



HILLSBORO/FOREST GROVE/BEAVERTON/  
TUALATIN VALLEY WATER DISTRICT  
JOINT WATER COMMISSION (JWC)  
**PRELIMINARY AGENDA**

**General Manager**

Kevin Hanway  
150 E. Main Street  
Hillsboro, OR 97123  
503-615-6585

**Board of Commissioners**

*City of Hillsboro*

John Godsey  
John Rosenberger  
David Judah

*City of Forest Grove*

Rod Fuiten  
Carl Heisler  
Victoria Lowe

*City of Beaverton*

Denny Doyle  
Marc San Soucie  
Mark Fagin

*Tualatin Valley Water District*

Dick Schmidt  
Jim Doane  
Mark Knudson

**City of Hillsboro**

Civic Center  
150 East Main St., **Room 113B**

**October 9, 2015**

12:30 p.m.  
Regular Meeting

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Assistive Listening Devices (ALD) and sign language interpreters are available, at no cost, and can be scheduled for this meeting. Please provide at least 72 hours notice prior to the meeting. To obtain these services, call (503) 681-6100 or TTY (503) 681-6284.

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**ALL TESTIMONY IS ELECTRONICALLY RECORDED.**

The Commission lunches at 12:00 p.m.

**CALL TO ORDER**

Introductions.

- 1. **CONSENT AGENDA** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)

- A. Approve regular meeting minutes from Friday, July 10, 2015.

- 2. **COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. None scheduled

- 3. **UNFINISHED BUSINESS**

- A. None scheduled.

- 4. **NEW BUSINESS**

- A. Consider authorizing Executive Committee to meet for purposes of considering approval of stored water leases. *Staff Report – Kevin Hanway*

- 5. **DISCUSSION ITEMS** (These items may result in action by the Commission.)

- A. Water Management Reports. *Staff Report – Kristel Fesler*



1. Stored Water Supply Status.
  2. Update on 2015 peak season WTP production and leasing.
  3. Progress Report – Water Management and Conservation Plan
- B. Plans for alternative project delivery on water treatment plant expansion and facility plan project. *Staff Report – Tyler Wubbena and Erika Murphy*
- C. General Manager’s Report. *Staff Report – Kevin Hanway*

**6. ADVICE/INFORMATION ITEMS**

- A. The next JWC and BRJOC meetings are scheduled on Friday, January 8, 2016 at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

HILLSBORO/FOREST GROVE/BEAVERTON  
TUALATIN VALLEY WATER DISTRICT  
JOINT WATER COMMISSION (JWC)

**MINUTES**

**TVWD** July 10, 2015  
Boardroom 12:30 p.m.  
1850 SW 170<sup>th</sup> Ave. Regular Meeting

\*\*\*\*\*

**Commissioners Present:**

Hillsboro: John Godsey, John Rosenberger and Dave Judah  
Forest Grove: Victoria Lowe, Carl Heisler and Rod Fuiten  
Beaverton: Marc San Soucie and Mark Fagin  
Tualatin Valley Water District: Jim Doane, Dick Schmidt and Mark Knudson

**Staff Present:**

Hillsboro: Kevin Hanway, Rob Dixon, Chris Wilson, Tacy Steele, Sophia Hobet, Erika Murphy, Niki Iverson, Tyler Wubbena, Jessica Dorsey, Chuck Kingston and Tonya Bilderbeck  
Beaverton: David Winship  
Forest Grove: Derek Robbins, Rob Foster and Rich Blackman

**Others Present:** Clark Balfour – Attorney

\*\*\*\*\*

The Commission lunches at 12:00 p.m. Call to order at 12:32 p.m.

**CALL TO ORDER**

Introductions.

1. **CONSENT AGENDA** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)
  - A. Approve regular meeting minutes from Friday, April 10, 2015.
  - B. Approve Executive Committee meeting minutes from Thursday, June 18, 2015.
  - C. Approve award of contract for JWC Laboratory Services. *Staff Report – Jessica Dorsey*
  - D. Approve award of contract for JWC Chemical Contract. *Staff Report – Sophia Hobet*
  - E. Approve allocation of wholesale rate revenue. *Staff Report – Mellisa Franklin*
  - F. Consider approval of the Audit Arrangement letter and consider the required communications under Statement on Auditing Standards 114.

Motion by Doane, seconded by Fuiten, to approve the Consent Agenda as presented. Motion carried unanimously with Commissioners Godsey, Rosenberger, Judah, Lowe, Fuiten, Heisler, San Soucie, Fagin, Doane, Schmidt and Knudson all voting in favor.

**2. COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. Chuck Kingston Retirement.

Hanway recognized Chuck Kingston, Assistant Water Manager for his 27 years of service, and highlighted Kingston's career achievements.

**3. UNFINISHED BUSINESS**

- A. None scheduled.

**4. NEW BUSINESS**

- A. Consider adoption of Managing Agency Purchasing Rules. *Staff Report – Kevin Hanway*

Hanway said Hillsboro recently adopted a comprehensive update of its rules, including increases in contract signature authority. Staff request the Commission adopt a resolution approving the Managing Agency (Hillsboro) to continue to operate under its purchasing and contracting rules.

Motion by Doane, seconded by San Soucie, to approve Resolution 125-J, adopting the Managing Agencies purchasing and contracting rules, as presented. Motion carried unanimously with Commissioners Godsey, Rosenberger, Judah, Lowe, Fuiten, Heisler, San Soucie, Fagin, Doane, Schmidt and Knudson all voting in favor.

- B. Consider issuing notice of intent to expand Water Treatment Plant. *Staff Report – Kevin Hanway*

Hanway reported the notice of intent to expand the Water Treatment Plant is the first step in starting the Capital Improvements Projects. He said the commission is required to notify each partner they have the opportunity to participate in the expansion project, and must respond within 90 days if they want to participate in the expansion.

Motion by Schmidt, seconded by Lowe, to authorize the General Manager to notify the partners of the intent to expand the water treatment plant by 10 million gallons per day, as presented. Motion carried unanimously with Commissioners Godsey, Rosenberger, Judah, Lowe, Fuiten, Heisler, San Soucie, Fagin, Doane, Schmidt and Knudson all voting in favor.

- C. Consider approval of leases for stored water and water treatment plant capacity. *Staff Report – Kevin Hanway*

Hanway reported capacity situations required quick action due to the weather and supply conditions. He said it is fortunate the season started with both reservoirs at full pool, as this

summer's temperatures have been much higher than expected. TVWD's supply from other sources is being exhausted quicker than expected.

Hanway said through JWC's standard partnership leasing arrangements, Beaverton and Forest Grove each made available for lease 2,000 acre feet of excess stored water capacity (4,000 acre feet total) and 4 mgd (8 mgd total) of excess water treatment plant capacity. TVWD and Hillsboro received approval to lease a portion of that excess capacity for the current year, in the amounts shown below. In addition, the Commission authorized the leasing of treatment plant capacity on an "interruptible" basis. Interruptible leased water is subject to reduction first in the event of any restrictions on availability of treated water.

TVWD:

Stored Water: 1,000 acre feet  
Treatment Plant Capacity – Firm: 2 mgd  
Treatment Plant Capacity – Interruptible: 1 mgd

Hillsboro:

Stored Water: 500 acre feet  
Treatment Plant Capacity – Interruptible: 1 mgd

Total lease revenue is \$224,246, to be allocated in equal shares to Beaverton and Forest Grove. Additional revenue will be recognized and distributed at the end of the release season, when the value of the interruptible treatment plant capacity will be calculated.

Partner staffs will meet monthly to monitor the ongoing availability of stored water and treatment plant capacity. Reports from those meetings will be provided to the Commission.

Balfour reviewed Resolution 126-J and said the exhibit tracts allocation of water and pricing.

Motion by San Soucie, seconded by Lowe, to adopt Resolution 126-J authorizing the Commission to enter into leases for interruptible water treatment plant capacity, approve lease to Hillsboro of 500 acre feet of stored water and 1 mgd of WTP capacity, all of which is designated as interruptible, approve lease to TVWD of 1,000 acre feet of stored water and 3 mgd of WTP capacity, of which 1 mgd is designated as interruptible, approve the leases to begin effective immediately, with leases for interruptible treatment plant capacity extending through September 30, 2015, and all other leases extending through February 29, 2016 and to authorize the Executive Committee to meet to consider and approve additional lease requests, as presented. Motion carried unanimously with Commissioners Godsey, Rosenberger, Judah, Lowe, Fuiten, Heisler, San Soucie, Fagin, Doane, Schmidt and Knudson all voting in favor.

1. Stored Water Status and outlook. *Staff Report – Niki Iverson*

Iverson updated the commission on stored water capacity and reviewed how staff is handling capacity in general. She said Hagg Lake is at 78% full as of July 6, 2015. Staff had been given notice that the JWC may be regulated off of the older water rights, however, the Water Master rescinded the regulation last week. She said staff is working closely with the Water Master.

Iverson stated she will be sending out curtailment plans to JWC staff. She said there is a JWC curtailment plan, as well as individual partner plans; it is up to each agency to decide what level of curtailment they implement depending on their agency's supply source conditions.

She reviewed graphs tracking stored water, stating the graphs do not include any lease amounts. She also reviewed projected demand graphs, stating JWC is up 28% in demand in June from August last year.

Iverson said staff will begin working on conservation messaging next week for the Fair event.

**5. DISCUSSION ITEMS** (These items may result in action by the Commission.)

A. Project Updates.

1. Standby Power Project. *Staff Report – Erika Murphy*

Murphy reviewed WTP roof project and said the bids received all came in under the engineer's estimate. She reviewed the current back-up power facility construction, and said the wall pours started last week and should be finished by next week.

Murphy reviewed the project schedule, stating the contractor is on schedule and final completion of the project is expected by March 9, 2016.

B. General Manager's Report. *Staff Report – Kevin Hanway*

None presented.

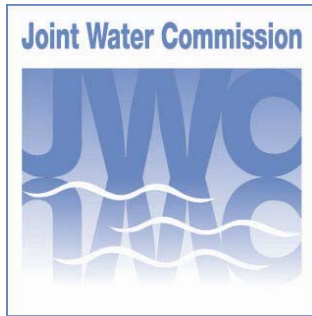
**6. ADVICE/INFORMATION ITEMS**

A. The next JWC and BRJOC meetings are scheduled on Friday, October 10, 2015 at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

There being no further business to come before the Commission, the meeting adjourned at 2:05 p.m.

Chairman \_\_\_\_\_  
Hillsboro/Forest Grove/ Beaverton/  
TVWD Joint Water Commission

ATTEST: \_\_\_\_\_  
Secretary



## STAFF REPORT

To: Joint Water Commission

From: Kevin Hanway, General Manager

Date: September 28, 2015

Subject: Agenda Item 4A: Consider authorizing Executive Committee to meet for purposes of considering approval of stored water leases

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### **Staff Recommendation:**

**Authorize the Executive Committee to meet to consider and approve additional lease requests.**

### **Cost:**

Stored Water lease cost: \$42,355 per acre foot

### **Attachments:**

2015 Lease Revenue and Expenditure Summary

## **Background**

### **Stored water leases**

The Commission, at its July meeting, approved leases of stored water by both TVWD and Hillsboro. Both agencies still have more than 20% of their adjusted stored water accounts remaining as of September 27. Both agencies project that their remaining stored water accounts will be sufficient to satisfy their water supply needs through the end of the stored water release season, and neither has requested to lease additional stored water.

However, depending on weather and flow conditions, there is the potential that one or both agencies may need to lease additional stored water this season after the October Commission meeting. Staff recommends that the Commission prepare for that potential by

**Agenda Item 4A: Consider authorizing Executive Committee to meet for purposes of considering approval of stored water leases**

authorizing the Executive Committee to meet for the purpose of considering approval of stored water leases.

**Water treatment plant capacity leases**

TVWD and Hillsboro also both leased additional water treatment plant capacity. Some of that capacity was designated as “interruptible.” The term for these leases extended only through September 30, 2015, unlike other leases under the JWC IGA which extend through February 29, 2016. There was concern that there could be days on which combined total partner demands could exceed the production capabilities of the water treatment plant. In such an event, the capacity that would normally be made available to those two partners under the interruptible leases would instead be cut off; only after that reduction had been made would additional reductions in capacity be applied to all four partners.

The Interruptible leases also included a potential reduction in the cost for the lease. Under the JWC IGA, the value for lease of water treatment plant capacity is calculated at \$48,590 per mgd. For interruptible capacity the Commission approved establishment of a formula that would reduce the cost based on the number of days during the peak season that insufficient treatment plant production capacity resulted in the triggering of interruptible provisions. There were no days this season when demands exceeded available treatment plant capacity. That means that the interruptible lease capacity will be charged at full lease value. The attached schedule shows the final payments and receipts by partner.

No Commission action is needed as to the water treatment plant capacity leases.



**FY 2015-2016  
LEASE PAYMENTS**

TVWD						
Asset Leased	Own	Qty requested	Quantity leased	Unit of measure	Price per unit	Extended
Stored Water	5,789	1,000	1,000	Acre Feet	\$ 84.71	84,710
WTP (Firm)	12.50	2.00	2.00	MGD	48,590	97,181
WTP (Interruptible)	-	1.00	1.00	MGD	48,590	48,590
<b>Total</b>					TVWD Expense	<b>230,481</b>

HILLSBORO						
Asset Leased	Own	Qty requested	Quantity leased	Unit of measure	Price per unit	Extended
Stored Water	10,127	500	500	Acre Feet	\$ 84.71	42,355
WTP (Firm)	33.75	-	-	MGD	48,590	-
WTP (Interruptible)	-	1.00	1.00	MGD	48,590	48,590
<b>Total</b>					Hillsboro Expense	<b>90,945</b>

Total Payments 321,426

**LEASE RECEIPTS**

BEAVERTON						
Asset Leased	Own	Avail Lease	Qty Leased	Unit of measure	Price per unit	Extended
Stored Water	4,914	2,000	750	Acre Feet	\$ 84.71	63,533
WTP (Firm)	18.75	4.00	1.00	MGD	48,590	48,590
WTP (Interruptible)			1.00	MGD	48,590	48,590
<b>Total</b>						<b>160,713</b>

FOREST GROVE						
Asset Leased	Own	Avail Lease	Qty Leased	Unit of measure	Price per unit	Extended
Stored Water	7,556	2,000	750	Acre Feet	\$ 84.71	63,533
WTP (Firm)	10.00	4.00	1.00	MGD	48,590	48,590
WTP (Interruptible)			1.00	MGD	48,590	48,590
<b>Total</b>						<b>160,713</b>

Total Receipts 321,426



## **STAFF REPORT**

To: Joint Water Commission

From: Kristel Fesler, Water Resources Program Coordinator

Date: September 28, 2015

Subject: Agenda Item 5A: Water Management Reports

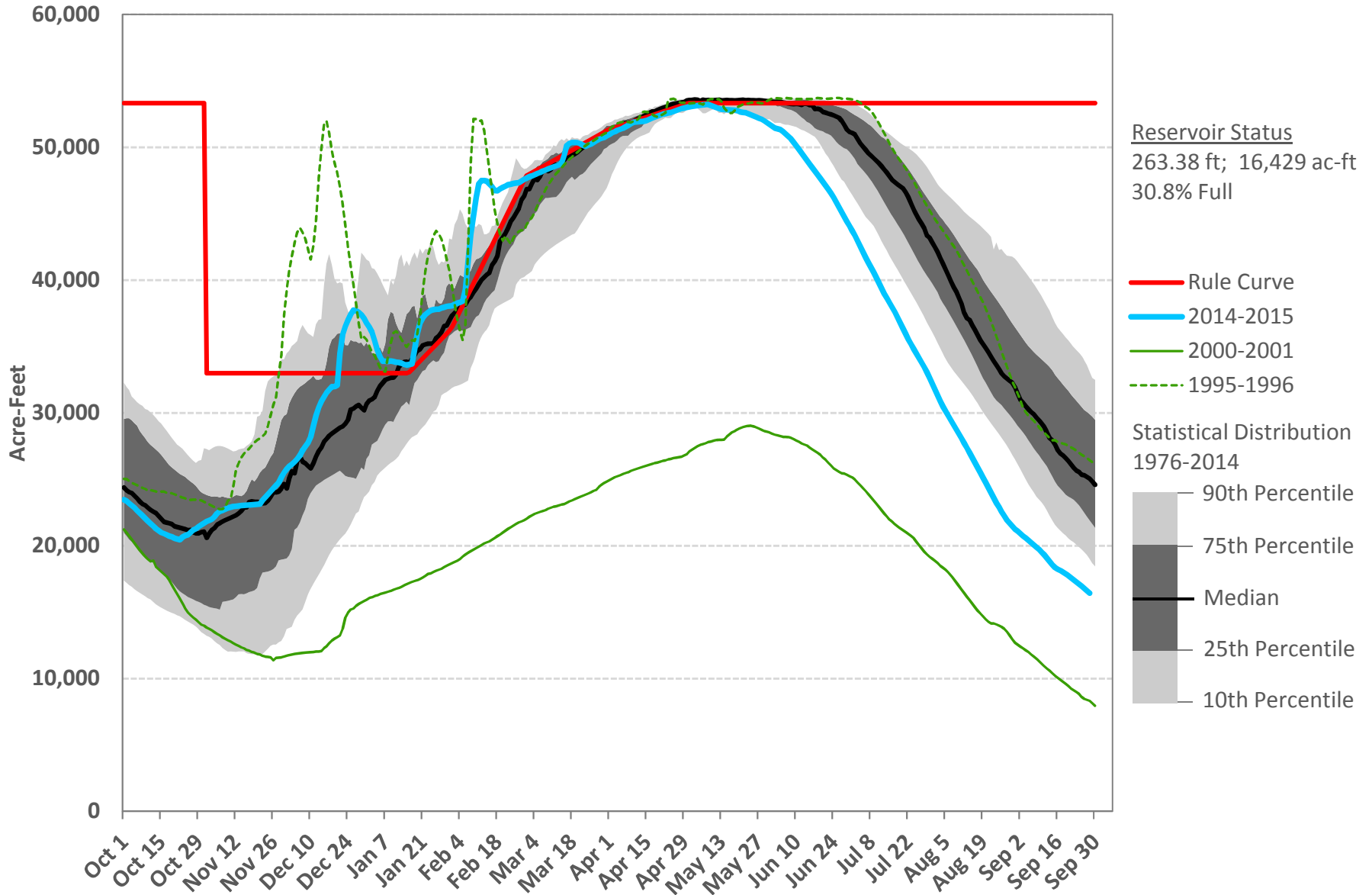
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Attached are five documents containing information on JWC's water supply status and demands:

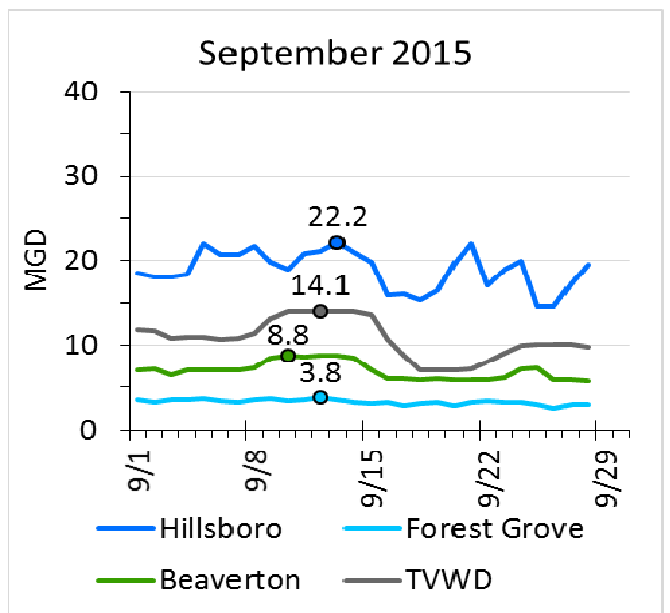
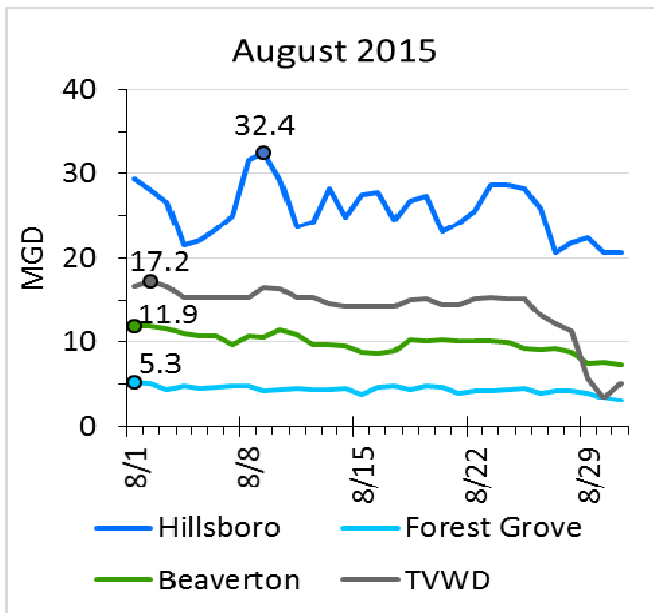
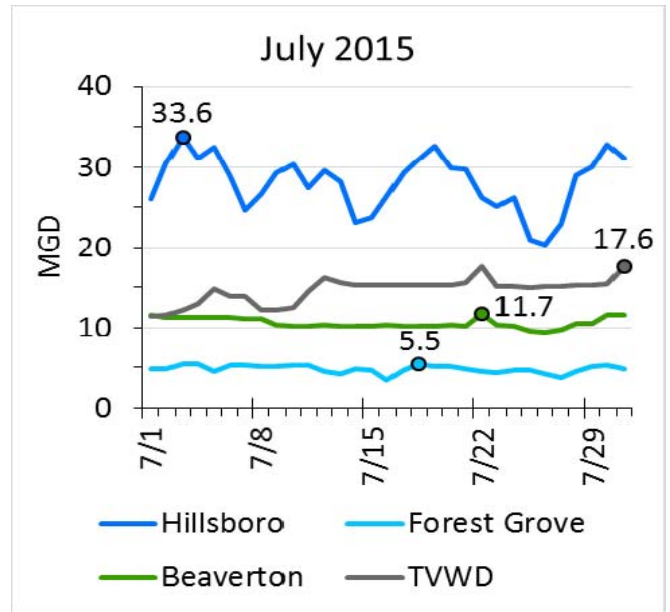
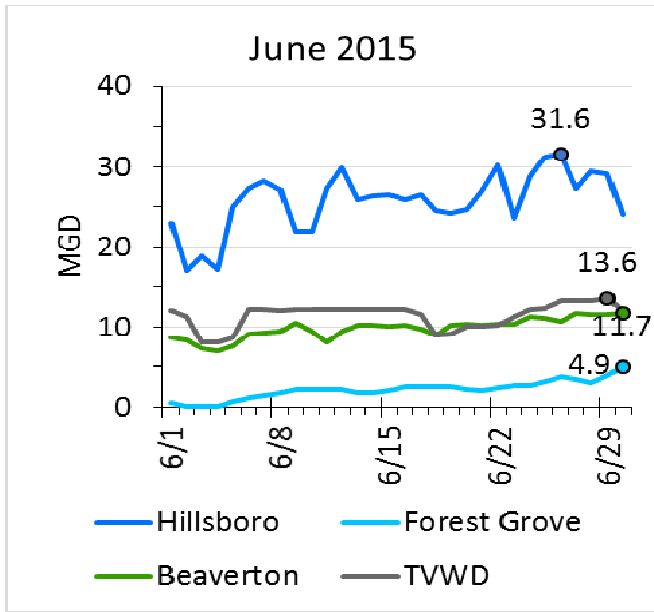
- Scoggins Reservoir storage graph
- Partner daily demands June through September 2015
- WTP daily production June through September 2015
- Wholesale customer daily demands June through September 2015
- Stored water summary report through September 27, 2015

### Scoggins Reservoir Storage

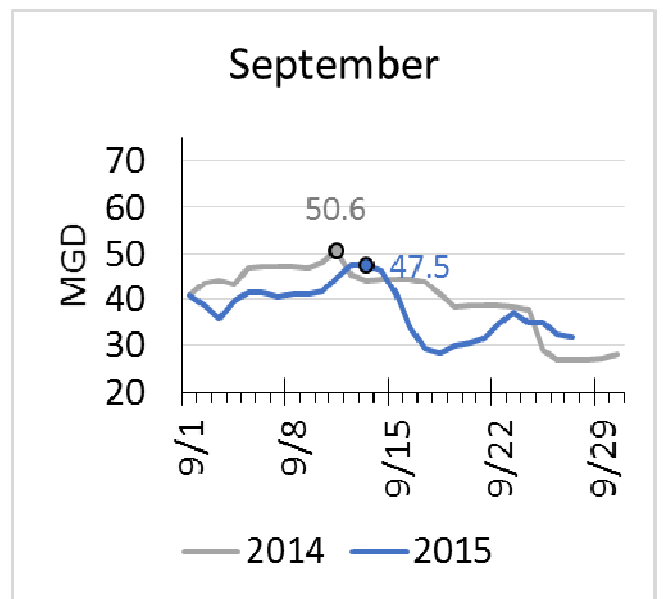
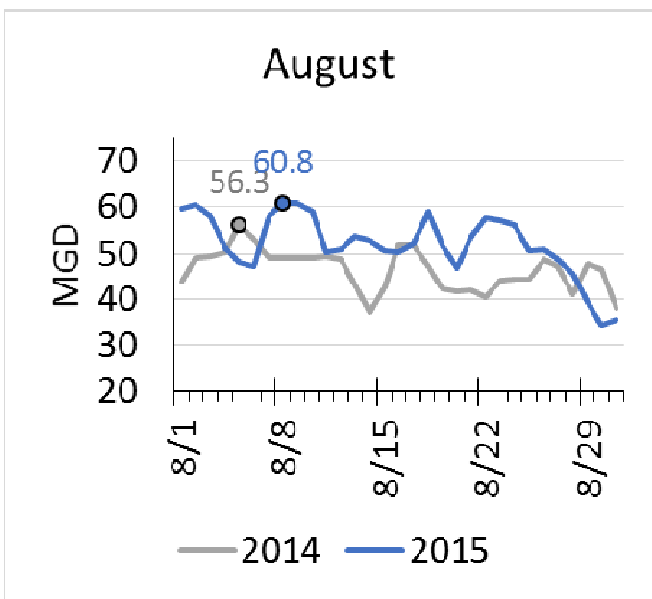
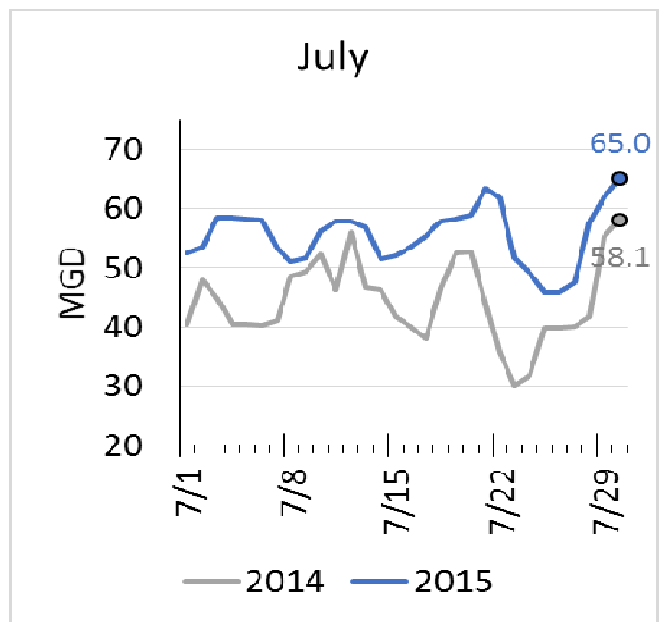
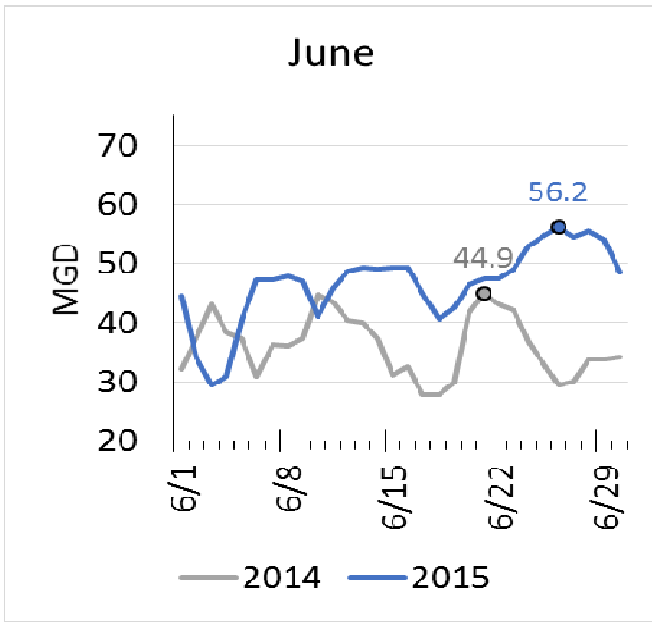
Water Years 1976-2015 (as of Sept. 28, 2015)



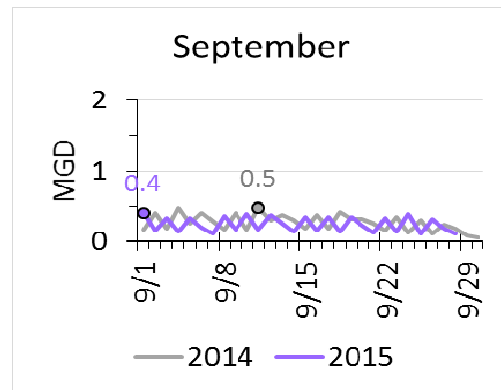
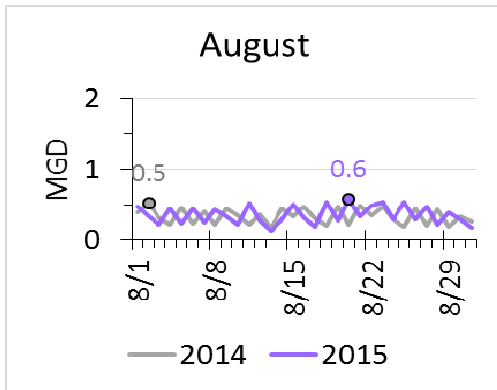
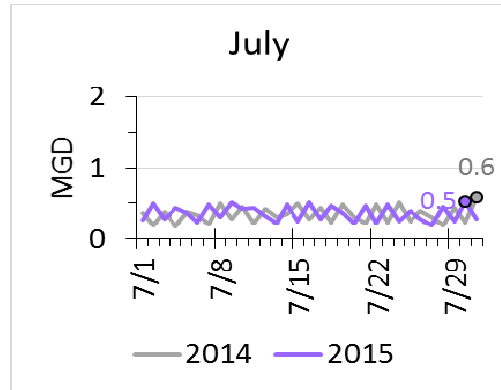
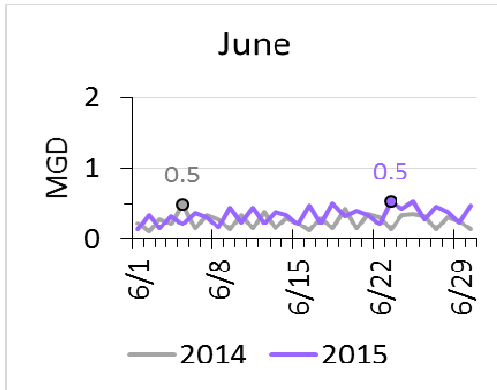
## JWC Partner Daily Demands (w/ Wholesale Customers)



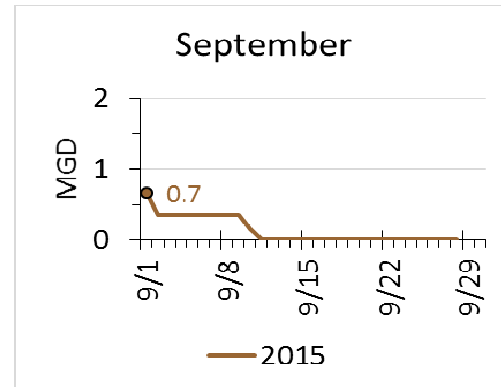
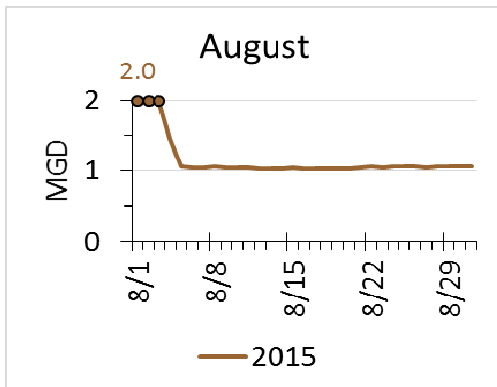
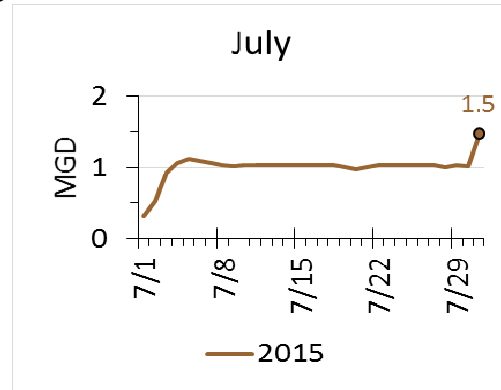
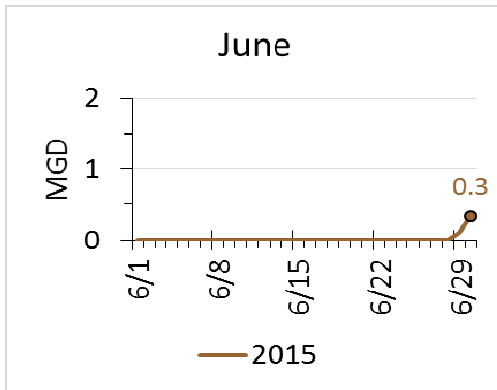
# JWC WTP Daily Production



## JWC Wholesale Customer Daily Demands North Plains



## Tigard

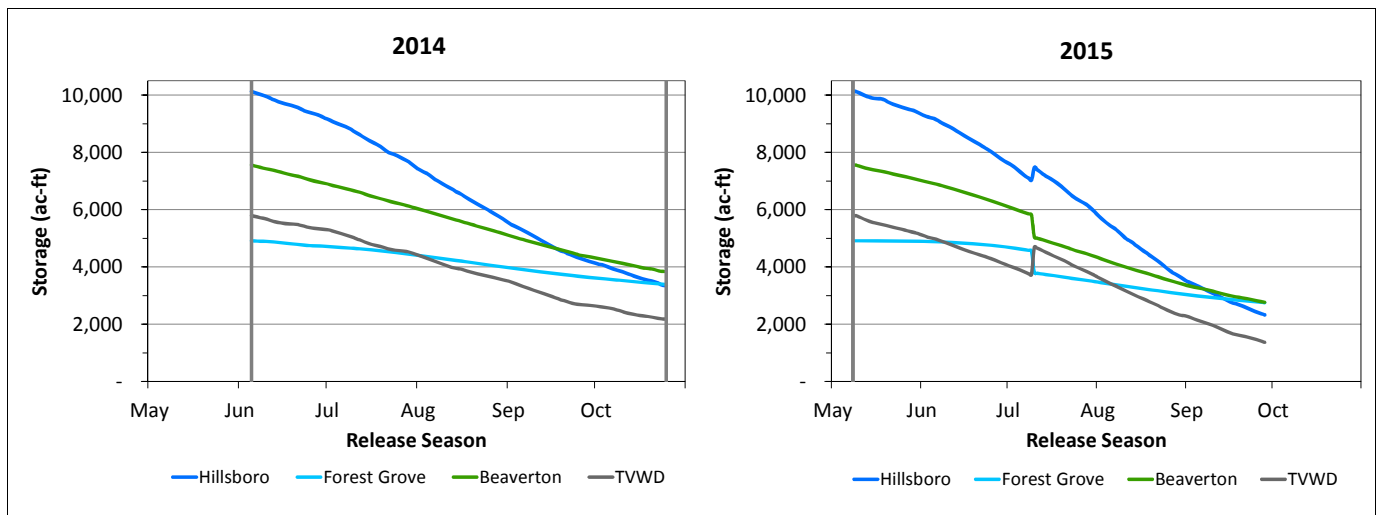


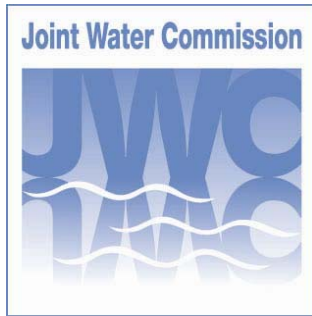
Note: Tigard did not purchase water from JWC in 2014.

**JOINT WATER COMMISSION**  
**Stored Water Summary Report**  
**Year to Date as of September 27, 2015**

	Season Beginning Storage			YTD Releases (began 5/8/2015)			Storage Remaining *			
	Scoggins (ac-ft)	Barney (ac-ft)	Total (ac-ft)	Scoggins (ac-ft)	Barney (ac-ft)	Total (ac-ft)	Scoggins (ac-ft)	Barney (ac-ft)	Total (ac-ft)	(%)
Hillsboro	5,000	5,127	<b>10,127</b>	4,608	3,696	<b>8,304</b>	892	1,432	<b>2,324</b>	<b>23%</b>
Forest Grove	4,500	414	<b>4,914</b>	1,382	33	<b>1,415</b>	2,368	381	<b>2,749</b>	<b>56%</b>
Beaverton	4,000	3,556	<b>7,556</b>	2,384	1,659	<b>4,042</b>	866	1,897	<b>2,764</b>	<b>37%</b>
TVWD	-	5,789	<b>5,789</b>	615	4,808	<b>5,423</b>	385	981	<b>1,366</b>	<b>24%</b>
<b>Total</b>	<b>13,500</b>	<b>14,886</b>	<b>28,386</b>	<b>8,989</b>	<b>10,195</b>	<b>19,184</b>	<b>4,511</b>	<b>4,691</b>	<b>9,202</b>	<b>32%</b>
							<b>33%</b>	<b>32%</b>		

\* Storage Remaining reflects leased amounts effective 7/10/2015. Hillsboro and TVWD leased storage in Scoggins from Forest Grove and Beaverton.





## STAFF REPORT

**Date:** October 9, 2015

**To:** Joint Water Commission

**From:** Tacy Steele, JWC Staff

**Re:** Agenda Item 5A: Water Management and Conservation Plan (WMCP) Progress Report 2015 (Discussion Item)

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The Joint Water Commission (JWC) has completed its WMCP Progress Report (Report) for 2015. It is currently available for public review and comment until October 15, 2015. After reviewing comments, the Oregon Water Resources Department (OWRD) can request additional information, or approve the Report as submitted. The Report should receive final approval before the next JWC meeting in January 2016. JWC staff will provide a more detailed presentation of the Report after final approval by OWRD.

The purpose of WMCP Progress Report is to document the JWC's progressive and comprehensive water management and conservation efforts in recent years, and to comply with water right permit conditions. OWRD uses progress reports to determine whether five-year water management and conservation benchmarks established in the JWC's 2010 WMCP are being met, whether it will authorize additional diversion of water under extended permits, and/or if schedule changes proposed in updated plans are reasonable and appropriate.

The Progress Report did not set new goals, but provides reassurance to the State that progress is being made to complete 2010 water management and conservation benchmarks by 2020. The Report shows that the JWC continues to make significant improvements in water system management and water conservation efforts. Another WMCP will be required in 2020, in order to set new water management and conservation goals for the future.

As a reminder, the 2010 WMCP described the JWC's and member agencies' current and projected future water use, conservation efforts and curtailment planning, and strategies for meeting future water supply needs. The JWC's WMCP was approved by OWRD in September 2010, and has been touted by OWRD as a model of regional water supply coordination.





## STAFF REPORT

To: Joint Water Commission

From: Tyler Wubbena, Engineering Manager  
Erika Murphy, Project Manager

Date: September 28, 2015

Subject: Agenda Item 5B: Plans for alternative project delivery on water treatment plant expansion and facility plan project

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JWC's FY 2015-16 capital projects budget includes the commencement of preliminary design work for capacity upgrades, expansion, and seismic improvements at the water treatment plant, along with a facility plan for future replacement of most of the existing WTP facilities to address seismic resilience needs. The project is scheduled for completion in 2019. The request for proposals for professional engineering services for this work has been issued. Looking ahead to the project's construction phase, the Operations Committee has reviewed and approved the staff recommendation that JWC utilize an alternative project delivery method [Construction Manager/General Contractor (CM/GC)] to deliver the improvements. Staff will provide information about this approach in a presentation at the October Commission meeting. This memo provides some introductory information for that presentation.

The top priority for the JWC partners on this project is to prevent extended interruptions of treatment plant operations throughout the construction phase. The project will include modifications to several key facilities throughout the plant, posing significant challenges to keeping the plant in operation. In addition, there is strong interest in quickly removing the restrictions that limit the plant's current ability to achieve its full rated production capacity, and the partners participating in the expansion portion of the project would benefit from quick completion of the expansion. Utilizing an alternative delivery process to involve the construction contractor in the facility planning and design phase could address both of those needs, and may also produce cost savings.

**Design-Bid-Build:** Public Agencies typically employ design-bid-build (D-B-B) to deliver public improvement projects. Under this approach, projects follow a sequential progression, beginning with preliminary design and design prepared by the engineering team without contractor involvement, then advertising for contractor bids, and finally awarding a contract for

## **Agenda Item 5B: Plans for alternative project delivery on water treatment plant expansion and facility plan project**

construction. Staff anticipates that following the standard D-B-B approach would result in completion of construction in 2020.

**Design-Build (D-B):** The D-B alternative delivery method presents significant opportunities for cost and schedule savings. JWC would work with an engineering consultant to identify a detailed set of performance specifications that would have to be met by an expanded water treatment plant. Those specifications would be the basis for a competitive solicitation of D-B proposals, in which teams of engineers and contractors would submit design and cost proposals. The selected team would then be responsible for designing and building a facility, at a fixed or maximum price, that would meet the specifications. The Operations Committee did not select this approach. The Operations Committee concluded that, as owner, JWC needs greater control over the design and construction decisions than could be achieved through the D-B process. To achieve the full benefits of a D-B arrangement the D-B contractor needs extensive flexibility to determine the design and construction methods. A D-B arrangement is also better suited for new facility construction.

**Construction Manager / General Contractor (CM/GC):** CM/GC was determined by the Operations Committee to be a good fit for the WTP project. CM/GC augments the traditional scope of work of the general contractor with that of a construction manager under a single contract with the owner. For this project, Staff is preparing to recommend award of a contract for engineering services at the January Commission meeting. After that firm has begun the design phase JWC would select a contractor, through a separate competitive qualifications-based process, to provide construction management and general contracting services. By joining the project team during design, the CM/GC firm can collaborate with the design engineer on the development of the design and the design documents and specifications.

Once the design has progressed to an acceptable level, JWC would negotiate with the CM/GC firm negotiates for a guaranteed maximum price (GMP) for the construction project. The contract typically includes incentives through shared cost savings. General conditions work is typically self-performed by the CM/GC firm and, in some cases, the CM/GC firm may be allowed to self-perform portions of the trade work. The CM/GC firm procures subcontracts with trade contractors using multiple bid packages to construct the project, and manages the construction process on behalf of the owner.

The CM/GC contracting method can benefit a construction project in a variety of ways:

- The process of selecting a CM/GC firm typically involves consideration of more information than simply price. Owners can craft their own responsibility-based selection criteria tailored to the specific requirements of the project.
- Early interaction between the design engineer and CM/GC firm allows for improving constructability, conducting value engineering reviews, and developing precise phasing plans to efficiently perform the work and limit disruption of ongoing water treatment plant operations. This will be an especially critical element on this project. Involving the

## **Agenda Item 5B: Plans for alternative project delivery on water treatment plant expansion and facility plan project**

contractor in the plans and design for modifications to critical WTP facilities will help assure that extended plant shutdowns can be avoided.

- Opportunities for costs saving result from the early input of the CM/GC firm's construction knowledge and project management skills.
- Total project time is often reduced as a result of the ability to overlap the design and construction phases, the elimination of a stand-alone bid period, and early determination of efficient and effective construction methods.
- Early involvement of the CM/GC firm also helps build positive relationships between the team members that result in a collaborative, team approach to challenging projects.

### **Applicability:**

The JWC Operations Committee views the challenges of expanding an operating WTP as providing an opportunity for achieving real value by including a CM/GC contractor in the design phase as well as during construction. It is anticipated that having a contractor involved in planning for design and construction sequencing could allow the JWC to achieve a return to 75 MGD capacity sooner. The 85 MGD expansion construction activities will also require a contractor who can work with the project engineer on construction phasing and sequencing to schedule work around the low demand seasons when portions of the plant may have to be shut down to facilitate construction.

JWC also has experience with the CM/GC approach, having utilized it ten years ago for the second Fernhill Reservoir project.