



Michael S. Kuenzi, P.E.
Director

MEMORANDUM

TO: Mike Kuenzi, Director
FROM: Ted Kyle, Capacity Program Manager
DATE: June 18, 2008
SUBJECT: Capacity Management Program Status Report

This report presents the status of the near-term capacity projects. For overall background on the program, please visit www.riverhealth.org.

Phase 1 Program Overview

Phase 1 of the Capacity Management Program (CMP) focuses almost exclusively on solving the near-term needs of Clackamas County Service District No. 1 (CCSD #1), which sends about 15 percent of its flow to the Tri-City Plant for treatment, because its own Kellogg Creek Plant can't keep up with demand.

The Phase 1 improvements include those major capital replacement projects needed to keep Kellogg running for the next 8 to 10 years. The Board of County Commissioners is expected to authorize approximately \$91.4 million in bonds this summer to finance improvements such as:

- **Kellogg Plant:** These improvements will improve plant reliability and hydraulic capacity so treatment can be provided during severe storm events. The plant has in the past passed raw sewage to the Willamette River because it didn't have the capacity to carry high flow rates caused by rainstorms.
- **Tri-City Plant:** The expansion project allows the plant to handle an additional 20,000 EDUs (equivalent dwelling units). The increase will relieve Kellogg and replace the capacity currently being rented from the Tri-City Service District.
- **Interconnecting pipelines:** Construct new wastewater transmission system pipes to transfer flow from the CCSD #1 sewer system to Tri-City.

Program Status

Design is underway on all elements of the near-term projects that are scheduled for early construction. Now that the Community Partners Task Force has completed its work, the routing study and design for the second major pipeline intertie can start. This second major intertie includes a pump station and pipeline to connect the CCSD #1 sewer system to the Tri-City Plant. A decision on the location, size, and route of this connection will be needed this fall so that design can proceed on schedule.

Kellogg Plant

Design work continues on the most critical improvements and replacements at Kellogg. Work on blower technology selection, air piping and future air diffuser placement is the current focus. High efficiency blowers are favored because they substantially reduce power consumption and reduce the impact on the plant power system. Plans and specifications to construct these improvements will be ready for bidding in late October. Any seasonally sensitive construction work can easily be completed the next summer.

The overall concept for the Kellogg Plant Improvements was presented to the Milwaukie Community Development Department. The City did not determine if any of these improvements require land use approval. We expect to hear their decision later this month.

What's Next

Call for Bid for the Kellogg upgrades will be advertised on October 31, 2008.

Phase 1 Treatment Plant Capacity

The City of Oregon City Planning Commission approved four land use actions at its meeting on May 29. The decision is now final because no appeals were filed. The approvals include a 20-year concept plan for the site, detailed plans for the first expansion, water resources review, and conditional use approval. These approvals allow the project to proceed on schedule. The Planning Commissioners were quite pleased with our public involvement during the site master planning process and our follow-up with neighbors just prior to filing our application. They also liked the "green" features such as pervious in-plant roadways and parking lots and energy saving equipment.

The request for proposals was sent to the three qualified contractors on June 2 and proposals are due on July 1. Each contractor will present specific construction processes for building the liquids expansion and project management staff experience. The proposals will also include a fee proposal and their experience in building wastewater plants.

What's Next:

The CM/GC will be selected by end of July, leaving contract negotiation and execution for completion in August. Ground breaking will follow.

Conveyance

Final design has been completed for the first segment of the Transmission System projects, which include the Clackamas Interceptor Connection and the Clackamas River/High Rocks Bridge projects. Five bids were received for the Clackamas River/High Rocks Bridge construction project. Bids ranged from a low responsive bid of \$425,000 to a high of over \$700,000. The contract award will be considered by the Board of County Commissioners on June 26.

The Clackamas Interceptor Connection Project will be bid in two contracts. Four bids were received for the pipeline contract with a low bid of \$725,000. The low bid was far below the engineer estimate of \$1.6 million for this work. The pump station construction will be advertised this week, with bids will be due on July 8.

What's next:

The bridge construction and interconnecting pipeline contracts will be presented to the Board of Commissioners for award on June 26. The pump station contracts are scheduled to be presented to the Board for award in July. Notice to proceed will be issued for each contract once the contractor submits signed contracts, bonds and insurance.

Cost Forecast

The following table lists each major project, the original estimate, an inflation-corrected estimate, and the current cost forecast. The cost forecast takes into account the current state of design, bidding results, and any updated cost estimates. This cost forecast is intended to gauge the amount of scope drift or change that normally occurs during design.

The forecast overall is holding near 4.5% of the original estimate when adjusted for inflation. The forecast variance dropped in part because the Clackamas Interceptor Connection Pipeline contract bid was below the forecasted amount by about \$1,000,000.

Project	Original Estimate Jul 2007 (ENR CCI 7959)	Inflated Cost to Jun 2008	Current Forecast	Variance
Kellogg Critical Improvements	6.9	7.1	6.4	0.7
Segment A Transmission Improvements	10.3	10.6	5.1	5.5
Segment B Transmission Improvements	33.2	34.1	34.1	0.0
Treatment Plant Expansion *	66.4	68.3	79.8	(11.5)
Total	116.8	120.1	125.4	(5.3)

*Note: Estimates include Tri-City Service District's share of the projects (\$8.5 million original estimate).

The forecast is updated whenever a contract or change is executed or when a more detailed estimate is received during the design process.

Schedule

The following table shows the current milestone dates scheduled in 2008.

Item	Milestone Date	Status
Call for Bids, Clackamas Interceptor Diversion Pipeline	May 7, 2008	Complete
Conditional Use Permit Hearing	May 29, 2008	Complete
Bids due, Clackamas Interceptor Diversion	Jun 10, 2008	Complete
Conditional Use 120 day Limit	Jun 13, 2008	Complete
Call for Bids, Clackamas Interceptor Diversion Pump Station	Jun 18, 2008	Scheduled
Publish RFP for Intertie No. 2 Engineering	Jun 19, 2008	Scheduled
Proposals due, CM/GC Plant Contractors	July 1, 2008	Scheduled
Bids due, Clackamas Diversion Pump Station	July 15, 2008	Scheduled
Proposals due, Intertie No. 2 Engineering	July 17, 2008	Scheduled

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Selection of Plant Contractor CM/GC	July 20, 2008	Planned
Contract Signed for Plant CM/GC	August 2008	Planned
Call for Bids, Kellogg Critical Improvements	October 2008	Planned
Guaranteed Maximum Price set CM/GC	November 2008	Planned