

MINUTES
DAYTON CITY COUNCIL
SPECIAL SESSION
September 26, 2016

PRESENT: Mayor Elizabeth Wytoski
Councilor John Bixler
Councilor John Collins
Councilor Trini Marquez
Councilor Darrick Price (arrived 6:33 pm)

ABSENT: Councilor Erin Taylor
Councilor Annette Frank

STAFF: Scott Pingel, City Manager
Rochelle Roaden, City Recorder
Steve Sagmiller, Public Works Director

A. CALL TO ORDER & PLEDGE OF ALLEGIANCE

Mayor Wytoski called the meeting to order at 6:30 pm and those present gave the Pledge of Allegiance.

B. ROLL CALL

Mayor Wytoski noted there was a quorum with Councilors Bixler, Collins, and Marquez. Mayor Wytoski noted the absence of Councilors Frank, Price and Taylor.

C. APPEARANCE OF INTERESTED CITIZENS

None.

D. ACTION ITEMS

1. Termination of MBR Maintenance Contract

James Riley gave an update on the current situation with the MBR and RO system including electrical requirements and his goal to acquire an investment partner to provide external funding.

Mayor Wytoski explained the purpose for calling this meeting was originally to consider immediate termination of the maintenance agreement primarily due to unrealistic cost estimates which have now been identified. James Reilly submitted a letter (Exhibit A) dated September 22, 2016, stating he will be terminating the contract with the City of Dayton as of October 31, 2016. Mayor Wytoski is completely comfortable accepting the letter of termination of the maintenance agreement effective October 31, 2016, and allowing James Reilly the ability to continue testing and an opportunity to seek external funding until that date. Additionally, she would like to authorize Scott Pingel, City Manager, to work on a severance or continuing agreement dependent on whether James Reilly acquires external funding. Discussion continued.

JOHN COLLINS MOVED TO ACCEPT THE RESIGNATION OF JAMES REILLY IN TERMS OF THE MAINTENANCE AGREEMENT EFFECTIVE OCTOBER 31ST, 2016, AUTHORIZING STAFF TO NEGOTIATE AN OPERATIONAL AGREEMENT FOR THE MONTH OF OCTOBER, AND EITHER SEVERENCE OR CONTINUANCE TERMS BASED ON THE CONCLUSION OF THAT TIME PERIOD. SECONDED BY JOHN BIXLER. *Motion carried with Bixler, Collins, Marquez and Wytoski voting aye. Price recused himself. Frank and Taylor absent.*

E. CITY COUNCIL COMMENTS/CONCERNS

None.

F. ADJOURN

There being no further business, the meeting adjourned at 7:15 pm.

Respectfully submitted:



By: Rochelle Roaden
City Recorder

APPROVED BY COUNCIL on October 17, 2016.

As Written As Amended



Elizabeth Wytoski, Mayor

Exhibit A

September 22, 2016

Scott Pingel
City Manager,
City of Dayton OR
By Email

Dear Scott,

This is to inform you that effective October 31, 2016 I will be terminating the contract with the City of Dayton. By then I should have an investment partner that would be willing to take up this pilot and see it through to completion. If I am unable to cause an investor to commit by that timeframe then the City will not be required to take further action to terminate our contract.

During this timeframe I ask that we continue to test (including the holding tank which is now paid for) the system to further identify any potential problems. Without such continued effort it will make the process of closing an investor all but impossible.

As it stands right now the key problems from this summer other than the power issue have been addressed. The MBR has just completed nearly two full weeks running at 1/3 capacity yet producing an average of at least 45 gallons per minute for the RO system. At full capacity this translates to 135 gallons per minute which was in line with what we said several years ago.

I just spoke to Steve while he was cleaning the RO system and he indicated that the RO system would be able to last two days longer before another cleaning was necessary. At the beginning of the summer the RO had to be cleaned every 3rd or 4th day. This was due to an MBR problem. So I am well pleased that we have brought the RO cleaning issue into an economically feasible cleaning frequency of two weeks.

Furthermore the recent upgrades to the MBR system helped the RO a great deal and I was looking forward to several others that should also have added additional time onto the RO cleaning frequency requirement.

While I am now certain that both the MBR and RO systems can perform and have performed in the month of September at levels that we expected this business will only be doable if I can find an investor who is willing to fund us. Therefore it is better to resign now than to create more obstacles for investors.

With regard to everything else, other than the last two weeks which have been very painful this entire experience has been a joy. Cross fingers we will be able to continue on but if not then thank you for taking the chance to innovate a solution to this very difficult problem.

Best Regards

James Reilly