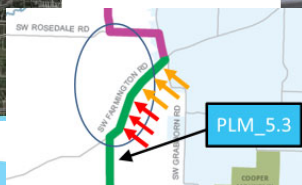
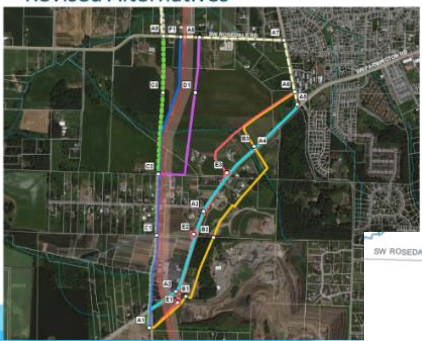
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PLM_5.0

\$7,755,506 decrease:

Revised Alternatives



Budget Changes Due to:

- Alignment change (avoids extensive seismic mitigation along Farmington Rd)
- Reduces pipeline length



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PLW_1.0

\$4,921,868 decrease:



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Budget Changes Due to:

- Alignment change in PLM_5.0
- Reduction in pipe size for TVWD turnout at 209th & Farmington (~ 4,000 ft)
- TVWD 209th & Farmington Chemical Feed Facility removed from budget

PLW_2.0

\$7,216,797 increase:

Beaverton Creek – Open Cut Resource Crossing

- Geotechnical and seismic constraints for depth
- Open cut constructability concerns; high groundwater, unstable soils, wetland resources
- Creek bypass limitations; short in-water work window
- Traffic control for construction and materials/equipment delivery
- Limited construction access
- Protection of existing facilities and utilities
- Vibration and noise sensitive neighbors
- New assisted living development



Rock Creek – Open Cut Resource Crossing

- Geotechnical and seismic constraints
- Open cut constructability concerns
- Wetlands surrounding pipe alignment
- Non-negotiable 50' easement
- Creek bypass limitations; short in-water work window
- Limited construction access
- Protection of existing facilities and utilities
- Increased safety considerations for public park
- Trenchless crossing under TriMet light rail tracks



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Budget Changes Due to:

- Dewatering and wet water work associated with pipe installation with two deep creek installations
- 400' of additional pipe due to minor alignment changes, including the indirect alignment through Orenco Woods Nature Park

Ancillary Projects Summary

	Current	Baseline 5.0	Change
WWSS Projects	\$ 910,565,495	\$ 941,551,612	\$ 30,986,117
Ancillary Projects	106,026,157	128,003,776	21,977,620
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WWSS Real Estate	50,441,611	52,689,691	2,248,080
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Total	\$ 1,264,978,414	\$ 1,286,973,840	\$ 21,995,426

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MPE_1.0

\$6,064,686 increase:

MPE_1.0 - OR217 Trenchless Crossings

Baseline Alignment

- 270 LF of Trenchless
- 1 Trenchless drive
- 1,900 LF of Open Cut

Re-Baseline Alignment

- 780 LF of Trenchless
- 3 Trenchless drives
- 1,300 LF of Open Cut
- Avoids remediation site
- Avoids constructability and traffic complexities on Cascade



Budget Changes Due to:

- Complexity associated with Hwy 217 crossings
- Addition of the Metzger Turnout for TVWD
- Complexity associated with the Beaverton-Hillsdale tie-in

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COB_1.0

\$15,804,280 increase:

- Nimbus to Beaverton-Hillsdale Hwy

Budget Changes Due to:

- The budget was added to the Baseline with an OPCC cost estimate

City of Beaverton 16" Pipeline Project

COB_1.0 Project Scope

- 16,780 LF of 16" DIP
- 29 Existing Main connections
- 18 Service connections
- 4 Trenchless crossings



System Wide Summary

	Current	Baseline 5.0	Change
WWSS Projects	\$ 910,565,495	\$ 941,551,612	\$ 30,986,117
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Real Estate Summary

	Current	Baseline 5.0	Change
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System Wide	156,316,106	151,275,899	(5,040,206)
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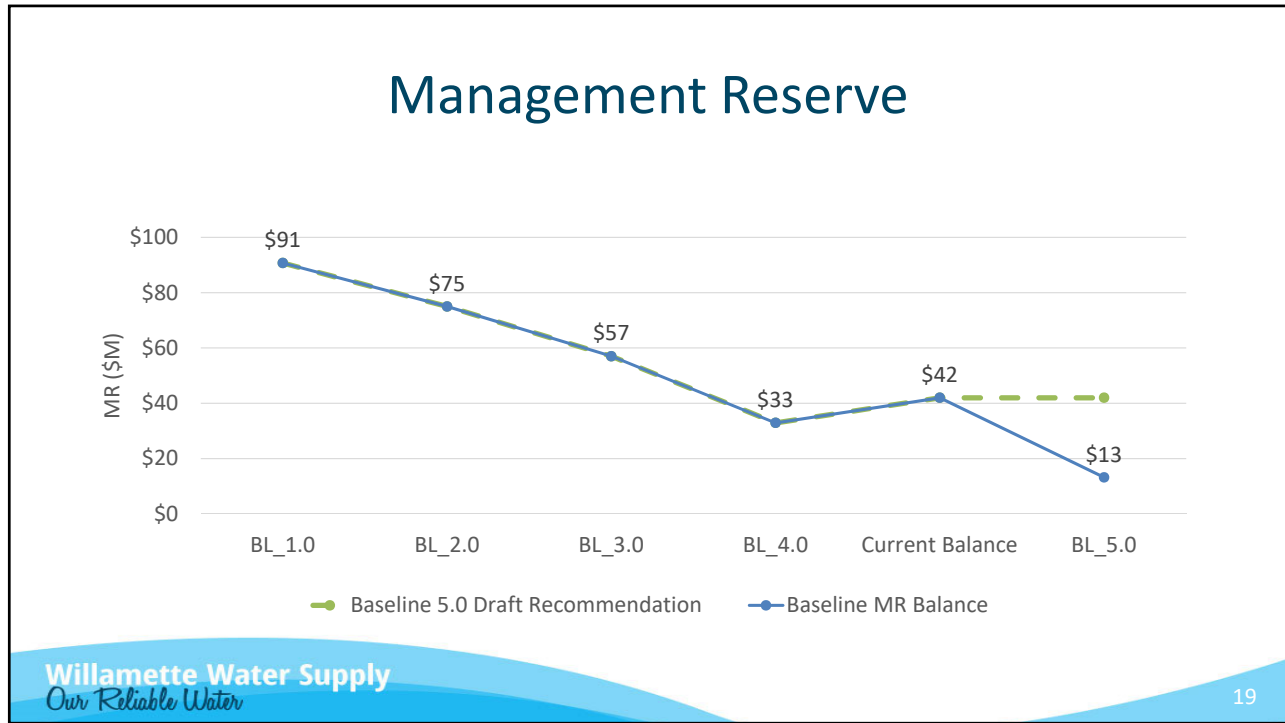
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Management Reserve Summary

	Current	Baseline 5.0	Change
WWSS Projects	\$ 910,565,495	\$ 941,551,612	\$ 30,986,117
Ancillary Projects	106,026,157	128,003,776	21,977,620
System Wide	156,316,106	151,275,899	(5,040,206)
WWSS Real Estate	50,441,611	52,689,691	2,248,080
WWSS Management Reserve	<u>41,629,045</u>	<u>* 13,452,861</u>	<u>(28,176,184)</u>
Total	\$ 1,264,978,414	\$ 1,286,973,840	\$ 21,995,426

*Does not include the WTP property sale @ \$4.25 million resulting in a revised MR balance of \$17.7 million

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BASELINE 5.0 FY 2020 – 21 BUDGET REQUEST

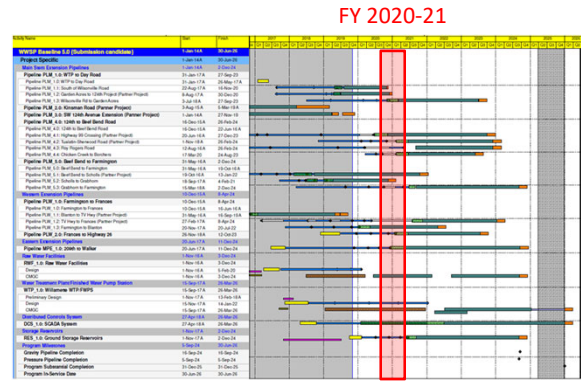
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Program Work Planned for FY 2020-21

- Implement
 - WWSS IGA
 - WIFIA compliance program
 - Safety program
 - Communications and outreach program
- Continue acquisitions
 - Real estate
 - Permits and land use approvals
- Progress design on 11 projects
- Advance 13 construction projects
- Plan
 - Water supply integration
 - Commissioning and start-up
 - Operations



FY 2020-21 Requested Budget

<u>Party</u>	FY 2020-21 Budget
Beaverton	\$ 7,661,764
Hillsboro	51,133,745
TVWD	62,987,588
WIF	3,894,698
Total	\$ 125,677,794

OUTLINE APPROACH FOR PROGRAM-LEVEL COST MANAGEMENT

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Current Status and Path Forward

- Hillsboro has indicated they cannot approve Baseline 5.0
 - Focus on WWSS WTP and Terminal Storage ownership as primary causes
- WWSS Management Committee (Tom, Niki, COB)
 - Define desired outcome
- WWSP Team
 - Investigate cost management at Program level
 - Adjust timing of construction projects
 - Defer PLW_2.0
 - Defer second RES_1.0 tank
 - Identify potential WTP_1.0 cost reductions
 - Evaluate financing strategies
 - Others

- Evaluate risks and consequences
- Define implementation requirements
- Enable informed decision-making

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WWSS WTP Opinion of Probable Construction Cost (OPCC) Progression

	Date	OPCC	
30% OPCC	March 2019	\$266 M	
30% OPCC (after Value Eng.)	May 2019	\$228 M	
30% OPCC (Baseline 5.0)	December 2019	\$235 M	
Mid-60% OPCC Draft	11/4/2019	\$307 M	} Δ = +\$33 M
Mid-60% OPCC Draft Update 1	11/22/2019	\$288 M	
Mid-60% OPCC Draft Update 2	12/11/2019	\$275 M	
Mid-60% OPCC Final	1/14/2020	\$268 M	

OPCC values in current dollars on the submittal date

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Current Status of WWSS WTP OPCC

- Validation of the OPCC Completed (WWSP and CDM Smith)
 - Scope and quantities (focus on concrete, piping, electrical)
 - Unit costs and labor rates
 - Build-up of general conditions and project contingency
 - Estimate of permitting costs
- Reviewing Sundt risk analysis
- Mid-60% OPCC progression has been logged

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Potential Opportunities for Cost Changes

Maintain Flexibility to Reduce and Defer WWSS Costs

- Identify WTP_1.0 elements that can be bid as “add alternates” (constructed or deleted based on bids)
- Preserve option to defer construction of one of the RES_1.0 terminal storage reservoirs
- Preserve option to delay construction of PLW_2.0

Enables continuing Program-level cost management

Reduce WWSS Estimated Cost

- Redesign the WTP_1.0 to a new budget target

Not reversible by 2026

WWSP Evaluating Opportunities to Enable Informed Decision-making by the WWSS Board

Cost, Cashflow, & Finance	Level of Service	Communications & Commitments	Permitting	Schedule
<ul style="list-style-type: none"> • How does the opportunity impact the Program cost and financing? <ul style="list-style-type: none"> ○ Capital costs (annual and total Program) ○ Operational costs (types, increases or decreases) ○ Funding (WIFIA funding impacts) ○ Cost distribution (impacts characterized by partner) 	<ul style="list-style-type: none"> • How does the opportunity impact the Program LOS goals? <ul style="list-style-type: none"> ○ Public health protection (finished water quality) ○ Reliability (emergency response, raw water quality) ○ Capacity (allowance or 72-mgd re-rate, 60-mgd base capacity) 	<ul style="list-style-type: none"> • How does the opportunity change public narrative? 	<ul style="list-style-type: none"> • Does the opportunity require modifications to existing permits or new permits? 	<ul style="list-style-type: none"> • Does the opportunity modify the schedule or completion of the Program by June 30, 2026?

All WWSS Partners Need to Agree on Cost Control Opportunities Recommended to the Board

- Cost impacts
 - design/other contract amendments
 - annual spend
 - projected operational cost impacts
 - capital project escalation
 - distribution among partners
- Accept any impacts partner funding plans
- Program changes
 - capacity, level of service, in-service date
- Communications plan to the public and any affected entities is supported and consistent
- Permitting impacts do not affect Program in any unacceptable ways

Recommended Strategy

- WWSP to identify and evaluate potential opportunities
- WWSS Management Committee to agree on recommended opportunities
- Finish in time to respond to Partner budget schedules
 - WWSS MC to select opportunities at its February 20, 2020 meeting
- Anticipate WWSS Board make contingent approval of Baseline 5.1
 - Contingency: Board to require preservation and implementation of recommended opportunities in the future if necessary to meet defined financial constraints
 - Enables timely approval of budget for next fiscal year (which is below the budget in the approved Baseline 4.1)

QUESTIONS

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