

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

February 3, 2015

The minutes of the proceedings of a regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, held at 7 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Crystal Shoji and Councilors Fred Brick, Jennifer Groth, and Stephanie Kramer. Councilors Mark Daily, Thomas Leahy and Mike Vaughan were absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Community Development Director Eric Day, Public Works Director Jim Hossley, Wastewater Project Engineer Jennifer Wirsing, Fire Chief Mark Anderson, and Police Captain Chris Chapanar.

Flag Salute

Mayor Shoji opened the meeting and asked David Petrie to lead the Council and assembly in the salute to the flag.

Public Comments

Ken Fulkner, Coos Bay: stated he would like to see a ban on slash burning; expressed concern over the spread in retail gas prices throughout Oregon.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of January 20, 2015; 3b: acceptance of an emergency grant from Oregon Department of Fish & Wildlife (ODF&W) to repair the Empire crab/fishing pier; 3c: approval of a Coos County Library Service District (CCLSD) ready to read grant; 3d: acceptance of a Business Oregon brownfields redevelopment fund grant; 3e: adoption of Resolution 15-02 a supplemental budget making appropriations and accepting grant awards, and; 3f: acceptance of the semi-annual report on the Coos Bay/North Bend Visitor & Convention Bureau. Councilor Kramer moved to approve the consent calendar approving the minutes of January 20, 2015, accepting an emergency grant from ODF&W to repair the Empire crab/fishing pier; approving a CCLSD ready to read grant; accepting a Business Oregon brownfields redevelopment fund grant, adopting Resolution 15-02 a supplemental budget making appropriations and accepting grant awards, and accepting the semi-annual report on the Coos Bay/North Bend Visitor & Convention Bureau. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Brick, Groth, and Kramer voting aye. Councilors Daily, Leahy, and Vaughan were absent.

New Council Business

No comments given.

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Consideration for an Award of Contract for Integrator of Record

Public Works Director Jim Hossley stated on December 2, 2014 the City advertised for a request for qualification (RFQ) from qualified individuals and firms to provide technical, design, and integration support to the City in the area of controls and supervisory control and data acquisition (SCADA) and to serve as the City's Integrator of Record (IOR). Statement of qualifications were received from: CH2M HILL, The Automation Group, and Portland Engineering. Mr. Hossley recommend utilizing support and resources from a single firm to facilitate consistency, rapid response to needs, and a standard approach to develop and maintain controls and electrical systems as the City moved forward with wastewater upgrades and improvements associated with the 20 year plan. The proposed contract term was for a five (5) year period with an option to extend for an additional one (1) year at the City's discretion. Mr. Hossley provided a brief overview of the plan noting all three firms were qualified in the field of integration and programming; recommended the contract be awarded to CH2M Hill noting they were the only firm which demonstrated past success with large wastewater treatment plants similar to the City's current Plant 2 project and the upcoming Plant 1 upgrade. CH2M Hill was also the only firm with engineers on their team that were proficient in wastewater treatment design.

Mayor and Council expressed concern regarding the unknown costs for the Integrator of Record. Mr. Hossley stated the contract was qualification based and cost was not an allowable consideration for award of the contract. City Manager Rodger Craddock advised the City had final decision to negotiate an acceptable rate and/or obtain an alternate firm to complete the work. Wastewater Project Engineer Jennifer Wirsing explained projects involving pump station and wastewater upgrades involved instrumentation, controls, and programming; having an IOR would provide for project consistency between the various undertakings; noted under state law, pricing was not allowed for qualification based selections. Councilor Groth moved to award the contract for Integrator of Record to CH2M Hill. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Brick, Groth, and Kramer voting aye. Councilors Daily, Leahy, and Vaughan were absent.

Consideration for Approval of Direction of Traffic Change on 3rd Street Between Commercial and Market Avenues

Public Works Director Jim Hossley stated the Council had asked staff to evaluate converting the direction of traffic flow on 3rd Street between Commercial and Market Avenues. Mr. Hossley advised the width of the street in the proposed block was 15 feet, suitable for one-way traffic only. The direction of travel for traffic was currently southbound. Results of a November 24, 2014 staff conducted traffic study showed 3rd Street south to Commercial had very low traffic volume. Mayor Shoji moved to approve the traffic change on 3rd Street making direction of travel from south to north between Commercial Avenue and Market Avenue. Councilor Kramer seconded the motion. Councilor Groth inquired if adjacent property owners and businesses were notified of the proposed traffic change. Mr. Hossley advised notification was not sent. Mayor Shoji and Councilor Kramer withdrew their motion and second to allow time for staff to notify adjacent property/business owners of the proposed change. It was the consensus of the Council to postpone consideration of the traffic change decision to allow time for staff to notify the adjacent property/business owners of the proposed change.

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Update on North Spit Wastewater Treatment Plant No. 2 Proposal

Public Works Director Jim Hossley stated Dennis Beetham, CEO of D.B. Western Texas, Incorporated notified several agencies throughout the community of his proposal to build regional a wastewater treatment plant on the North Spit. Mr. Beetham requested the City consider abandoning the rebuild of Plant #2 at Empire Blvd. and Fulton Avenue and proposed sending the waste to the treatment plant that he was planning to design, build, and potentially operate on the North Spit. Mr. Hossley briefly reviewed Mr. Beetham's proposal and noted D.B. Western was leasing the property for the proposed treatment plant site from the Oregon International Port of Coos Bay (Port). By state law, State Wide Planning Goal #11 (OAR 660-015-000 (11)), and the current limits of the City of Coos Bay Urban Growth Boundary, a governmental entity other than the City of Coos Bay would be required to own and operate a wastewater treatment plant on the North Spit.

Mr. Hossley noted the concerns which included: lack of information to determine if the proposal would provide a cost savings to sewer rate payers; City did not have a guaranteed maximum price (GMP) for the construction cost from the City's contractor for the current course of action; it was not clear if prevailing wage requirements were accounted for in Mr. Beetham's proposal; the proposal did not provide life-cycle costs for the North Spit project. Mr. Hossley also noted annual operating costs to the City for the North Spit plant had not been investigated; sludge handling costs were expected to be higher, and energy costs related to pumping influent to the North Spit and effluent back to the City's bay outfall could be a significant addition to the operational costs.

Mr. Hossley advised the City was ten plus years into the planning and design process, and had invested close to \$4 million to complete the process for the wastewater treatment plant proposed for the corner of Empire Blvd. and Fulton Avenue. Once the City accepted the final guaranteed maximum price (GMP) and permits were approved (June 2015), Department of Environmental Quality (DEQ) would be ready to loan the City the funds to construct the project in time for the City to meet its mutual agreement order (MAO) schedule with DEQ. Changing the location to the North Spit would require the City to start back at the beginning of the planning process which could take anywhere from 18 months to 3 years. Mr. Hossley stated the current treatment plant was in need of immediate upgrade. The City was under an MAO with the DEQ giving the City until 2017 to have a new treatment plant online. The just completed plant design could accommodate upgrade for tertiary treatment if required in the future and could be enlarged to accommodate future growth if needed.

Port Director of Development Fred Jacquot stated a regional wastewater facility with ocean outfall was a long term strategic goal of the Port; noted the Port did not have a completed facilities plan available to submit to DEQ. Mr. Jacquot stated Port was not inclined to allow the property currently leased by D.B Western to be used for the for the purpose of a wastewater treatment facility; property was currently leased for marine industrial construction and fabrication. The Port's preferred location for a regional wastewater facility on the North Spit would be closer to the existing outfall.

D.B. Western Texas Business Development Director David Petrie reviewed D.B. Westerns research and development process for the North Spit wastewater treatment facility proposal; primary effort to eliminate effluent from the Bay. Mr. Petrie stated D.B. Western's primary driver

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was to reduce costs by moving the facility out of a residential zone to an industrial zone; suggested the proposed costs estimates were realistic and reliable. Mr. Petrie asked the Council to allow D.B. Western two weeks in effort to provide the Council with a more complete proposal. Noted D.B. Western held an evergreen lease for 32 acres on the North Spit and their attorney advised a wastewater treatment facility was achievable. Mr. Petrie suggested the Council was not directly involved in solutions for the funding required for ocean outfall or transitioning to Plant#2. Councilor Groth noted the strict timeline requirements required by DEQ wherein Mr. Petrie stated D.B. Western had no intention of delaying the timeline. Councilor Brick inquired as to the purpose of Mr. Petrie's request for an additional two week time. Mr. Petrie stated he would present a more completed proposal. Mayor Shoji stated it was not the Council's position to review plans.

City Attorney Nate McClintock stated the City was not at liberty to move forward with the D.B. Western proposal citing government contracting rule requirements. Mayor Shoji asked for the City Manager's recommendation as to Mr. Petrie's request for an additional two weeks of time to come back with a proposal. City Manager Rodger Craddock stated the City had finite resources and had already devoted an estimated 400 hours to evaluate the non-solicited proposal from D.B. Western; noted multiple problems with the D.B. Western plan and suggested it was not a viable option. Councilor Groth suggested a regional wastewater facility was a good long term goal for the community but noted the City of Coos Bay had an immediate need to bring the wastewater treatment facility into compliance. Councilor Kramer expressed economic and timeline concerns and as such was not inclined to support the D.B. Western proposal. Mayor Shoji suggested the proposal was not as simple as it was being portrayed and was not willing to switch course at this point in time.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock stated the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indian (CTCLUSI) Casino on Ocean Boulevard was near completion; CTCLUSI had access concerns and proposed funding and implementing a road diet extending from Newmark Avenue to Wallace Street and possibly to Radar Road. Requested the council Finance Committee schedule a meeting to discuss direction for the proposed increase to building codes and planning fees. Mr. Craddock provided the Council with a list of the 2016 City Goals for the Council to review.

Council Comments

Councilor Groth announced the Community Enhancement Plan (CEP) workgroup was awaiting the calculation of the community service fee; Streets Task Force to regroup in March to review the updated Streets Assessment report; suggested the Urban Renewal Agency (URA) Advisory Committee should meet prior to the URA Budget Committee meeting; stated the Library Advisor Board was meeting regularly; announced the Library was awarded a small grant for strategic planning and was working on a possible State grant for site planning for a new Library building. Councilor Kramer encouraged the community to stop by and check out the Coos Bay Boat

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Building Center. Mayor Shoji inquired about the road striping on 4th Street between Anderson and Elrod Avenues; stated George Whitty would be performed at the Egyptian Theatre on Saturday, February 7, 2015 at 7:30 p.m.; State of City Address was scheduled to be held at noon on February 20, 2015 at the Coos Bay Public Library.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for February 17, 2015 in the Council Chambers at City Hall.

Crystal Shoji, Mayor

Attest: _____
Susanne Baker, City Recorder