



Board of Directors Agenda

Reception and Business Meeting
 Wednesday, December 14, 2011, 5:30 p.m.
 LOTT Board Room, 500 Adams Street NE, Olympia, WA 98501

Pre-Meeting Reception

No	Time	Item	Action/Info	Presenter
1.	5:30	An informal reception will precede the meeting to recognize Doug Mah for his years of service. At the end of December, Doug Mah concludes eight years and three months of service as the City of Olympia representative to the LOTT Alliance Board of Directors. He served as Board President for 5 of those years.		

Business Meeting

2.	6:00	Agenda Approval.....		MOTION
3.	6:02	Consent Calendar.....		MOTION
		a) Board Minutes of:	November 9, 2011 Business Meeting November 16, 2011 Special Meeting	
		b) LOTT Check Summary:	Check # 29312 - 29469	\$ 1,834,831.45
		c) Payroll Certification:	November 1 - 15, 2011	\$ 277,406.62
			November 16 - 30, 2011	\$ 291,861.02
		d) Security Camera System Expansion Project Contract Closeout	Approve completion of all contract work and closeout of the contract with NetVersant Solutions, LLC, of Seattle, Washington, for the Security Camera System Expansion project. (See Staff Report)	
4.	6:05	Public Comment.....		INFORMATION
		Provide an opportunity for citizen comment. This agenda item is limited to approximately thirty minutes. Each individual is asked to limit their comments to three minutes or less, be concise, and avoid repetition by seconding earlier comments. Additional comments can be made in writing on comment cards provided at the sign-in table.		

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|----|------|---|--------------------|-----------------------|
| 5. | 6:15 | Comprehensive Annual Financial Report Award
Mark Neary, Director of Central Services for Thurston County and the state representative for the Government Finance Officers Association, will present the Certificate of Achievement for Excellence in Financial Reporting to LOTT for the 2010 Comprehensive Annual Financial Report. (See Staff Report) | INFORMATION | Hughes |
| 6. | 6:25 | Primary Sedimentation Basins Construction Contract Bid Award 4 and Adjustments.....
Approve Construction Contract Bid Award 4 with M.A. Mortenson for the Primary Sedimentation Basins project in the amount of \$629,047 and amend the Preconstruction Services Contract to include an additional \$235,952, for a combined total of \$864,999. This amount includes the Mortenson bid packages for glass and glazing, asphalt pavement and markings, site fence and gates, adjustments to the General Conditions and Preconstruction Services Contract, and associated contract costs and sales taxes. (See Staff Report) | ACTION | Hielema |
| 7. | 6:40 | Washington Department of Fish and Wildlife Property Acquisition Update.....
To update the Board on staff efforts to acquire real property from the Washington Department of Fish and Wildlife. (See Staff Report) | INFORMATION | Strub / Hughes |
| 8. | 6:55 | Commendatory Resolution and Recognition: Doug Mah (Resolution 11-009).....
Approve Resolution 11-009 commending Doug Mah for his years of service to the LOTT Clean Water Alliance. (See Staff Report) | ACTION | Strub |
| 9. | 7:15 | Program Reports.....
Executive Director: Mike Strub
Administration: Rick Hughes
Community Relations: Karla Fowler
Engineering: Brian Topolski
Facilities: Laurie Pierce
TRPC: Cynthia Pratt | INFORMATION | |

Executive Session

- | | | | | |
|-----|------|--|--------------------|---------------|
| 10. | 7:45 | Executive Session: Personnel.....
To review the performance of a public employee. (See Staff Report) | INFORMATION | Hughes |
| 11. | 8:10 | Adjourn | | |

**Next Meeting: Wednesday, January 11, 2012, 5:30 p.m., Work Session and Business Meeting
 LOTT Board Room, 500 Adams Street NE, Olympia, WA 98501**

The LOTT Alliance provides reasonable accommodations to persons with disabilities. We invite any person with special needs to contact LOTT staff at (360) 664-2333 at least twenty-four hours before the meeting to discuss any special accommodations that may be necessary.



Board of Directors Minutes

Wednesday, November 9, 2011, 5:30 p.m.
LOTT Alliance Board Room, 500 Adams St. NE, Olympia, WA 98501

Present:

City of Lacey:	Cynthia Pratt
City of Olympia:	Doug Mah
City of Tumwater:	Ed Stanley
Thurston County:	Sandra Romero

Work Session

Call to order: Ed Stanley called the meeting to order at 5:30 p.m.

1. Mortenson Green Trailer Tour

Presenter: Michelle Barnett Construction Manager

Description: M.A. Mortenson, the General Contractor/Construction Manager for the Primary Sedimentation Basins Project, has installed a “green” construction trailer at the project site. The trailer includes several energy saving and environmentally conscious features. The Board toured the trailer.

Discussion: None

Action: None

Business Meeting

2. Agenda Approval

Action: Doug Mah moved, seconded by Sandra Romero, to approve the Agenda. Motion carried.

3. Consent Calendar

Action: Doug Mah moved, seconded by Cynthia Pratt, to approve the Consent Calendar. Motion carried.

4. Public Comment

Discussion: None

5. Interlocal Agreement for Deferral of Capacity Development Charges

Presenter: Rick Hughes, CAO & General Counsel

Description: Approve a motion authorizing the Executive Director to execute an interlocal agreement for capacity development charges.

Discussion: Mr. Hughes explained that Board members had a copy of the proposed interlocal agreement and provided background information from the staff report. Mr. Hughes stated the agreement has been reviewed by all three parties, as well as the technical staff involved.

Action: Doug Mah moved, seconded by Sandra Romero, to authorize the Executive Director to execute an interlocal agreement deferring capacity development charges for the Woodland Creek Estates and Covington Place neighborhoods until no later than December 31, 2014. Motion carried.

6. 2012 Operating Budget and 2012 Capital Budget (Resolution 11-006)

Presenter: Mike Strub, Executive Director

Description: The Board considered adoption of Resolution 11-006.

Discussion: Mr. Strub addressed the Board requesting that they approve Resolutions 11-006 and 11-007 in two individual motions. He gave a recap of the Budget and CIP development process, which included the Board retreat in February, review of a preliminary 2012 budget in July, and setting the 2012 monthly rate and connection fee on August 10, 2011, and review of updated proposed drafts of the Budget and CIP in October and November.

Action: Sandra Romero moved, seconded by Cynthia Pratt, to adopt Resolution 11-006 approving the 2012 Operating Budget and the 2012 Capital Budget. Motion carried.

7. 2012-2053 Capital Improvements Plan (Resolution 11-007)

Presenter: Mike Strub, Executive Director

Description: The Board considered adoption of Resolution 11-007.

Discussion: None

Action: Doug Mah moved, seconded by Cynthia Pratt, to adopt Resolution 11-007 approving the 2012-2053 Capital Improvements Plan. Motion carried.

8. Department of Ecology State Revolving Fund Loan Agreement: Primary Sedimentation Basins Project (Resolution 11-008)

Presenter: Executive Director Mike Strub

Description: The Board considered adoption of Resolution 11-008.

Discussion: Mr. Strub stated that this item is a companion to the previous resolutions the Board passed. The Board approved the Public Trust Fund loan for the Primary Sedimentation Basins project at the October meeting and Resolution 11-008 is for the State Revolving Fund loan for the same project. He discussed LOTT's strategy to pay off older loans at 5% and receive a new loan at 2.6%. There could be additional monies should other offers around the state be declined. LOTT will not pay on this loan until the project is completed, which will result in a significant savings.

Action: Cynthia Pratt moved, seconded by Sandra Romero, to approve Resolution 11-008 authorizing the Executive Director to execute a Department of Ecology State Revolving Fund loan agreement with the Washington State Department of Ecology for the Primary Sedimentation Basins project in the amount of at least \$14,000,000. Motion carried.

Mr. Strub complimented Mr. Weisberg on the success of obtaining low-cost funds for LOTT, starting with securing a loan for \$33 million for the Hawks Prairie Reclaimed Water Satellite projects. LOTT realized a savings of \$12 million in cost and interest on that project. Mr. Weisberg has been successful ever since, with a remarkable track record.

9. Primary Sedimentation Basins Construction Contract Bid Award 3

Presenter: Brian Topolski, Engineering Director

Description: The Board considered construction contract bid award 3 with M.A. Mortenson.

Discussion: Mr. Topolski reviewed the revised staff report and addressed the changes that were highlighted in yellow. The project was broken down into multiple bid packages. The first three – earthwork, shoring, and piling were awarded at the September meeting. A fourth bid package, for structures, was awarded in October. The current request is for six of the remaining nine bid packages.

Ms. Romero asked for clarification on the \$21,516,349 construction amount. Mr. Topolski explained that is the bid amount for all of the subcontractors. Mortenson is the general contractor and is organizing the subcontractors. Ms. Pratt asked whether LOTT has a general idea or estimation for the items to be bid later. Mr. Topolski responded that each item is approximately \$100,000; however, more information would be provided to the Board in January 2012.

Action: Doug Mah moved, seconded by Sandra Romero, to approve Construction Contract Bid Award 3 with M.A. Mortenson for the Primary Sedimentation Basins project in the amount of \$21,516,349. This amount includes bid packages for electrical, instrumentation, and controls; mechanical; roofing, siding, and sheet metal; painting and special coatings; site concrete; and landscaping and irrigation; plus associated contract costs and sales taxes. Motion carried.

10. Memorandum of Understanding: Washington State Department of Fish and Wildlife Property Acquisition

Presenter: Mike Strub, Executive Director

Description: The Board considered authorizing the Executive Director to execute a Memorandum of Understanding.

Discussion: Mr. Strub stated that this item is a preliminary agreement to enter into a process with the other two partners to craft an offer to the state to acquire the property. The state has been working on how to surplus the property, which borders Franklin Street NE. LOTT's need is for equalization basins for additional water storage during high flows. This would give LOTT subsurface rights to build tankage underground and the Port of Olympia could build structures over, such as parking.

Ms. Romero asked whether this item could wait until January 2012. The county may have an interest in the property and she would like to learn more about it. Mr. Strub responded that it could wait. The value of the property is \$2.5 million with an offset for clean-up. Mr. Mah requested that the agreement be made before the end of this year. Ms. Romero will get more information and agreed to review this at the December Board meeting.

Action: Sandra Romero moved, seconded by Cynthia Pratt, to table this item until the December 14, 2011 meeting. Motion carried.

11. Program Reports

Presenters: Mike Strub, Executive Director; Rick Hughes, Administration; Lisa Dennis-Perez, Community Relations; Brian Topolski, Engineering; Laurie Pierce, Facilities; Cynthia Pratt, TRPC

Discussion: Staff presented highlights from the monthly Program Reports handout.

Mr. Strub mentioned his performance review is due by November 18. Board members were asked to review the envelopes provided. He stated that they can be returned to President Stanley or emailed to Erin Michael. Mr. Mah and Ms. Pratt prefer electronic capability. The review will be discussed at the December Board meeting.

The meeting was adjourned at 7:20 p.m.

Prepared and edited by LOTT staff. Approved by the LOTT Alliance Board of Directors on:

December 14, 2011

Ed Stanley, Board President



Board of Directors Minutes

Special Meeting
Wednesday, November 16, 2011, 7:00 a.m.
LOTT Executive Conference Room, 500 Adams St. NE, Olympia, WA 98501

Present:

City of Lacey:	Cynthia Pratt
City of Olympia:	Doug Mah
City of Tumwater:	Ed Stanley
Thurston County:	Sandra Romero

Executive Session

Call to order: Ed Stanley called the meeting to order at 7:00 a.m. All Board members were present, as well as Mike Strub, Rick Hughes, Farah Derosier, and John Turk, Brown and Caldwell.

1. Executive Session

Presenter: Ed Stanley, Board President
Description: To consider possible acquisition of real property.
Discussion: None
Action: None

Business Meeting

At 7:30 a.m. Ed Stanley stated the Board Business Meeting would convene and was out of Executive Session.

Action: Doug Mah moved, seconded by Sandra Romero, to modify the agenda to add items regarding a Tumwater Brewery Property Purchase Agreement and the Fish and Wildlife Memorandum of Understanding. Motion carried.

2. Alliance for a Healthy South Sound: Participation Invitation

Presenter: Karla Fowler, Community and Environmental Policy Director
Description: To authorize participation in the recently formed Alliance for a Healthy South Sound.
Discussion: Ms. Fowler stated that Board members have a copy of the invitation letter that LOTT become a participant in the Alliance for a Healthy South Sound. It is the South Puget Sound action areas's Local Integrating Organization by the Puget Sound Partnership. The Executive Committee includes elected officials from four counties and three tribes. This is the logical next step from the Budd Inlet Restoration activity, in which LOTT was a participant.

Board members discussed the level of participation that would be involved. Ms. Romero responded that it depends on what the issues are. LOTT's interest would be focused on Budd Inlet. Ms. Romero stated they're looking for groups with expertise.

Action: Doug Mah moved, seconded by Cynthia Pratt, to authorize participation of the LOTT Clean Water Alliance in the recently formed Alliance for a Healthy South Sound. Motion carried.

3. **Tumwater Brewery Property Purchase Agreement**

Presenter: Rick Hughes, CAO & General Counsel

Description: To execute a purchase agreement.

Discussion: Mr. Hughes restated the motion and supplied a map prepared by Brown and Caldwell to be entered into the record. The purchase prices would be \$4 million and the purpose would be for reclaimed water.

Action: Doug Mah moved, seconded by Cynthia Pratt, that the Executive Director be authorized to execute a Purchase Agreement, and any ancillary agreements necessary to effectuate the purchase agreement, for approximately 36 acres located at the former site of the Tumwater Brewery at the end of "E" Street, to be defined by a boundary line adjustment as indicated in the map submitted by LOTT's General Counsel as part of the record of this meeting, in the amount of \$4 million. Motion carried.

4. **Memorandum of Understanding: Washington State Department of Fish and Wildlife Property Acquisition**

Presenter: Rick Hughes, CAO & General Counsel

Description: To authorize the Executive Director to execute a Memorandum of Understanding.

Discussion: Mr. Mah stated that at the last Board meeting there was discussion about a Memorandum of Understanding regarding Washington Department of Fish and Wildlife Property Acquisition. A motion was unanimously passed by the Board that this matter be taken up at the December meeting. As a result of new information from the Department of Enterprise Services concerning the availability of the property, it is necessary to move sooner rather than later.

Action: Doug Mah moved, seconded by Cynthia Pratt, to reconsider the Memorandum of Understanding regarding the Washington State Department of Fish and Wildlife Property Acquisitions. Motion carried.

There is interest on the part of LOTT, the City of Olympia, and the Port of Olympia to partner and acquire the property currently owned by the Department of Fish and Wildlife.

Action: Doug Mah moved, seconded by Sandra Romero, to approve a motion authorizing the Executive Director to execute a Memorandum of Understanding authorizing LOTT to make a joint proposal to acquire property from the State of Washington adjacent to the Budd Inlet Treatment Plant. Motion carried.

LOTT's primary purpose for this investment would be to gain rights for subsurface tankage. Mr. Mah reiterated that it makes sense for LOTT. He added that the Memorandum of Understanding will set the stage for partners working together and how things will get paid for.

The meeting was adjourned at 8:05 a.m.

Prepared and edited by LOTT staff. Approved by the LOTT Alliance
Board of Directors on:

December 14, 2011

Ed Stanley, Board President



**Check Summary
November 1, 2011 through November 30, 2011**

Check numbers
29312 through 29469

Total: **\$1,834,831.45**

I, the undersigned do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claims are just, due and unpaid obligations against the LOTT Clean Water Alliance, and that I am authorized to authenticate and certify to said claims, and, I, the undersigned, do hereby certify under penalty of perjury that claims for employee and officer expenses are just, due and unpaid obligations against the LOTT Clean Water Alliance, and that I am authorized to certify said claims.

A handwritten signature in blue ink, appearing to read "Justin Long", is written over a horizontal line. The signature is stylized and somewhat abstract.

December 1, 2011

Justin Long, CPA
LOTT Clean Water Alliance Treasurer



PAYROLL CERTIFICATION

The Treasurer of the LOTT Alliance hereby certifies that the payroll gross earnings and benefits for the pay cycle ending 11/15/2011

have been examined and are approved as recommended for payment.

Employees gross pay of \$ 206,430.40

Employer share of benefits of \$ 70,976.22

Total of \$ 277,406.62

Paid by:

Payroll check numbers 902631 through 902641

and Direct Deposit transmission.

11/28/11
DATE


Justin Long, Treasurer

Approved by the Alliance Board of Directors
on:

December 14, 2011

Ed Stanley, Board President



PAYROLL CERTIFICATION

The Treasurer of the LOTT Alliance hereby certifies that the payroll gross earnings and benefits for the pay cycle ending 11/30/11 have been examined and are approved as recommended for payment.

Employees gross pay of \$ 218447.19

Employer share of benefits of \$ 73413.83

Total of \$ 291861.02

Paid by:

Payroll check numbers 902642 through 902708

and Direct Deposit transmission.

12/6/11
DATE


Justin Long, Treasurer

Approved by the Alliance Board of Directors
on:

December 14, 2011

Ed Stanley, Board President



Staff Report

Board Meeting of December 14, 2011

3d. Security Camera System Expansion Project Contract Closeout

STAFF CONTACT	PHONE	EMAIL
Brian Topolski, P.E., Engineering Director	360.528.5703	briantopolski@lottcleanwater.org

CONSENT CALENDAR

ACTION REQUESTED: Approve completion of all contract work and closeout of the contract with NetVersant Solutions, LLC, of Seattle, Washington, for the Security Camera System Expansion project.

BACKGROUND: The LOTT Regional Services Center initially relied on one security camera. Additional security camera coverage was necessary to adequately protect and secure the premises. This was addressed by expanding the system with additional cameras. Other areas around the plant also benefit from added cameras. This project also expanded the storage on our video recording capacity to accommodate the additional cameras. Cameras were installed in the following locations:

- The new primary sedimentation basins building and the Parcel 8 reclaimed water demonstration habitat wetland being built as part of the East Bay Plaza project (both during and after construction) (1 camera)
- The employee vehicle entrance and parking area at gate 5 (1 camera)
- The Regional Services Center exterior southwest and northwest entrances (2 cameras)
- The reception area inside the Regional Services Center (1 camera)
- Inside the WET Science Center (2 cameras)
- Capitol Lake Pump Station (1 camera)

Bids from LOTT's Small Works Roster were solicited for this project. NetVersant Solutions, LLC was the only responsive bid.

ANALYSIS: All contract work was successfully completed as of November 11, 2011, on time and on budget, with no change orders. Staff is requesting acceptance and "completion of all contract work" for the project for release of retainage purposes.

FINANCE:

Contract Amount	Change Order Total	Total Contract	Change Orders
\$94,861.83	\$0.00	\$94,861.83	None



Staff Report

Board Meeting of December 14, 2011

5. Comprehensive Annual Financial Report Award

STAFF CONTACTS	PHONE	EMAIL
Rick Hughes, CAO & General Counsel	360.528.5711	rickhughes@lottcleanwater.org
Justin Long, CPA, Finance Manager	360.528.5713	justinlong@lottcleanwater.org

ESTIMATED TIME: 10 minutes

PURPOSE: Mark Neary, Director of Central Services for Thurston County and the state representative for the Government Finance Officers Association, will present the Certificate of Achievement for Excellence in Financial Reporting to LOTT for the 2010 Comprehensive Annual Financial Report.

BACKGROUND: LOTT's Comprehensive Annual Financial Report for the year 2010 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This is the fourth year LOTT has received this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. Staff will submit the 2011 Comprehensive Annual Financial Report to the Government Finance Officers Association to determine its eligibility for another certificate.



Staff Report

Board Meeting of December 14, 2011

6. Primary Sedimentation Basins Construction Contract Bid Award 4 and Adjustments

STAFF CONTACT	PHONE	EMAIL
Eric Hielema, P.E., Senior Wastewater Engineer	360.528.5705	erichielema@lottcleanwater.org

ESTIMATED TIME: 15 minutes

ACTION REQUESTED: Approve Construction Contract Bid Award 4 with M.A. Mortenson for the Primary Sedimentation Basins project in the amount of \$629,047 and amend the Preconstruction Services Contract to include an additional \$235,952, for a combined total of \$864,999. This amount includes the Mortenson bid packages for glass and glazing, asphalt pavement and markings, site fence and gates, adjustments to the General Conditions and Preconstruction Services Contract, and associated contract costs and sales taxes.

BACKGROUND: The Primary Sedimentation Basins project is being designed and built through a General Contractor/Construction Manager (GC/CM) method, which was authorized by the Board in 2009. The Board awarded a preconstruction services contract with M.A. Mortenson company at the September 2009 Business Meeting. Since that time, Mortenson has been part of the design team working with staff, and HDR, Inc., to provide constructability reviews; detailed cost estimating at 30%, 60%, and 90% design; facilitation of value analyses of design decisions; and assembling of individual bid packages for the construction of the primary sedimentation basins.

Construction Contract Elements

At the September 14 Board meeting, the Board approved an overall construction contract with M.A. Mortenson, plus award of the first three bid packages (earthwork, shoring, and piling). In the GC/CM model, the project is broken into various bid packages based on specialty areas, such as electrical, mechanical, and/or construction sequencing. The bid packages are advertised and the bids are opened publicly. The bids are then packaged into a Maximum Allowable Construction Cost (MACC) and incorporated into the construction contract. In addition to the first three of 13 planned bid packages, the overall construction contract awarded in September included several associated costs:

1. General Conditions – The majority of these costs are labor costs for Mortenson to manage the construction.
2. Negotiated Support Services – This involves costs typically required on a construction site, such as temporary power, temporary restroom facilities, forklifts, garbage service, etc.
3. Risk Contingency – A risk contingency of 2.5% is part of the Maximum Allowable Construction Cost and is assessed as part of the cost with each bid package. To utilize any portion of the risk contingency, the owner and the GC/CM must agree. Any unspent risk contingency, and the GC/CM percent fee based on the risk contingency, is returned to the owner.
4. GC/CM Percent Fee – The GC/CM percent fee is based on the aforementioned costs. The percent fee was established as part of Mortenson's bid during the GC/CM procurement.

At the October 12 Board meeting, the Board approved a second bid award as an addition to the construction contract. It was for the structures bid package, which was one of the largest.

At the November meeting, the Board approved a third bid award, which included six bid packages (electrical, instrumentation and controls; mechanical; roofing, siding, and sheet metal; painting and special coatings; site concrete; and landscaping and irrigation). This action left three remaining bid packages to be awarded.

Bid Package Summary

The request being brought before the Board at the December 14 meeting (Bid Award 4) contains the remaining three bid packages plus the other associated costs previously described.

The bid packages were advertised and opened on November 1. Two of the packages received no bids (115, glass, and 121, fencing). The third bid package received one bid and Mortenson and staff recommended rebidding the package along with the other two bid packages. All three bid packages will receive extended efforts to attract bidders. Lacking actual bids, the amounts included in this award are Mortenson's estimates of cost that will be used to complete the Maximum Allowable Construction Cost.

After the award of the electrical and instrumentation and control bid package, Mortenson provided the bid tabulation and intent to award. These documents were used to write the staff report that went before the Board at the November meeting. Mortenson since discovered that they had transcribed the bid by Valley Electric incorrectly. The bid submitted by Valley Electric was \$5,655,000 while the number provided by Mortenson was \$5,570,085 resulting in the award being less than the bid by \$84,915. An adjustment to the original number approved by the Board is included in the requested action amount.

Bid Package Summary

BID PACKAGE	AMOUNT
BP-115 Glass and Glazing	\$113,475
BP-120 Asphalt and Markings	\$98,835
BP- 121 Site Fence and Gates	\$136,889
BP-102 Adjustment to award	\$84,915
Risk Contingency 2.5%	\$10,853
Percent fee 5.25%	\$23,361
Subtotal	\$468,328
Washington State Sales Tax (8.7%)	\$40,745
Total	\$509,073

Adjustment of General Conditions

During the GC/CM procurement process, LOTT specifically stated that there were no state or federal funds supporting the project. State and or Federal funding requires strict adherence to documentation standards. Since that time, state funding is supporting the project and Mortenson needs additional administrative support to properly document the distribution of these monies. Mortenson has added an administrative FTE for three-fourths time from October 2011 through June 2013, and one-half time from July 2013 through September 2013. This totals \$89,889.

The general conditions require the contractor to supply aerial photography of the project every two months. A project of this magnitude and pace typically will include aerial photography every month. Mortenson was able to negotiate with their aerial photography service to add monthly aerial photography (12 additional photos) for an additional \$4,320.

The original project schedule identified construction beginning in June of 2010. In light of national economic uncertainties, LOTT decided to postpone the start of construction to late summer of 2011. This extended the preconstruction services contract duration with Mortenson by 15 months. Mortenson added a wage rate escalation for the 15-month delay. This amounts to \$16,163.

General Conditions Adjustment Summary

ITEM	AMOUNT
Additional administrative support for state/federal funding	\$89,889
Additional Aerial Photography	\$4,320
Wage Rate Adjustment for project delay	\$16,163
Subtotal	\$110,372
Washington State Sales Tax (8.7%)	\$9,602
TOTAL	\$119,974

The proposed construction contract amendment includes both the Bid Award and the Adjustment of General Conditions:

Bid Package Total	\$509,073
General Conditions Adjustment Total	\$119,974
TOTAL Construction Contract Amendment	\$629,047

Preconstruction Services Adjustment

In July 2011 the Board approved an amendment to the Design Contract with HDR to address extended project duration and changes in the design scope. This adjustment addresses the same issues for the Preconstruction Services Contract with Mortenson. The requested adjustment is in the amount of \$235,952 including Washington State Sales Tax.

ANALYSIS: This will complete the Maximum Allowable Construction Cost negotiations and all estimated construction costs. The addition of the last bid packages and adjustments result in a net reduction of \$81,800, or 0.2% of the construction budget.

FINANCE: The planning estimates and current financial status for this overall project are summarized in the following table.

Planning Costs	Amount
Most current project cost estimate (2012-2018 CIP)	\$52,423,779

Obligated Costs	Amount
Previously approved expenditures/contracts	\$48,856,301
Proposed Construction Contract Bid Award 4, General Conditions Adjustment, and Preconstruction Adjustment	\$864,999
Total approved and proposed costs	\$49,721,300

Including the proposed contract, the project cost is within the estimated total. Planned expenditures in 2011 and 2012 are less than the approved Capital Budget amounts in each of those years.

EXHIBIT A

Budd Inlet Treatment Plant Primary Sedimentation Basins

Breakdown of Costs – Bid Award 4

Date: December 9, 2011

LOTT Project # BI0502

Mortenson Project # 09050018

DESCRIPTION	Bid Award 4 and Adjustments
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BP-115 Glass and Glazing	\$ 113,475
BP-120 Asphalt Pavement and Markings	\$ 98,835
BP-121 Site Fence and Gates	\$ 136,889
BP-102 Adjustment	\$ 84,915
Sub-Total Bid Award	\$ 434,114
Risk Contingency 2.5%	\$ 10,853
Negotiated Support Services	\$ -
Amendment 2 MACC	\$ 444,967
GC/CM Fee, Bonds and Insurance 5.25%	\$ 23,361
General Conditions Adjustments	\$ 110,372
Preconstruction Adjustments	\$ 217,067
Sub-Total Bid Award and Adjustments	\$ 795,767
Washington State Sales Tax	\$ 69,232
Total Bid Award and Adjustments	\$ 864,999



Staff Report

Board Meeting of December 14, 2011

7. Washington Department of Fish and Wildlife Property Acquisition Update

STAFF CONTACTS	PHONE	EMAIL
Mike Strub, Executive Director Rick Hughes, CAO & General Counsel	360.528.5702 360.528.5711	mikestrub@lottcleanwater.org rickhughes@lottcleanwater.org

ESTIMATED TIME: 15 minutes

PURPOSE: To update the Board on staff efforts to acquire real property from the Washington Department of Fish and Wildlife.

BACKGROUND: At the November 9 meeting the Board approved a Memorandum of Understanding authorizing LOTT to make a joint proposal with the Port of Olympia and the City of Olympia to acquire property owned by the Department of Fish and Wildlife near LOTT's Budd Inlet Treatment Plant. The property would be used by LOTT to locate equalization tanks, which would be used to help avert a bypass situation when flows into the treatment plant exceed treatment and existing equalization capacity. LOTT staff have since met with Port and City of Olympia staff pursuant to the Board's authorization.



Staff Report

Board Meeting of December 14, 2011

8. Commendatory Resolution and Recognition: Doug Mah (Resolution 11-009)

STAFF CONTACT	PHONE	EMAIL
Michael D. Strub, P.E., Executive Director	360.528.5702	mikestrub@lottcleanwater.org

ESTIMATED TIME: 20 minutes

ACTION REQUESTED: Approve Resolution 11-009 commending Doug Mah for his years of service to the LOTT Clean Water Alliance.

BACKGROUND: At the end of December 2011, Doug Mah will conclude eight years and three months of service as the City of Olympia's representative to the LOTT Clean Water Alliance Board of Directors. Doug became a member of the Olympia City Council in 2002, and joined the LOTT Board of Directors in 2003. Since then, he has helped guide LOTT's ongoing transition from the Highly Managed Plan to a vibrant regional utility.

RESOLUTION 11-009
of
The LOTT Alliance Board of Directors
Commendation of Doug Mah

WHEREAS, from 2003 through 2011, Doug Mah has represented the City of Olympia as a member of the LOTT Clean Water Alliance Board of Directors; and

WHEREAS, he has demonstrated exceptional leadership and dedication to intergovernmental cooperation during his tenure, supporting a regional vision for responsive, responsible, and cost-effective wastewater and reclaimed water management; and

WHEREAS, recognizing the public values that guide LOTT, he participated in development of strategic initiatives to sustain the utility and its mission while effectively responding to changing conditions; and

WHEREAS, he contributed to a focus on excellence in utility management, always striving for continuous improvement; and

WHEREAS, he demonstrated a strong commitment to fostering a positive workplace environment that respects, supports, and recognizes employees; now

THEREFORE, BE IT RESOLVED that the LOTT Board of Directors commends and thanks

Doug Mah

for his consistent and dedicated commitment to LOTT's mission to preserve and protect public health and the environment by cleaning and restoring water resources for our communities.

SO APPROVED by the Board of Directors this 14th day of December, 2011.



Cynthia Pratt, City of Lacey

Ed Stanley, City of Tumwater

Sandra Romero, Thurston County



Staff Report

Board Meeting of December 14, 2011

10. Executive Session: Personnel

STAFF CONTACT	PHONE	EMAIL
Rick Hughes, CAO & General Counsel	360.528.5711	rickhughes@lottcleanwater.org

ESTIMATED TIME: 30 minutes

PURPOSE: To review the performance of a public employee.

BACKGROUND: Revised Code of Washington 42.30.110 provides for an Executive Session in several situations, including:

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

The topic for the Executive Session falls within the above situation. Under RCW 42.30.110 (2), before convening in Executive Session, the LOTT Board Chair shall publicly announce the purpose of the Executive Session (as indicated above) and the time when the meeting is estimated to conclude. If any action is taken it will take place in open meeting.