

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

April 10, 2001

The minutes of the proceedings of a work session of the City Council of the City of Coos Bay, and Coos County Commissioners, Coos County, Oregon, held at 1:30 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and City Councilors Jeff McKeown, Cindi Miller, Don Spangler, Kevin Stufflebean, and Judy Weeks. Councilor Anna Marie Larson was out of town. Coos County Commissioners Pete DeMain, Nikki Whitty, and John Griffith. Keith Anderson and Carrie Nelson with the Department of Environmental Quality were also present. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, City Attorney Randall Tosh, and Police Chief Chuck Knight.

Discussion of Garbage Rates

Commissioner DeMain called the meeting to order. He explained the Commissioners had recently met with solid waste manager Steve Allen, Mayor Benetti, City Manager Bill Grile and Les Golbek to discuss options for solid waste disposal, and the purpose of today's meeting is to discuss short and long term plans for waste disposal. Commissioner Whitty commented the process has been a learning experience for the commissioners on the history of the facility and the bond measure which passed several years ago. They have discussed the subject extensively, looking at options and opportunities, and if the facility were to close, the County would still have the expense of closure and monitoring costs as well as the impact of the loss of jobs.

Commissioner Griffith reported the bond measure was passed in 1994 and the current issues are not new. Past commissioners Jack Beebe, Gordon Ross and Bev Owen spoke with the commissioners last week to present the history of the facility. Commissioner Griffith commented the County developed the Joe Ney land fill facility in 1966 during a time when there were few environmental regulations. Commissioner Whitty expressed concern that the County's budget must be finalized by June 30th and recommended putting together a committee to look at options.

Facility Manager Steve Allen reported the ground water monitoring costs \$320,000 annually and is a complicated procedure. There are 18 sample locations at the Beaver Hill facility that are sampled quarterly and the results of the analysis may or may not drive the need for additional samples. Mr. Allen explained the monitoring process is required even if the facility is closed. Councilor Spangler inquired if the monitoring costs would decrease over time and Mr. Allen reported the monitoring is required for all three sites and could be expected to go down in three to five years depending on the analysis of the samples.

Councilor McKeown commented the basic question is whether the local dump can operate more efficiently so the City wouldn't need to ship garbage to Corvallis at a lower cost. The Beaver Hill costs are too high locally and we need to explore what can be done to bring the cost down. Commissioner Whitty commented it costs the County an additional \$130,000 annually from the general fund to operate the dump facility. The County has received a number of calls from the public wanting to keep the facility open. Councilor Weeks noted that when the bonds were sold there was talk about producing electricity from the energy produced by the incinerators. Commissioner Griffith reported the County entered into a contract in 1985 with Pacific

City Council Minutes – April 10, 2001

Power to sell the power generated by the facility. The design of the generators was not completed within the deadline and Pacific Power paid the County \$90,000 not to build the generators and the County signed a contract not to generate electricity until after April 2002.

Mr. Allen reported the facility is not generating power at this time and the cost to operate the incinerators is \$57 per ton; the additional costs are to cover monitoring requirements. He commented the Bandon and Joe Ney facilities also require monitoring. Councilor Spangler stated the cost at Corvallis is \$48 and Beaver Hill is \$72.50 per ton and inquired why Beaver Hill is so much higher. Mr. Allen commented the County has three sites to monitor and with today's regulations, a land fill would not be permitted on the coast. Mayor Benetti commented part of the reasoning to pass the bond measure was to keep garbage disposal here and keep the costs down. He noted the life of the incinerators is also a consideration. Mr. Allen reported the life of the incinerators depends on the maintenance given and they could go another ten years without replacement. Mayor Benetti commented it is a county-wide issue and we must work together for a solution. All residents are interested in bringing costs down and noted that not generating electricity and not receiving tonnage from Curry County has kept the cost higher. Councilor Spangler commented the local haulers are already taking garbage to Corvallis.

Councilor McKeown commented the cost of monitoring will continue whether the facility is open or closed, and suggested Mr. Allen prepare a plan of action to present to the City Council and Commissioners. Councilor Spangler noted certain materials such as fish waste is taken to the dump at no charge. Commissioner Whitty reported this is a lease at no pay because the business made a huge investment in the facility. Commissioner Griffith commented the power generation did not go because the price they had contracted was much greater than the market cost. Councilor Stufflebean reported the Coos County Solid Waste Committee has not met in years and has not been monitoring the facility operations. Councilor Spangler stated franchise agreements should not let the haulers take the garbage anywhere they chose. Mayor Benetti commented the garbage from the cities is being hauled to Beaver Hill and none of the county franchise agreements mandate where the garbage can be hauled.

Les Golbek, Les' Sanitary Service, reported the City's franchise fee is based on the Beaver Hill dump fees, so the garbage is hauled to Beaver Hill, and the items that are not burnable are hauled to Corvallis. Jack Beebe commented he was commissioner when the Beaver Hill facility was developed and it is not a simple matter. He noted there are hidden costs, such as if someone throws a contaminated item into a load, the whole load is considered toxic and the cost comes back to the County to fix. Mr. Beebe commented one way to lower the costs is to bring in garbage from somewhere else and noted there are a lot of hidden costs to be considered.

Mayor Benetti noted when the bond issue first went out it was for \$2 million and ended up being \$7 million. Mr. Beebe reported the costs escalated because of DEQ requirements and monitoring costs. He further explained when the agreement was made with Pacific Power, there was a shortage of power and then things changed and Pacific Power wanted out of the contract. The engineering firm hired to design the facility backed out of their contract. Pacific Power then offered to pay the County \$90,000 to buy back their contract with the stipulation that the County would not sell electricity for 15 years. Mr. Beebe commented in another year the County can again look at power generation.

Will Wright, Coos Bay, reported he had helped the County evaluate the proposals for the solid waste disposal facility. Only three bids had been received and after the bond measure passed, it was again put out to bid. Mr. Wright commented \$1 million annually of heat is going to waste which is currently being used for shrimp drying process. The Beaver Hill facility consumes 450 Kilowatts of electricity and if generators were in

City Council Minutes – April 10, 2001

place, they could generate their own electricity. Mr. Wright commented at one time there was considerable interest in developing an industrial park near the facility. He stated the commissioners at that time shouldn't be faulted, they made the best decision they could with the information they had.

Mr. Allen suggested it may be appropriate to activate the Solid Waste Committee to review and evaluate the Beaver Hill facility, as well as review some of the items Mr. Wright has brought up. Mayor Benetti stated the City Council is in agreement to review the facility and postpone the public hearing. Commissioner Whitty expressed concern regarding the County's budget and Councilor Stufflebean commented no decisions would be made for some time. Mayor Benetti agreed that no decision would be made until after a report had been received from the Solid Waste Committee.

Gary Marconi, representing County workers, commented in reviewing dump fees from around the state, Beaver Hill is right in the ballpark. He cautioned that Coffin Butte is offering a low cost now, they could go up. Mayor Benetti noted the \$48 rate is guaranteed for three years. Chris Kozel, Coos Bay, commented there are differences between Beaver Hill and Coffin Butte and there are tradeoffs such as air pollution and transportation costs. The average citizen would not feel \$2.25 savings per month is important and citizens already pay cheap garbage rates. Mayor Benetti commented when added all together, it is a significant amount of money. Ms. Kozel stated there is no reason to haul to Corvallis because the rates are low and everyone pays a price for living here. Councilor Stufflebean commented many senior citizens cannot afford to pay for garbage service and it is a quality of life for them if they cannot afford the service. Ms. Kozel stated she did not believe they cannot afford the service and the quality of life is improving.

Councilor Weeks commented the issue was brought to the attention of the City and it needs to be looked into. She suggested moving forward with activating the Solid Waste Committee. Mayor Benetti commented it would have been easier to walk away, but once made aware of the situation the City was obligated to look into the matter. Commissioner Griffith stated it should be looked at as an opportunity. City Manager Bill Grile commented it is important to evaluate services from time to time and suggested the committee do some factfinding, an environmental analysis and an engineering analysis of the facility. Regardless of the operational costs, \$9.4 million incurred liability exists.

Miles Elliston, North Bend, expressed appreciation for the discussion and supported an economic analysis. He inquired about franchise fees earned by the cities. Commissioner Whitty reported Bandon receives no franchise fees; Coquille receives \$1500 annually and Coos Bay and North Bend earn 5% of the garbage haulers' earnings. Jon Eck, Coos Bay, commended the haulers for trying to lower the rates and reported that on a 30-yard dumpster, fees around the state vary considerably; Springfield at \$330, Florence at \$400, Reedsport at no charge, Coos County at \$740, Roseburg at \$439. Mr. Beebe noted Douglas County uses revenue from timber sales to offset solid waste disposal. Jim Thorpe commented a number of businesses have stated they will need to lay people off if the dump closes and Hallmark Fisheries has stated they would lay off 200 people. Mr. Thorpe stated he has invested \$250,000 in the facility and he had not been told that the dump would close in ten years.

Commissioner DeMain stated the consensus of the City Council and County Commissioners is to activate the Solid Waste Committee to review the matter and report back. Mr. Allen reported he would contact current members and set a meeting date.

Adjournment

City Council Minutes – April 10, 2001

There being no further discussion to come before the Council and Commission, the meeting was adjourned.

Joe Benetti, Mayor

ATTEST:

Joyce Jansen, Deputy Recorder