

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

December 17, 2019

The minutes of the proceedings of a regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, held at 7:00 pm in the City Hall Council Chambers, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Drew Farmer, Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, City Engineer Jennifer Wirsing, Resident Project Representative Jan Kerbo, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

6:10 p.m. - Council Interviews

At 6:10 p.m. prior to the start of the regularly scheduled council meeting, the council interviewed applicants for the planning commission. No decision was made.

Flag Salute

Mayor Benetti opened the meeting and led the Council and assembly in the salute to the flag.

Public Comments

No public comments were made.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

- 3a: Approval of minutes of November 26, 2019
- 3b: Approval of minutes of December 3, 2019
- 3c: Acceptance of November 2019 Check Registers
- 3d: Acceptance of November 2019 Financial Reports
- 3e: Ratification of Hotel Industry and Bay Area Chamber of Commerce Appointments to the Coos Bay-North Bend Visitor & Convention Bureau Board

Councilor DiNovo moved to approve the consent calendar as presented. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Report by Marshfield High School Key Club Member

Marshfield High School (MHS) Key Club representative Zachariah Sahli summarized upcoming Key Club activities, shared various ongoing fundraising activities and achievements by various MHS clubs, committees, and athletic teams.

Appointments to the Planning Commission

City Manager Rodger Craddock stated the city received four applications for appointments to the planning commission. Applications were received from Chris Hood, Rex Miller, Fred Taylor, and Ryan Wortman. By action of council ballot the council appointed Chris Hood, Rex Miller, and Ryan Wortman to the planning commission for four-year terms ending December 31, 2023.

Members on the budget committee whose terms will be ending December 31, 2019 were advertised and applications were accepted through December 5, 2019. The budget committee did not receive enough applications and will be advertised again later.

Consideration of Approval of Amendment for Additional Engineering Services for Wastewater Treatment Plant 2 Upgrade Project

Public Works and Community Development Director Jim Hossley stated due to delays in the startup of the new Wastewater Treatment Plant 2 (WWTP2), the principle project engineer, Jacobs, was requesting an additional \$65,856.00 for engineering services rendered. Staff would be seeking reimbursement from the treatment plant construction contractor for this amendment and portions of previously approved amendments, as well as, costs associated with operations (outside of the scope of the operations and maintenance contract) and chemicals, but staff recommended amendment #5 be approved given the contract was between the city and the principle project engineer. Jacobs Project Manager Craig Massie spoke to council on December 10, 2019 regarding WWTP2 and council requested Mr. Massie return to speak again.

Mr. Massie stated the city had a facility plan done in 2008 and recommendations of that plan were not able to be built at the location due to the wetlands. Another firm did a facility plan amendment to look at modifications and a third engineer (CH2M/Jacobs) did a valuation assessment which endorsed the facility plan amendment. CH2M/Jacobs, as a sub-contractor to SHN, did the pre-design with responsibility of the treatment process. The treatment process endorsed and designed was a package sequencing batch reactor system with UV disinfection, with the system provided by one manufacturer Sanitaire, who was subsequently purchased by Xylem. The plant construction was carried out by general contractor Mortenson Construction, with responsibility of supplying through Xylem the equipment and building the housing tankage, electrical, mechanical, and other support systems. Operation on wastewater began on November 2018 and during the first six months there were a series of mechanical failures, programming errors, and misdirection from Xylem on the operation of the plant. Most of the mechanical failures led to some kind of disruption of the biological process, where in late July 2019 the plant had to be reseeded, essentially a reset. The reset period extends testing at least twenty to twenty-five days, with a significant disruption taking two or three sludge times that period. These disruptions also have caused a

disinfection violation. Since July 2019, the process has been more stable with one mechanical failure in August 2019 but the thirty day performance testing was not started until December 16, 2019.

Mr. Massie stated even with the failures, compared average performance of the new plant to old, in the four main pollutant categories (biochemical oxygen demand (BOD), total suspended solids (TSS), ammonia, and disinfection-fecal e-coli, etc) the new plant has discharged 45% less BOD, 78% less TSS, 680% less ammonia, and all fecal hits have been associated with the system/program failure disruptions. The disruption issues are under the responsibility of Xylem to provide direction on how to operate the process and the programming, as it is a proprietary product and program from Xylem. Xylem is contractually responsible for demonstrating their system can perform treatment. If not completed efficiently, Xylem could be found in default of their contract and potential liability to regulatory impacts; Jacobs has a meeting scheduled on January 8, 2020 with Xylem.

Council stated the plant was not supposed to use chemicals and magnesium hydroxide has been added. Mr. Massie stated they haven't prevented Xylem from using chemicals, but do not expect the need to use chemicals except during high flow winter-time conditions. Council asked about Plant 1 technology, Mr. Massie stated the Plant 1 project would not have Xylem equipment and programming, due to Plant 1 being only an upgrade to current technology. Council asked what the expectations were for the meeting with Xylem. Mr. Massie stated the meeting would depend on how thirty day test was going; however, they would discuss the additional costs, impact incurred to the city, and chemicals being added. This current requested contract amendment with Jacobs would cover costs through February 28, 2020 and Mr. Massie stated he did not anticipate additional costs after that date or further project management if the thirty day testing went well.

Councilor Marler moved to approve amendment 5 to the Jacobs (CH2M) Services During Construction (Wastewater Treatment Plan 2) contract for a total contract cost of \$1,111,558.00. Councilor Farmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Presentation on the City Audit for Fiscal Year 2018-19 by Pauly, Rogers and Co, PC Auditor Tara Kamp

Senior Auditor Tara Kamp stated Pauly, Rogers and Co. issued an unmodified opinion on the City of Coos Bay fiscal year end (FYE) 2019 financial statements with no exceptions or issues requiring comment for the State minimum standards and no management letter was issued. An unmodified opinion means the City of Coos Bay was given a "clean" opinion with no reservations. It was the independent auditor's judgment that the financial records and statements were fairly and appropriately presented, and in accordance with generally accepted accounting principles (GAAP). An unmodified opinion is the most common type of auditor's report and the desired result.

Councilor DiNovo moved to accept the fiscal year 2018-2019 audit. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approval of Amendment to the Coos Bay-North Bend Visitor & Convention Bureau Intergovernmental Agreement

City Manager Rodger Craddock stated the Coos Bay-North Bend Visitor & Convention Bureau (VCB) is an intergovernmental agency which serves as the tourism promotional arm of the cities of Coos Bay and North Bend, along with the Coquille Indian Tribe (Tribe). The scope and funding of the VCB is based on an intergovernmental agreement (IGA) which was initially agreed upon in 2010 by the three governmental partners. The partners are seeking to amend the IGA to reflect their collective desire to increase funding of the VCB which has been made possible by the increase from 7% to 9.5% to the transient lodging tax (TLT) earlier this year. Staff recommended approval of the proposed amendment, as it clearly established the intention of the increased transient lodging tax rate and reflects the partners commitment to dedicate 70% of the revenue generated by the additional 2.5% TLT directly to the VCB. Councilor DiNovo stated she was excited to make the region more competitive in the marketplace with other areas in the state and pointed out the Tribe does not have to participate in an occupancy tax, but are one of the few tribes in the United States that do. Mayor Benetti stated this gives the VCB the funds to be a significant participant in the tourism industry now and will make a huge difference.

Councilor Kilmer moved to approve the proposed amendment to the Coos Bay-North Bend Visitor & Convention Bureau Intergovernmental Agreement. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

City Manager's Report

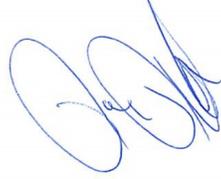
City Manager Rodger Craddock stated city hall would be closed December 24 and 25, 2019; the next council meeting was scheduled for January 7, 2020; the Empire capital street improvement project ADA ramp component was behind schedule due to the weather, city staff granted a thirty day extension, but the project was still on budget; while preparing presentation for the Economic Outlook Forum realized how import a vision and a master plan was to enable steps to be taken to realize a dream and was excited to watch revitalization of Front Street happen.

Council Comments

The mayor, council, city manager, and city staff reflected on their "smiles and frowns" on the city over 2019. Mayor Benetti wished citizens, staff, and council Happy Holidays. Councilor DiNovo thanked the Empire Downtown Coalition and Star of Hope for the Empire Christmas tree lighting ceremony. Councilor Miles stated the Empire Christmas tree lighting event was great and wished everyone a safe and happy holiday and hoped everyone had a chance to have time off to enjoy family and friends.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for January 7, 2020 in the council chambers at city hall.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder