

Arnold Irrigation District  
Board Meeting  
Local Contract Review Board  
August 23, 2023

The regular board meeting was called to order at 11:05 am by Bob Schuur. Board members present were Bob Schuur, Roger Fadness, Walt Warchol, and Rob Rastovich via conference phone. Staff members present were Steve Johnson, Chris Webb, and Juanita Harvey.

Immediately upon calling the regular meeting to order, a motion was made by Roger to meet as the LCRB, Bob seconded his motion. The vote was unanimous in favor. The LCRB meeting was called to order at 11:06 am.

Original bids were awarded for Phase 1 with the option of adding a 3,000 to 5,000 foot extension. Both contractors elected to pursue the option if directed.

The District received bids from the original bidders for Phase 2 Segment 1 (Extension) with no contract since there was that qualification in the original bids. The extension is considered a change order to the original contract.

Discussions with both contractors occurred after receipt of initial bids to explore cost reductions.

Both contractors original bids for the extension were higher on a per linear foot comparison to Phase 1 pricing. TNW has to crush new material for fill because they do not have a surplus of fill dirt. KrahUSA's prices were higher because the pipe being manufactured for Phase 2 is a larger diameter pipe. Both contractors were able to reduce their bids approximately 11% for an over all savings of \$300,000. These reductions were needed in order to balance with remaining match funding available.

The full 25% match is required until the completion of each phase.

The District applied for match funding for the full Phase 2. We have been notified that we will be receiving funding from OWRD in the amount of \$2,903,000 and \$250,000 from OWEB which will be available in January 2024.

HB3050 was passed by the Oregon Legislature and \$50,000,000 will be available via competitive applications for water conservation projects already eligible for PL-566, WaterSmart and EPA funds. We will pursue match funds for Phase 3 and 4 when the application process is announced.

Phase 2 Segment 1 won't begin for another 2 to 3 months. A formal award isn't required because it is being submitted as a change order.

Walt inquired about the payment schedule for KrahUSA. Steve informed the board that KrahUSA requires a 30% down payment. As they manufacture the pipe, the deposit is drawn down from the deposit and then we pay as the remainder of the pipe is being manufactured and delivered to the job site. Walt wanted to ensure that payments will not be a problem. Steve reiterated that funds are available.

Steve recommended that the LCRB approve the bids as presented.

Walt motioned, and Roger seconded his motion to approve the revised bids as \$1,429,936 to TNW, and \$927,684 to KrahUSA.

At 11:25 am, Bob called to adjourn the LCRB meeting and call back to order the board of director meeting.

Bob motioned to approve the recommendations made by Steve to accept the revised bids as presented and to give Steve authority to sign the agreements. Walt seconded his motion. The vote was unanimous in favor.

Discussing the preliminary injunction filing, Judge McShane ruled there will be no restraining order granted. Judge McShane was very in tune with the case. His written order will come next week at which time we will send out via email to our patrons as well as posting it on the webpage. Bob agrees with Judge McShane's assessment and decision. This has been a positive outcome for AID.

Steve is expecting a milestone calendar from TNW shortly and they are set to start up the project on September 11<sup>th</sup> at Errington's property and then moving to the east first and than back toward the west.

Senators Merkley and US Rep Bentz have been invited to visit the project this fall or winter as their schedules allow.

Bob asked if the change order for the path of the pipe have been changed and if the patrons have been notified. Steve verified that the alignment changes have been made and the patrons notified.

On Thursday, 9/7/2023, TNW and Steve will be going out to paint trees in Segment 1 of Phase 2 and also to paint the trees per the realignment change orders.

The contractor has full latitude on tree removal when it comes to safety and equipment access.

A motion was made by Roger to adjourn the meeting. Bob seconded his motion. The vote was unanimous in favor.