

CITY OF JOHN DAY
CITY COUNCIL MINUTES
JOHN DAY, OREGON

September 8th,2020

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Steve Schuette, Council President
Shannon Adair, Councilor
Elliott Sky, Councilor
David Holland, Councilor
Gregg Haberly, Councilor
Paul Smith, Councilor

COUNCILORS PRESENT VIRTUALLY:

GUESTS PRESENT:

Rudy Diaz (Blue Mountain Eagle)
Fred Ostberg
Zack Ostberg
Shilo Ostberg
Delores Ostberg
Ashleigh Ostberg
Chris Ostberg

GUESTS PRESENT VIRTUALLY:

Aaron
+15417909060
+15037047541

STAFF PRESENT:

Nicholas Green, City Manager
Dani Carter, Secretary

STAFF PRESENT VIRTUALLY:

Agenda Item No. 1 Open and Note Attendance

Mayor Lundbom called the meeting to order at 7:01 p.m., noting everyone was present.

Agenda Item No. 2 Approval of prior minutes

The minutes from August 25th 2020, 8pm City Council Meeting were presented.

Minutes were reviewed from prior meeting. Councilor Adair made a motion to approve minutes as presented. Councilor Haberly seconded, and the motion passed unanimously.

Agenda Item No. 3 Appearance of Interested Citizens

Mayor Lundbom welcomed the audience and asked if there was anything to add to the agenda.

None appeared

Agenda Item No. 4 Consent Agenda

Councilor Holland moved to approve the consent agenda as presented. The motion was seconded by Councilor Smith and passed unanimously.

Agenda Item No. 5 Treatment Plant Update/Hazard Mitigation Assistance Grant

City Manager Green stated at the last council meeting a resolution to adopt the natural hazard mitigation plan, a two-year planning effort between the city, county and other stake holders in the county was officially approved by FIMA. Our first opportunity to potentially take advantage of the BRIC Grant which is a new hazard mitigation assistance program. BRIC is a Grant focused on building on resiliency in our infrastructure. Our wastewater treatment plant project is an eligible project under the program, and an ideal candidate because it is located in the floodplain and prone to periodic flooding and infiltration during flood events. The BRIC Grant is lined to incentivize infrastructure projects, mitigate risk due to natural hazards, incorporate nature-based solutions and modernize infrastructure and bring it back up to code. Our project would relocate the waste water treatment plant out of the 100-year flood plain to an area above the flood plain and significantly mitigate risk. Our treatment plant is 73 years old now an aging infrastructure. Under the program there is about a half a million dollars available this round. The State of Oregon would be the applicant, and the City of John Day would be the sub applicant. We would need to be invited to apply, and if invited to apply, because of our size and income levels we would be eligible for a 90% match for every dollar we spend on the project. Right now, we are about a 50/50 grant to loan this would shift that to 90/10. A letter of interest was submitted by the deadline, accepted and will be evaluated. If they feel the project has merit they will invite us to apply and at that time we can review in more detail what the application would look like. Mayor Lundbom asked if it was for this quarter. City Manager Green stated this quarter all applications have to be in by the end of January and we can expect

invitations to come shortly after they do their internal review and then we would have a couple of months to build out our application. Our preliminary engineering report is being finalized and accepted by USDA, we will still likely use some USDA funds on the project specifically to consolidate prior debt such as the Oregon Pine Acquisition loan where we purchased the land for the treatment plant. That loan can be rolled into USDA financing at a lower interest rate and spread out over 40 years which in turn lowers our monthly payment to our customers. USDA is in the poll position in terms of approving the engineering agreement and final design because they are the first federal agency we are working with. Their requirements would also meet FIMA's requirements under BRIC. Our goal by January is to have a USDA approved preliminary engineering report and all of our state funding committed so when we apply for this FIMA funding we have a shovel ready project with a match secure. We can then compete at the national level and hope our proposal wins out and our community would enjoy the benefits of that. Councilor Schuette requested to know if we have heard anything else on any other grants we had applied for. City Manager Green stated business Oregon is in the last round of approval on the Water/Waste Water Grant which was a grant loan combo which we should have a decision on in October. The Build Grant by statute has to be announced by September 15th and nothing has been released stating that it has been delayed. The agreement on the treatment plant Engineering from Flagline is still pending approval from USDA.

Agenda Item No. 6 Broadband Project Updates

City Manager Green stated during the SINK meeting with various parties contributing to the broadband project the plans have been designed for the extension to Humbolt which will include a drop at the SD #3 office, past ESD and the high school then turn the corner at Inland Street and finally terminate at Humbolt. The last piece we are working through is how we can connect into the school building. There are a few options they are working on now. OTEC will do the installation and we are going to contract for the splicing at the termination sites. Fiber is ready to order and ship. Ideally, we'd see it installed and operational by the end of the month. Grant County Co-Works has submitted a proposal to Grant County Digital. Their board approved up to 30 thousand dollars in expenditures to help secure a location in Seneca and get their website launched and assist with equipping them. They are actively looking for their final locations in John Day and Seneca as well as working through their operational details to launch, are on track to open soon. The last piece was discussed at the Grant County Digital Board meeting. Because the state didn't fund the broadband request for fiber to the home OTC is proposing to do a wireless radio upgrade which would be a 3 GiG point to point system on the tower pointed toward Valley View Drive, Ironwood Estates and Riverside Home Park. Depending on the width you would get different speeds, but the target is 50 MB down 25 MB up which will hit the swath of the city that does not have fiber at present as an interim solution until we can secure funding for fiber to the home. The radio has been ordered and plans to install it are in place. As soon as it arrives we could potentially be connecting customers on that

wireless network in the next 30 days. This is a provisional solution to cover gaps to our fiber in the home. Once funding is acquired we can relocate that radio to other areas that don't have coverage as a stop gap to keep people connected especially in the event schools have to close. This would be a solution that we can pull the trigger on and if the school district chooses to they can help the students out with the cost to subscribe, but that would be up to them. This was something the board felt would be worth wild especially given the low-cost relative to the fiber build out. Mayor Lundbom requested to know if we could put 3 of them in various areas such as Ironwood, Bridge Street or other locations. City manager Green stated he was unsure at this time since there is a lot of interference in the valley from other radio communications. City Councilor Adair asked if this was part of the other Grant that was in lieu of us getting the Broadband funding. City Manager Green stated it was not. Mayor Lundbom asked when it would happen. City Manager Green stated it would take approximately 30-40 days to get the equipment in, installed and tested.

Agenda Item No. 7 Greenhouse Update- The First 90 Days

City Manager Green gave the first 90 days update on the Greenhouse growth stating that our 6000 square foot facility has three bays with two under production. The Greenhouse was Financed with special public works fund loan through Business Oregon, and construction was wrapped up September 9th 2020. Our go to market strategy was business to business sales primarily through the grocery stores and then to our restaurants, but by March our restaurant customers were quickly wiped out due to Covid so we had to pivot very quickly. We started testing in April the concept of going direct to consumer and what that would look like. Early May the decision was made to go direct to consumer through an Ecommerce platform. We now have 18 products that we sell with business to business sales to the restaurants as well as direct to consumer sales. The new platform allows us to track daily sales and sales overtime, mark orders as ready and email or text customers to let them know their orders are ready to be picked up. Councilor Schuette asked about the shortage of lettuce. City Manager Green advised that we had Aphids that entered the greenhouse which caused us to have to restart some of the batches of lettuce. We are back on track now and will see our lettuce back in stock sometime next week. City Manager Green discussed our order processing procedures stating that when a customer places an order online, we will automatically be notified the customer has paid, the order is then filled, and the customer will be notified to come pick it up. Orders are stored in a small commercial refrigerator until the items are picked up. As soon as the order is picked up, we will mark the order complete. We are now starting to enter that exponential growth phase in terms of our customer acquisition. We have been averaging two new customers a day over the last 90 days. Our lead crop is tomatoes with leafy greens coming in 2nd, followed by herbs and cucumbers. Our customer retention is 176 people year to date with 2/3 of them being repeat customers. At this time, we have a limited amount of growth space, we'll want to look at optimizing production in both bays, that's our indicator that it's

time to expand. We are currently getting more traffic to the greenhouse website than any other page that the city has with an average of 20 visitors per day. Of those 20 visitors almost 8% become customers. This site has really become a great tourism and marketing platform for us. This summer we had an internship program. A local High School student, Zack Ostberg was our very first intern for the month of August. He had a good experience and it was great to help a local student from the High School. We are starting to open up new markets. We are in discussion with Silvie's Valley Ranch to supply produce to the ranch, as well as looking at our low to moderate income households with opportunities for them to buy direct. We have applied to accept the Oregon Farm Direct Nutrition Program vouchers as well as SNAP. We are going to be getting an EBT card reader soon to allow us to start accepting those forms of payments. Councilor Sky requested to know if customers can drive up to the greenhouse and place their orders on site. City Manager Green advised yes, they can, our debit card reader is there at the greenhouse. Councilor Sky suggested posting fresh produce signage at the entrance to the driveway. City Manager Green stated that there may be a cushion in our grant to pave the driveway and allow for more traffic directly to the greenhouse.

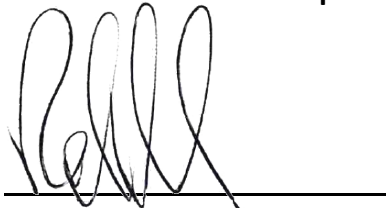
Agenda Item No. 8 Other Business and Upcoming Meetings

Friday Farmers Market and Barbeque

Rural Communities Workshop

October 13th City Council Meeting to discuss Marijuana and industrial Hemp at the industrial park and acquiring property for storage units

Councilor Holland motioned to adjourn the meeting at 7:43 pm. The motion was seconded by Councilor Schuette and passed unanimously.

A handwritten signature in black ink, appearing to read 'Ron Lundbom', is written over a horizontal line. The signature is stylized and cursive.

Ron Lundbom, Mayor