

Metropolitan Wastewater Management Commission



partners in wastewater management

MWMC MEETING

Friday, April 8, 2011 @ 7:30 a.m.
City of Springfield
Library Meeting Room

MINUTES

I. ROLL CALL

Vice-President Walt Meyer opened the meeting at 7:30 a.m. Roll call was taken by Kevin Kraaz and introductions were given around the room.

COMMISSIONERS:

PRESENT

Jay Bozievich
George Brown
Bill Inge
Hilary Loud
Walt Meyer
Marilee Woodrow

ABSENT

Doug Keeler

STAFF IN ATTENDANCE:

Meg Allocco
Ron Bittler
Dave Breitenstein
Deanna Buckem
Michelle Cahill
Judy Castleman

Rachael Chilton
Chuck Gottfried
Bill Hamann
John Huberd
K.C. Huffman, Attorney
Dave Jewett, Attorney

Kevin Kraaz
Barry Mays
Troy McAllister
Josh Newman
Ed Pabor

II. CONSENT CALENDAR

a. MWMC 3-11-2010 Meeting Minutes

MOTION: IT WAS MOVED BY COMMISSIONER LOUD TO APPROVE THE CONSENT CALENDAR. THE MOTION WAS SECONDED BY COMMISSIONER BROWN. THE MOTION PASSED UNANIMOUSLY 5/0.

III. PUBLIC COMMENT

There was no public comment.

IV. PROPOSED FY 11-12 REGIONAL WASTEWATER USER RATES, PUBLIC HEARING AND ADOPTION

Staff Presentation: Ron Bittler, the MWMC General Manager, made the staff presentation. He stated that at the March 11 meeting, staff presented three multi-year user rate scenarios ranging from 4% to 8%. During the discussion at that meeting, the Commissioners made it very clear to staff to go with the lowest possible rate. Mr. Bittler said the budget was prepared with the lowest possible rate of 4%. He asked if the Commissioners had any questions or comments. There was none.

Mr. Bittler said he had a couple of items he wanted to follow-up on from the last meeting (in regards to the budget and user rates). He said there had been a question about the union contract on the City of Springfield's side of the budget. He reported that the contract is effective July 1, 2010, through June 30, 2013. He continued by saying the first year impact of the contract is the implementation of the Compensation and Class Study that Springfield adopted; on July 3, 2011, there will be a 1.5% wage increase for the employees. In the third year of the contract, all wage rates will be increased by the Portland/Salem CPI-U (Consumer Price Index for All Urban Consumers), minimum 1.5% with a maximum 3%. Mr. Bittler noted there was also a question about interest income in User Rate Scenario C. Mr. Bittler checked with Mr. Schuck, who prepared the scenarios, and reported there would be about \$160,000 generated from the 1% interest rate.

Public Hearing: Vice-President Walt Meyer opened the public hearing for the proposed FY 11-12 Regional Wastewater User Rates. There were no members of the public requesting to speak. Vice-President Walt Meyer closed the public hearing.

Discussion and Consideration of Adoption of Resolution 11-01:

MOTION: COMMISSIONER BOZIEVICH MOVED TO ADOPT RESOLUTION 11-01 IN THE MATTER OF THE FY 11-12 MWMC REGIONAL WASTEWATER SCHEDULE OF USER AND SEPTAGE CHARGES AND RECOMMENDATION TO THE GOVERNING BODIES. IT WAS SECONDED BY COMMISSIONER LOUD. THE MOTION PASSED UNANIMOUSLY 5-0.

V. FY 11-12 REGIONAL WASTEWATER PROGRAM BUDGET & CAPITAL IMPROVEMENTS PROGRAM (CIP) REVIEW, PUBLIC HEARING, AND ADOPTION

Staff Presentation: Mr. Bittler said he would address any questions from the Commissioners.

Public Hearing: Vice-President Walt Meyer opened the public hearing for the proposed FY 11-12 Regional Wastewater Program Budget and CIP. There were no members of the public requesting to speak. Vice-President Walt Meyer closed the public hearing.

Discussion and Consideration of Adoption of Resolution 11-02:

MOTION: COMMISSIONER LOUD MOVED TO ADOPT RESOLUTION 11-02 IN THE MATTER OF THE FY 11-12 MWMC REGIONAL WASTEWATER PROGRAM BUDGET AND CAPITAL IMPROVEMENTS PROGRAM. IT WAS SECONDED BY COMMISSIONER WOODROW. THE MOTION PASSED UNANIMOUSLY 5-0.

Mr. Bittler updated the Commission on the budget schedule notifying them that the budget was originally scheduled to go before the City of Springfield for ratification on May 16; however the City asked that it be moved to May 2. The budget will be presented to the Lane County Board of Commissioners on May 18 and the Eugene City Council on May 23.

VI. MASTER LANDSCAPE PLAN - P80060, CONSTRUCTION CONTRACT AWARD

Barry Mays, Project Manager, made the staff presentation. Mr. Mays reviewed the bidding process reporting that on February 22 staff advertised for bids, and on March 29 staff received four bids from the following companies: Rexius Forest By-Products, Inc.; Second Growth, Inc.; Anderson's Erosion Control, Inc.; and Bones Construction Company. Rexius Forest By-Products was the low bid at \$1,438,675.

Mr. Mays recapped the background of the Landscape Plan saying that in order to do construction at the Wastewater Treatment Plant, the City of Eugene's Conditional Use Permit requirements must be followed. The Landscape Plan is a result of these requirements which included a lot of screening with the public.

Discussion: Commissioner Inge asked why the Engineer's Estimate was so much higher than the bids. Troy McAllister, Supervising Civil Engineer, explained that the original estimate was on the total plan that included the design, construction, and the administration portions. He explained that the construction portion of the bid consisted of installation of new and repair of degraded plant bed areas, the irrigation system, construction of berms and interpretive areas, and a landscape maintenance agreement. He went on to say that one element eliminated was a water feature at the front of the plant based on the water reuse project.

Commissioner Inge asked why the Engineer's Estimate was over the bid by \$2 million. Mr. Mays replied the Engineer's Estimate included the riparian area located outside the fence next to the Willamette River and estimated around \$650,000 for that piece; the actual price came in around \$225,000. Also, the Engineer had included two various contingencies in the design package which equaled about \$1.1 million. Mr. Mays said he felt that the Engineer estimated high.

Commissioner Inge asked if the scope of the work is the same. Mr. Mays replied it was the same.

Mr. McAllister added there is a two-year maintenance agreement to cover the landscaping and once that agreement expires, the Eugene staff will be responsible for the landscape maintenance. K.C. Huffman, legal advisor, stated that in addition to the two-year agreement, there is a one-year warranty provision that does not start until after the maintenance

agreement expires. He said that one way to look at it is as a three-year warranty with two of the years on site and the third as needed.

Commissioner Inge made clear that he just wanted to be sure staff didn't miss anything regarding the large difference between the Engineer's Estimate and the bids. Mr. Mays stated that he had the contractor examine their bid to see if they could find any errors and when no errors were found, they said they were comfortable with their bid. Mr. Mays said that staff had an irrigation analysis of the entire facility done to determine what portions of the irrigation was failing and what portions were still in good condition. The analysis was incorporated into the drawings to let bidders know what needed to be done and Mr. Mays said he feels that helped with the price considerably. Mr. Huffman pointed out that the Tertiary Filtration project had a similar experience; the Engineer's Estimate was around \$9 million and the bid that won was around \$6 million. He suggested another consideration was the economic environment and that the Engineer's Estimate was based on historical data which may have changed what the cost was going to be. David Jewett, MWMC Legal Counsel, said one thing that might give the Commission a level of confidence is that even though the Engineer's Estimate was way off the mark, the four bids were much closer to each other than they were to the Engineer's bid. That at least indicates that the contractors saw it somewhat similar.

Mr. McAllister asked for approval of Resolution 11-03 which would allow the MWMC to enter into a construction and two-year maintenance agreement with Rexius Forest By-Products.

MOTION: COMMISSIONER LOUD MOVED TO ADOPT RESOLUTION 11-03. IT WAS SECONDED BY COMMISSIONER WOODROW. THE MOTION PASSED UNANIMOUSLY 5-0.

VII. RENEW SOFTWARE AGREEMENT WITH AUTODESK (CONSTRUCTWARE)

Mr. McAllister made the staff presentation. He stated the MWMC is nearing the end of a five-year agreement with Autodesk for use of Constructware, the project management software tool used to support the Capital Improvement Program. He requested the Commission to approve Resolution 11-04 which authorizes renewing the existing Constructware software agreement for an additional four years.

Mr. McAllister gave background history on the research that was done in 2006 on three major project management software providers. On February 24, 2006, Resolution 06-04 was adopted that allowed staff to finalize and execute a five-year software agreement with Autodesk for Constructware. He stated that Constructware was customized to accommodate processes and standards that relate to the MWMC project implementation and controls used for communication and collaboration. He noted that the project management software tool has helped with elements such as: standardize work flow processes, internal/external communication controls, tracking/archiving work product deliverables, and project reporting. He said in the MWMC FY 11-12 Capital Improvements Program, there are several projects costing approximately \$77.4 million over the next five years and project management tools are needed to successfully deliver these projects. He also pointed out that currently; the MWMC has nine active jobs and the cost to transfer all the information over to a new product would add to software costs if the MWMC chose a new software tool.

Discussion: Commissioner Inge asked why a four-year agreement instead of five years. Mr. McAllister answered that he asked Autodesk for five and was told they normally go three years. He was, however, able to talk them into a four-year agreement.

Commissioner Inge noted that it was about a 9% increase in the cost of the renewed agreement from the original agreement. Mr. McAllister said that was because staff had been able to get such a great deal on the initial purchase.

Mr. Bittler added that staff had looked at the number of user stations needed since the Capital work has ramped down and they were able to lower the number of stations in order to control that cost; otherwise the price would have been substantially higher. He felt that the staff had done a good job in evaluating the needs for the number of licenses.

Commissioner Meyer asked if the data entered into the software program is stored on the MWMC's server. Mr. McAllister explained that Autodesk has a secure backup method with high-tech security and they maintain our data off site. He added that once a project is finished, Constructware sends a CD/DVD to Engineering Assistant, Tonja Kling, who then archives the data in Laserfische.

Commissioner Meyer asked what is the life span of a CD. Mr. McAllister answered that it was just like the rest of technology—it keeps changing—but the life of the CD isn't relevant because the data is archived in Laserfische. Once it is in Laserfische, the City of Springfield has internal processes to keep Laserfische protected. Also, both the City of Eugene and the City of Springfield use Laserfische so staff can share the archived records.

MOTION: COMMISSIONER WOODROW MOVED TO ADOPT RESOLUTION 11-04. IT WAS SECONDED BY COMMISSIONER BOZIEVICH. THE MOTION PASSED UNANIMOUSLY 5-0.

VIII. INFLUENT PUMP STATION IMPROVEMENTS & HEADWORKS EXPANSION PROJECT – POST PROJECT EVALUATION OF PUBLIC IMPROVEMENT PROJECT NOT CONTRACTED BY COMPETITIVE BIDDING

Josh Newman, Supervising Civil Engineer, and Barry Mays, Project Manager, made the staff presentation. Mr. Newman began by explaining to the Commission that this project was the largest most complex project the MWMC has done and it was on an extremely tight schedule. He stated that the project encompassed new pumping modifications to the Willakenzie Pump Station (which is the largest regional pump station) and an expansion of the headworks facilities. The focus was to increase the hydraulic capacity of the plant to meet the regulatory requirements of the bacteria rule. All Willamette Basin dischargers are required to get their hydraulic capacities in-line to manage all sewage without overflows.

Mr. Newman noted that in 2007 the Commission elected to use the Construction Manager/General Contractor (CM/GC) method instead of the low bid process because of the aggressive schedule of the project. Mr. Newman explained the CM/GC process allows a general contractor to be hired on the basis of proposals and they become part of the design team allowing the design consultant and owner to bring the expertise of the contractor into the

process early. The low bid process is a very linear process--design, bid, and build. Using a CM/GC is much more collaborative and allows parallel construction during the later portions of the design. He stated one of the requirements of getting the exemption from using the low bid process is to do an evaluation report of the CM/GC process once the project is complete.

Mr. Mays explained that the Commission Memorandum has a two-fold purpose:

1. In pursuance to Oregon statues, it requires a comparison of the CM/GC process to the low bid process, reporting the findings to the governing body which is the Commission, and making the information available for public review.
2. This memorandum also acts as a closing letter to the Commission that the construction portion of this project is closed out.

Mr. Mays stated that the project was extremely complicated and on a very fast track, saying the general contractor did a very good job. He believes the project would not have been completed on time if it had not been done using the CM/GC process. He said that three months of design time was saved because the project was in construction during design, saving six weeks on the design/build because the project did not have to go out for construction bid. He opened for questions and/or discussion.

Discussion: Commissioner Brown asked if there was a compelling need to get this project done quickly. Mr. Jewett responded that it was because the National Pollutant Discharge Elimination System (NPDES) permit required the MWMC to complete the project by December 31, 2009. In addition to that, there was a compliance order from the Environmental Protection Agency (EPA) which also required the MWMC to complete work by the same deadline. Mr. Jewett stated that the MWMC would have had separate penalties had we failed to meet the deadline.

Mr. Newman pointed out on page two of the report, the second bullet item on the second paragraph; the dollar amount of \$1,219,875 should be \$1,072,405. He said he would correct that and reissue the report.

IX. BUSINESS FROM COMMISSION, GENERAL MANAGER, AND WASTEWATER DIRECTOR

Mr. Bittler announced that Chuck Gottfried, the MWMC's Assistant General Manager, is retiring. His last day working for the City of Springfield will be May 2, 2011.

Commissioner Meyer thanked Mr. Gottfried for his long service with the MWMC. Mr. Gottfried expressed his pleasure in working with the Commission and stated that they should be very proud of their accomplishments. He said the Commission had been a very functional and collaborative group and it had been a pleasure to work with them all.

Mr. Bittler thanked Mr. Gottfried for all his help when Mr. Bittler came on board as a new guy, saying Mr. Gottfried had been a life saver.

Commissioner Meyer announced the state is going to cut 25% of the general funding to the DEQ. One of things the DEQ decided is it is not going to redo the temperature TMDL on the Willamette River. He said that ACWA will be following through on this because 66% of the

DEQ's budget is from fees that we pay for our permits and they feel eliminating the assistance on permits is rather large.

Mr. McAllister had a couple of items on the construction program that he wanted to bring to the Commission's attention:

- Active bidding for the Primary Sludge Thickening project has started. The pre-bid meeting was held this week and 10-12 general contractors attended. The contract award will probably be coming to the Commission at the May meeting.
- Intent to go out for bid on the third lagoon relining is planned the week of April 25 with bids being due on May 24 and the contract award will come to the Commission in June.

VII. ADJOURNMENT

Vice-President Meyer adjourned the meeting at 8:10 a.m.

Minutes were recorded by Kevin Kraaz