

CORBETT WATER DISTRICT

APPROVED MINUTES

Treatment Plant Workshop Meeting: 9:00 A.M.

Thursday, January 5, 2006
Corbett, Oregon

Commissioners Present: Malcolm Freund, Bob Colclessor, and Marion Kirkham.

Also present was District Manager Frank Sterzinar.

Audience Members Present: Brian Lee from Lee Engineering, Jeff Mueller, Vern Gardner and Bobbie Mohler from Clackamas Construction.

Chairman Freund called the workshop to order at 9:00 a.m. at the Corbett Fire Hall.

Frank Sterzinar said the main purpose of the meeting was to have those involved with the Treatment Plant Upgrades together to make sure everybody was on the same page.

Brian Lee discussed timelines with the Board. The original substantial completion date was November 27th, 2005, but approved change orders pushed that date forward to December 5th, 2005. There are still outstanding change orders for time due to weather. Brian said that according to Lee Pace Engineer's the substantial completion date was December 16th 2005, this excluded the filter basin. On December 14th all of the control system, and piping were in place except for the raw water flow meter which was not fully operational until December 16th. The final completion date is sixty days from the actual substantial completion date. The contract should be finalized on February 14th 2006.

Brian Lee asked Clackamas Construction if they had any disagreements with the dates he had provided. Bobbie Mohler said she believed the substantial completion date should be December 9th, because that was when water was flowing into the filter basin. Brian replied that without the raw water control he didn't know if he could say the project was substantially complete. Vern Gardner asked Frank why the meter was changed out. Frank said the original one in the clear well had a broken board in the control unit and in order to get the other working it had to be moved. Brian said that it appeared that a cable had been pulled or bent and had broken the connector to the circuit board causing a physical break and not an electrical connector on the board to break.

Brian went over the history of the filter basin. Phil Beverly rejected the original sand for the basin on April 5th because it had not met the required specifications. Vern searched for the appropriate sand but could find nothing, so the original sand that had been reviewed and rejected in the first place was the closest match. After much discussion and review Phil accepted the original sand on November 10th. Because of the time involved, Clackamas is asking for a change in the substantial completion date. Brian said the sand they ended up selecting was used in Stayton, Salem and Newport and is specifically designed for slow sand filter plants. Chairman Freund asked if the spec for the sand was off. Brian said no, it was considered to be the industry standard. Brian recommended that because of the issues with the sand the filter basin not be included when figuring the substantial completion date.

Brian wanted to set a reasonable time frame for completing the filter basin and a list of the problems that needed to be overcome. It was found that the layer of ice had not penetrated much below the upper surface of the rock, the water in the pipes below was not frozen, and the combi flex underneath was intact. During the installation of the lower support gravel Clackamas workers had damaged some of the combi flex strips along the walls. Clackamas was directed to fix those holes before they could proceed any further. Clackamas has attempted to do this, but they ran into a few problems. Clackamas was also directed to remove the water that is bulging behind the combi flex. The water got there over time as a result of the initial installation. Brian has repeatedly told Springhill Construction to put the finishing cappers over the walls to prevent water from running down, but it still has not been done, so water is being built up behind the combi flex. Commissioner Kirkham asked when it was expected to be done. Jeff Mueller said attempts had been made. There were a total of twelve combi flexes and seven of those have water behind them. Clackamas is currently working on a way to pump the water out, then once that's done they will continue on with the media. Currently Clackamas is considering coming up with a silicon cover to temporarily fix the problem until the tank was full. Brian liked Jeff's idea.

Commissioner Kirkham asked if there was a possibility that once the water had been removed from the backside of the combi flex if it could reenter. Jeff replied yes, water could reenter from the backside of the wall. Brian said he would be very concerned if water came in from the back because that would mean the wall had a crack.

Brian asked Clackamas if they believed the filter would be completed by February 14th. Jeff questioned what the weather was going to do. Frank said it looked like cold temperatures were on the way towards the end of January and the beginning of February. Jeff said if he had good working conditions he could finish within one month.

Brian asked how Clackamas was planning on putting the sand into the filter basin. Jeff said they planned on using a Bobcat to begin with and then once a foot of sand was placed they plan on using a loader to dump the sand over the top wall.

Jeff asked how long it would take once the sand was in place for the filter to be online. Frank said it would depend on the turbidity levels and the filter would have to be washed. The filter has to be seasoned with one inch of biological growth, which typically takes two to three weeks. The washing could take up to a week.

Brian said the combi flexes coming up the walls of the filter has been added for additional security. In order to seal the walls Springhill had injected the joints with grout to stop the water leaks. Brian believed that over time these would crack. Jeff asked Brian why they were so concerned with the water behind the combi flex. Brian said the water has been building up over time and there comes a point when the combi flex would reach its limit and if it were to freeze it could possibly rupture, and it would be critical for long term water retention.

Bobbie asked about Clackamas getting a guaranteed letter from Springhill Construction on the quality of their work. She said the letter from Springhill should be from the date of the substantial completion and she is asking for Lee Engineering to back Clackamas. Jim Lee of Springhill had previously submitted a letter for September, which Clackamas has rejected because Springhill was still making repairs to the filter after September and the final leak test was not until October. Commissioner Kirkham asked if Springhill finished all their work. Bobbie said no, they had to hire another company to finish Springhill's work. Brian said that the letter to Clackamas for the final leak test included two items that still needed to be completed. One of those items was the issue of water behind the combi flex, so Brian does not know why Springhill believed their work was 100% complete.

Bobbie said Springhill had not completed their contract yet they had filed a lien for all of the work plus unauthorized change orders that had been rejected because Springhill had not done things correctly on the project. Brian Lee read from the signed contract by Corbett Water District and Clackamas Construction:

Article 5, Maintenance of the System

The contractor agrees to indemnify and save harmless the owner from any and all defects appearing or developing in the workmanship of the materials, performed or furnished under this contract for a period of one year after the date of final acceptance of the entire project by the owner.

Jeff said a three foot gate would be installed in the fence around the filter pond.

Jeff commented that if the water could not be pumped out of the back of the combi flex, they would have to make a whole through the combi flex to let it drain. Brian suggested if that happened then Clackamas needed to make an extremely small hole. Jeff asked about different possible ways to seal the hole, besides a patch. Frank said that once you pierce or cut the material it loses its integrity. He suggested that Clackamas look at finding a cylinder and running a vacuum pump to remove the water as opposed to pumping the water out.

Commissioner Kirkham asked about the effects of Springhill's lien against the bond. Bobbie said they have Springhill's money, approximately \$40,000, in a separate bank account. She said Clackamas could have asked for a bond from Springhill but that would have increased their costs. Bobbie believed their contract was specific enough and they required a letter of guarantee, which they had believed to be adequate, but now they have discovered that it may not have been enough. Currently Clackamas is not willing to pay Springhill until the following items are settled:

1. The letter of guarantee is resolved.
2. The combi flex problem is solved.
3. The filter tank needs to be in good condition.

Brian questioned what would happen if Springhill went bankrupt because of the drop in income they were planning on from Clackamas. He questioned how Clackamas could go after Springhill if they're not around. Brian said there was a fine line of withholding Springhill's money to get them to perform and doing it too much that everybody ends up with no recourse. Brian also wanted to know what was happening between Springhill and Clackamas with the combi flex issue because Clackamas damaged it and was trying to make the repairs. He questioned if Springhill would say it's not their problem because Clackamas damaged it. Jeff said Clackamas damaged two combi flexes. Brian said he was trying to see any potential arguments. Jeff said the fault was a part of Lee Engineering, Springhill and Clackamas.

Chairman Freund questioned if the lien filed by Springhill had any effect on the payments the Corbett Water District makes to Clackamas Construction. Frank believed that when the lien is filed the monies directed towards the general contractor is reduced by the amount of the lien and the rest goes to the general contractor. The District is reviewed by the State and cannot hold the money. Jeff said if you have a lien that is being disputed it does not have to be paid until a decision is reached, but if it is not being disputed it has to be paid. Bobbie said that Clackamas would ask their attorney exactly what they should be doing with Springhill's money to protect the Corbett Water District and themselves.

Commissioner Kirkham asked who was going to pick up the extra cost incurred for the additional leak inspection tests required. Bobbie said those cost were a direct result of Springhill Construction, but

Springhill is not accepting the responsibility. Commissioner Colclessler asked if Clackamas had used Springhill on other projects. Bobbie replied no this was their first experience working with Springhill Construction.

Brian spoke about keeping a file of all the contractor affidavits for partial payments signed by Clackamas's subs.

The next workshop to discuss the Water Treatment Plant Upgrades was scheduled for February 7th, 2006 at 9:00 A.M. at the Corbett Fire Hall.

Chairman Freund adjourned the workshop at 10:50 a.m.