

**CITY OF COOS BAY CITY COUNCIL**  
**Agenda Staff Report**

<b>MEETING DATE</b>	<b>AGENDA ITEM NUMBER</b>
July 15, 2014	

TO: Mayor Shoji and City Councilors

FROM: Jennifer Wirsing, Wastewater Project Administrator

THROUGH: Rodger Craddock, City Manager

ISSUE: Approve Change Order to Wastewater Treatment #2 (WWTP 2) Design Contract – Biological Assessment Work

**BACKGROUND:**

The City has contracted with the design team of SHN and CH2M HILL to prepare final design plans for the WWTP #2 project. In the original scope of work, the preparation for a biological assessment (BA) was included. After this scope of work was submitted and approved, further consultations with the National Marine Fisheries Service (NMFS) led to the conclusion that the level of effort presented in the original scope of work and budget for the BA were not sufficient for the preparation of a report that covered the breadth and level of detail required by NMFS.

It was not known by our consultant or staff that this extensive NMFS coordination would be required. The City has investigated the reasoning as to why NMFS has the regulatory authority to require the elevated BA that they are requesting. Staff has discovered that this is a relatively new requirement that NMFS is proposing on projects. The nexus is the endangered Coho Salmon and the metals, specifically copper, that have an adverse impact on Coho. The project site, per Oregon Department of Environmental Quality (DEQ), is required to capture all stormwater runoff that has the potential to co-mingle with sewer (in the event of a spill) and route the storm water through the treatment plant. If the City opted to not do this, then DEQ would require the City to obtain a National Pollutant Elimination Discharge Permit (NPDES) under the Industrial Program. The addition of industrial pretreatment to the existing NPDES permit has immediate and long term financial costs associated with it. Upon further analysis, staff and the design team opted to move forward with DEQ's original recommendation of routing the stormwater through the plant and avoid the additional review and opening up of the NPDES permit. This venue requires staff and the consultant to provide evidence that this is the better treatment for metals. In addition, NMFS has required the City to include information related to storm water management programs that are planned for the next 20 years. An amendment to the existing contract with SHN and CH2M Hill will be required totaling \$41,060.

**ADVANTAGES:**

The approval of the addendum to prepare a comprehensive biological assessment (BA) will allow the project to continue on schedule. Additionally, the loan and grant obtained from Oregon Infrastructure Finance Authority (IFA) is for the completion of a portion of the projects from the City's 20-year take down list for sanitary sewer and storm drain improvements. The WWTP #2 project is one of the projects from that take down list. Approval of this addendum will help staff complete the final design for this project so that construction may commence.

**DISADVANTAGES:**

If the City does not prepare a comprehensive BA that addresses the concerns that NMFS has presented in the consultations, it will hinder and extend the review and approval process. The City is planning on funding the construction of this project with a DEQ State Revolving Fund (SRF) loan. Currently, the loan application that was submitted in April 2014 is on hold by DEQ until the BA is approved. Additionally, an extension to the BA approval has the potential to extend the construction start date (currently scheduled for summer 2015). The longer the construction start date is pushed back the more the construction costs will appreciate.

**BUDGET IMPLICATIONS:**

This project is funded by the loan and grants received from IFA, Loan # 2 (29-810-530-3019). To date, the total expended on this project is \$1,783,311. A total of 1,800,000 was originally budgeted. The total including this change order would be \$1,824,371. In coordinating with IFA, they have approved the addition due to other IFA projects that the City has completed having come under budget.

**RELATED CITY GOAL:**

The approval of this project will help the City meet the goal that states, “Infrastructure and Services: To maintain and improve the City’s physical infrastructure and provide quality services for current and future citizens.” This project will help ensure that the City can protect and enhance the useful life of their utilities and facilities.

**ACTION REQUESTED:**

If it pleases the City Council, approve the award and the change order to the WWTP #2 contract to the design team of SHN and CH2M HILL for additional biological assessment work for an amount not to exceed \$41,060.