

**John Day City Council Meeting  
Tuesday, November 9, 2021  
316 S. Canyon Boulevard**

**7:00 PM City Council Meeting**

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1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF PRIOR MINUTES**
3. **APPEARANCE OF INTERESTED CITIZENS** – At this time we will welcome the public and ask if there is anything they would like to add to tonight’s agenda.

**CONSENT AGENDA**

4. **CONSENT AGENDA ITEMS**

Attachments:

- None

**ACTION ITEMS**

5. **REVIEW OF THE AQUATICS CENTER DESIGN PROPOSAL & SUMMARY OF PLANNING COMMISSION HEARING**

Attachments:

- Aquatics Center Concept Plan and Architectural Narrative
- Aquatics Center Site Design Review Sheets
- Aquatics Center Site Plans
- Kam Wah Chung Feasibility Study – May 2021

6. **PUBLIC HEARING – RESOLUTION NO. 21-868-16, A RESOLUTION OF CITY OF JOHN DAY APPROVING THE SALE OF CERTAIN REAL PROPERTY LOCATED IN CITY**

Attachments:

- Notice of Public Hearing
- Resolution No. 21-868-16
- Appraisal

- Appraisal Review
7. **AQUATICS CENTER FINANCING AND DRAFT INTERGOVERNMENTAL AGREEMENT**  
Attachments:
    - LRB Spring 2023 Grantee Notification Letter
    - LRB Spring 2023A City of John Day Intent to Reimburse
    - Draft Intergovernmental Agreement
    - Capital Construction Budget (Draft)
    - Operating Budget (Draft)
  8. **AQUATICS CENTER DESIGN RFP**  
Attachments:
    - RFP for Architectural Design Services
  9. **RECREATIONAL TRAILS GRANT UPDATE**  
Attachments:
    - 2021 RTP Funding Recommendations
  10. **INNOVATION GATEWAY BUSINESS PARK & WASTEWATER TREATMENT PLANT UPDATE**  
Attachments:
    - Business Park and 7<sup>th</sup> Street Design Concepts – Walker Macy
    - DEQ Letter
    - Phase 2 – Groundwater Quality Investigation Technical Memorandum
    - Phase 3 – Final Groundwater Modeling Report
    - Water Rights Assessment and Action Plan
    - MohrWater Legal PC – Engagement Letter
  11. **EAST CHAROLAIS HEIGHTS ROAD CONSTRUCTION PROJECT & (FORMER) GOVERNMENT WAY ROAD NAMING**  
Attachments:
    - Tidewater quote and contract
  12. **DISCOVER JOHN DAY WEBSITE UPDATE – STRAW-TO-GOLD**  
Attachments:
    - None
  13. **POLICE AGREEMENT**  
Attachments:
    - Fund transfer agreement (draft)
    - Property book
  14. **OTHER BUSINESS & UPCOMING MEETINGS**  
Attachments:
    - December 14, City Council Meeting (Supplemental Budget) – Fire Hall, 7:00 PM
    - January 11, City Council Meeting – Fire Hall, 7:00 PM
    - January 25, City Council Meeting (State of City Address) – Fire Hall, 7:00 PM
    - February 8, City Council Meeting – Fire Hall, 7:00 PM

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** November 9, 2021  
**SUBJECT:** Agenda Item #4: Consent Agenda Items  
Attachment(s)

- None

**BACKGROUND**

No items on the consent agenda.

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**Item 1) N/A**

N/A

**Recommendation:** N/A

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**Item 2) N/A**

N/A

**Recommendation:** N/A

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #5: Review of the Aquatics Center Design Proposal & Summary of Planning Commission Hearing

- Aquatics Center Concept Plan and Architectural Narrative
- Aquatics Center Site Design Review Sheets
- Aquatics Center Site Plans
- Kam Wah Chung Feasibility Study – May 2021

## **BACKGROUND**

The Planning Commission will hold the conditional use permit hearing for the aquatics center at 6 p.m. This topic will provide an update on the status and results of the hearing.

## **DISCUSSION**

The site design documents submitted by the JDCC Parks & Recreation District are enclosed for council review. This proposal does not require review or approval by the city council unless the decision made by the Planning Commission is appealed.

These documents are being provided to the city council for reference purposes only as they relate directly to discussion items 6, 7 and 8 in tonight's agenda.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #6: Public Hearing – Resolution No. 21-868-16, A Resolution of City of John Day Approving the Sale of Certain Real Property Located in City Attachment(s)

- Notice of Public Hearing
- Resolution No. 21-868-16
- Appraisal
- Appraisal Review
- Condition Assessment

## **INTRODUCTION**

The City noticed its intent to discuss the proposed sale of the 3.01 acre real property located at 250 NW Canton Street in John Day, Oregon commonly known as Gleason Park and Gleason Pool, which is described in the legal notice, attached.

The Oregon Parks & Recreation Department has completed an appraisal and appraisal review of the property, also attached. The maximum appraised value of the property is \$222,000.

The State is offering the maximum appraised value, subject to certain terms and conditions. A public hearing is not required prior to council passing the resolution to sell these lots due to the ordinance we passed earlier in the year; however, given the public interest in this matter I chose to notice the sale.

## **BACKGROUND**

The City of John Day opened Gleason Park and Pool in 1958 at its present location, 250 NW Canton Street. Gleason Pool is the only public swimming pool in all of Grant County. The five-lane outdoor pool with a small wading pool, office space, shower and locker room facilities, and necessary mechanical and equipment storage space was managed and operated by the City of John Day until 1990. In 1990, the John Day Canyon City Park and Recreation District (“JDCCPR”) took over management of the facility under a 5-year lease agreement with the City. The agreement was amended in August 2000 for an additional 20 years and expired on August 8th, 2020 – at which point the operations and maintenance of Gleason Pool and Park reverted back to the City.

The City and Parks & Recreation District agreed to close the pool prior to the start of the 2020 swim season due to Covid-19 and inadequate funding to maintain social distancing. It has remained closed throughout the pandemic, but Gleason Park continues to operate as a City-owned park.

The sale or transfer of the Property to the State of Oregon was contemplated in the Kam Wah Chung & Co. State Heritage Site Master Plan (May 2009), which states: “OPRD can work with the city toward restoring the historic site, and providing for park and pool needs without conflicts. Long-term, a new pool in another location in town would be part of the solution (Plan, pg. 2).”

We are now prepared to move forward with this plan, which was first published 12 years ago. The state legislature, through 2021 HB5006 and 2021 SB 5534 has appropriated \$1 million in funding to assist the

City with construction of site improvements for the new Kam Wah Chung interpretive center and \$2 million in funding for construction of the new aquatics center in John Day. With the recent announcement of the 2021 RTP funding recommendations, the State's assistance for the construction of the new Integrated Parks System, their funding for the feasibility study of the aquatics center in 2019, and this purchase and sale agreement for \$222,000, total State investment in this project to date is nearly \$4 million.

Negotiations to sell the Property to OPRD began in earnest in 2018. Included in the negotiations was the City's intent to transfer the current Land and Water Conservation Fund (LWCF) designation from the Gleason Park property to the proposed Hill Family Park, located at 604 NW Canton Street (approximately three blocks north of the Kam Wah Chung heritage site). The city acquired this five-acre parcel and adjacent parcels owned by the Hill Family for the express purpose of selling Gleason Park and transferring the LWCF designation. The National Park Service and OPRD agreed to preserve the eligibility of these parcels as replacement property for the potential conversion at Gleason Park in an email dated July 24, 2018 (available upon request).

The city is in the process of completing outdoor recreation improvements to the Hill Family Park site, including a new bike/ped bridge over the John Day River that will connect the future Kam Wah Chung Interpretive Center to the John Day River and 7th Street Sports Complex/future aquatics center via series of creekside and riverfront trails with adjoining restrooms and parking facilities. These improvements will meet or exceed the current improvements at the Property and should facilitate a streamlined LWCF transition process with NPS.

## **DISCUSSION OF VALUATION**

An initial appraisal for the Property was completed by OPRD in May 2019, but no offer was made to the City. This second appraisal was completed in July 2021.

The fee simple value conclusion for the "as is" condition of the Property as of July 22, 2021 is \$97,000. The fee simple value conclusion for the "as if vacant and ready for development" condition is \$222,000.

This valuation range of \$125,000 is based on the "extraordinary assumption" that the property if offered on the open market would be rezoned to residential (Appraisal, pg. 10).

The City rezoned the property from Residential General (RG) to Park Reserve (PR) at the request of OPRD through a zone change approved by the John Day Planning Commission on October 23, 2018. This action was taken on the part of the City to accommodate a land use request from OPRD to site recreational vehicles on OPRD land adjacent to the property as dwelling units for OPRD staff, which is prohibited in the General Commercial (GC) zone that applied to OPRD's parcels at the time. The city approved the zone change and the RV accommodations as requested by State.

The City also independently completed a Flood Insurance Rate Map (FIRM) update for this region, which was approved on October 17, 2019 and resulted in an area of approximately 1.6 acres (including the area surrounding Gleason Pool) being removed from the Special Flood Hazard Area (SFHA), making the proposed improvements to the site and the construction of the new interpretive center at the location of the current pool no longer subject to floodplain development permits, flood insurance, or the cost and expense of construction in a regulated floodplain (see Figure 1).

The condition assessment of Gleason Pool, completed as part of the 2019 feasibility study, is also enclosed for reference. The combination of deferred maintenance, the pool's age and its condition further warrant approval of the purchase and sale agreement as the pool is inoperable in its current condition.



Figure 1. Flood Maps for Gleason Park and Pool, effective October 17, 2019. 100-year floodplain shown in Blue.

## PURCHASE AND SALE AGREEMENT TERMS

- OPRD will pay the ‘As If Vacant and Ready for Development’ valuation of \$222,000 (as detailed in Real Estate Appraisal AS2021-2492 by Aaron Still Appraisal; dated 09/30/2021) in exchange for fee title ownership of the property.
- The City of John Day (“City”) shall be responsible for site demolition and prep prior to closing.
  - Demolition will include: removal of existing above ground structures, destruction of pools and aprons, backfilling and bringing area of demolition to grade – as well as any permitting or regulatory consultation necessary to perform work. (See attached map exhibit defining demo area.)
  - OPRD may provide archaeological monitoring services during the demolition process. If, at any stage of demolition, OPRD desires to take possession of the property in as-is condition, OPRD shall notify the City in writing. All site work by the City shall cease at this point and the City’s responsibility for site demolition shall end. If OPRD opts to accept the property in as-is condition at any stage of demolition, purchase price will not be altered.
- City shall be responsible for conversion of the Land and Water Conservation Fund grant encumbrance of the property (Grant #41-00044 and 41-00870). OPRD will work with the City to establish a reasonable timeline for such conversion, in consultation with National Park Service (“NPS”).
- If Purchase and Sale Agreement is approved by City council, OPRD Commission shall review and consider proposal for acquisition at Oregon State Parks Commission meeting on 11/17/2021.
- Both OPRD and City will make all good faith efforts for transaction to fund and close within 90 days of OPRD Commission approval.

## **SUMMARY**

Extensive effort has been made by both parties – the City and the State – to bring the benefits of the new Kam Wah Chung interpretive center and a new aquatics center to John Day.

## **RECOMMENDED MOTIONS**

“I move to open the public hearing for Resolution No. 21-868-16, A Resolution of City of John Day Approving the Sale of Certain Real Property Located in City”

[Public comment]

“I move to close the public hearing for Resolution No. 21-868-16.”

[Council deliberations]

“I move to adopt Resolution No. 21-868-16, A Resolution of City of John Day Approving the Sale of Certain Real Property Located in City.”



**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #7: Aquatics Center Financing and Draft Intergovernmental Agreement Attachment(s)

- LRB Spring 2023 Grantee Notification Letter
- LRB Spring 2023A City of John Day Intent to Reimburse
- Draft Intergovernmental Agreement
- Capital Construction Budget (Draft)
- Operating Budget (Draft)

## **BACKGROUND**

The notice of award and intent to reimburse related to the \$2M financing agreement between the City and the State with regard to the lottery bond proceeds awarded through Senate Bill 5534 are enclosed for council review.

The Parks & Recreation District has asked the city to collaborate on the construction and project management for the new aquatics center. The draft terms are enclosed in the attached resolution.

These terms are for council discussion and consideration. Any amendments proposed by the city council will be submitted to the parks and rec district board for discussion. Upon consensus, both bodies will adopt the terms of the intergovernmental agreement.

## **DISCUSSION**

**SB 5534 Aquatics Center Funding & Capital Construction Budget.** The 2021 Legislature approved funding for the construction of an aquatics center, through SB 5534, section 31. This funding will be provided as a grant to the City of John Day in the amount of \$2,000,000, to be financed by the issuance of State of Oregon Lottery Revenue Bonds which are expected to be issued in spring 2023. Both the City and the Parks & Recreation District will be expected to enter into a grant agreement with the Department of Administrative Services (DAS) no later than January 15, 2023 in order for our project to be included in the spring 2023 Lottery Revenue Bond issuance.

The enclosed Declaration of Official Intent to Reimburse Capital Costs with Oregon Lottery Revenue Bonds authorizes the City to spend money on the project before the state bonds are issued, and later use the bond proceeds to reimburse itself. The grant funds cannot be used to pay off a tax-exempt borrowing and cannot be used to pay interest costs on interim financing for the project, but may be used to repay principal of an interim financing.

The State's attorneys have reviewed our proposal regarding the transfer of the aquatics center from the City of John Day to John Day Parks & Recreation District upon completion of construction. The attorneys agree that this won't be an issue for bond purposes since we are both local governmental entities. However, since the entity that will own and operate the facility is the district, while the city will construct the facility, both agencies will need to be a party to the Grant Agreement. The city will be a party for all of the obligations related to the use of funds and the requesting reimbursement for the project, and the district will be a party for all of the ongoing obligations related to maintaining the facility for the purpose

that it was built for and complying with the laws and regulations until the bonds have matured. When we get closer to the actual bond sale in 2023, the state's attorneys will work on updating the Grant Agreement to reflect both entities as part of the agreement.

I have been in discussion with DA Davidson about an interim credit facility for \$3M that will be backed by proceeds from the sale of Gleason pool to cover the cost of issuing the interim financing until the state lottery bonds fund, with the goal of having enough to cover the full design fee and still have about \$2.5M available for capital outlay for the construction of the aquatics center once design is complete.

I am requesting the city council authorize me to coordinate with DA Davison to secure financing at a competitive rate of interest to allow this project to proceed with design and construction next season, with the goal of opening the new aquatics center for the 2023 swim season. This request is included in the authorizing section of the resolution.

The interim credit facility will then be repaid from the lottery bond proceeds, which will be issued in April 2023. Funds will be available immediately upon issuance of the bond. As a result, the interim credit facility would only be on the City's books for about 10 months in FY23 – the funds would be secured next February with the first draw issued on or after July 1, 2022 and the majority of the credit facility would be repaid in April 2023 before the close of our fiscal year.

The estimated cost of construction for the full aquatics center buildout as reviewed by the planning commission is \$6 million. The draft capital construction budget is enclosed. This budget will be refined as we proceed through final design and actual quotes will be received during the bid and solicitation process next spring. The facility can be value-engineered to adjust to budget differences, and I am requesting additional funds through the interim credit facility to account for any unforeseen contingencies.

As outlined in the proposed capital construction budget, a City commitment of \$3 million is proposed, which includes \$2 million in state lottery bonds and up to \$1 million in cash and in-kind contributions from various city funds (street, water, sewer, IT etc.) for site improvements.

This would leave the Parks & Recreation District to bond for \$3M in capital outlay within the boundaries of their district (less any local fundraising or outside assistance), which would result in a bond rate of 53 cents per one thousand dollars in assessed property value (so the average homeowner within the district would pay 64 dollars per year). Absent the City's additional \$1 million contribution, the levy would increase to 72 cents per one thousand dollars in assessed property value (so the average homeowner would pay 87 dollars per year). This is the estimated range of the bond the parks district will need to issue – 53 cents to 72 cents per thousand (\$64 to \$87 per year for the average household in the district, which has an assessed value of \$120,000), depending on the final cost of construction and the net local contribution prior to the ballot measure being referred in May.

We need to proceed with the design of the aquatics center so that we can have an accurate estimate of construction costs prior to the ballot measure being issued by Parks and Rec, so that the voters will know exactly what they are voting on and will have an accurate estimate of its cost of construction.

**Intergovernmental Agreement & Operating Budget.** Key terms are outlined in the draft resolution. These terms include:

- City to assist District in capital construction and financing;
- District to operate the facility upon completion from its existing tax base, less utility contributions from City;

- City to perform certain site preparation activities, including demolition and/or removal of existing structures at the new pool site.

**Project Timeline.** The proposed project timeline is as follows:

<b>Milestone</b>	<b>Lead</b>	<b>Begin</b>	<b>End</b>
Planning Commission Review & Approval	City	11/9/2021	11/23/2021
Sale & Site Retrograde for Gleason Pool <i>--- Sale Proceeds available NLT March 1st</i>	City	11/9/2021	2/17/2022
Design RFP for 7 <sup>th</sup> Street Aquatics Center	City	11/9/2021	12/14/2021
Community Survey	Both	11/10/2021	12/30/2021
Aquatics Center Design <i>--- Architectural, Structural, Mechanical, Electrical, Code Analysis and 90% Construction Documents</i>	City	12/15/2021	4/30/2022
Aquatics Center Capital Construction Ballot Measure Referral	District	01/15/2021	05/17/2022
Construction Firm Solicitation	City	05/01/2022	06/30/2022
Capital Construction	City	07/01/2022	06/30/2023
Aquatics Center Fully Operational	District	07/01/2023	

A draft operating budget is also enclosed for council review. Initial seasonal operating revenue is anticipated to be \$40,500. Staff expenditures are estimated conservatively at \$50,100, with direct facility expenses of \$34,500. The Parks & Recreation District will be responsible for all revenues and expenditures within this portion of the operating budget, as well as capital maintenance reserve funds est. to be \$10,000 per year for future repair and replacement.

The estimated utility budget for the facility is \$21,000. The District is asking the City to cover these costs on an annual basis. City's actual cost to provide these services is less than the budget shows because we do not incur the full cost of our water and sewer services, power could be provided through a direct or virtual net metering account to the City's future solar array, and data/communications could be included in the City's existing account and agreements, which will be discussed further on agenda item 10.

This is a fairly minor contribution to the enterprise on the part of the City but it would make a significant difference to the parks and recreation district in terms of their ability to operate and maintain the facility in good working condition.

## **RECOMMENDATION**

Review the proposed terms and propose any recommended changes to the resolution. The final resolution will be submitted for approval by the parks and rec board at their November meeting and will be ratified by the city council at the December 14<sup>th</sup> council meeting.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** November 9, 2021  
**SUBJECT:** Agenda Item #8: Aquatics Center Design RFP  
Attachment(s)

- RFP for Architectural Design Services

## **BACKGROUND**

The request for competitive bids on the design of the future aquatics center is enclosed for council approval. The RFP will be published this week and will close on December 10<sup>th</sup>. Bids will be reviewed and approved at the Dec. 14<sup>th</sup> city council meeting. This is a qualification based selection process, as discussed below.

## **DISCUSSION**

A qualification based selection (QBS) approach evaluates a firm's past experience with the city and on similar projects, and ranks each proposer based on their qualifications to perform the work. The vendor's proposals will not include any cost sheets or fee-related information. Fees are negotiated after the proposals are ranked on their qualifications. If the City fails to reach an agreement on fee structure with the most qualified/highest ranked proposer, then negotiations proceed with the next highest ranked proposer.

Scored Criteria. Each Proposal that meets the minimum required qualifications will be evaluated on the following criteria (a total of 100 points is available for the scored criteria):

1. Professional Qualifications of Project Team (20 points).
2. Experience (40 points).
3. Availability (30 points).
4. References (10 points).

Proposals will be advertised with our qualified professional services firms and in a trade journal and must be received no later than December 3<sup>rd</sup> at 4 p.m.

The public works committee will meet and score/rank each proposer ahead of the December 14<sup>th</sup> city council meeting and will bring their recommendations to the city council for review, discussion and approval at that meeting. City will then issue a notice of intent to award (7-day) and notice of award, provided no protests to the Notice of Intent are received.

## **RECOMMENDED MOTION**

"I move to approve the request for proposals as discussed [subject to any adjustments by the council]"

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #9: Recreational Trails Grant Update  
Attachment(s)

- 2021 RTP Funding Recommendations

## **BACKGROUND**

The evaluation committee for the 2021 Recreational Trails Program (RTP) convened in October to review proposals submitted for the 2021 grant program. The City applied in the non-motorized category and was notified last week that we were the top ranked application in the state in the non-motorized category. The full list of rankings is enclosed in the RTP Funding Recommendations attachment.

## **DISCUSSION**

The project list has been provided to the OPRD Commission for approval at their meeting on November 17. As usual, they had more excellent proposals than funding, and projects not on the list couldn't be funded, primarily due to competitiveness.

Next steps include OPRD Commission approval, incorporation of projects into ODOT's Statewide Transportation Improvement Program, submission of projects on non-federal land to the State Historic Preservation Office (SHPO) for review, FHWA approval of individual projects, and funding authorization by ODOT and FHWA. FHWA is making some procedural changes for NEPA and cultural resource review for projects on non-federal lands, which may impact the review timeline.

Once all clearances and approvals are made we'll be sent a grant agreement for the City's authorized representative to sign, and once executed, will receive a Notice to Proceed (NTP). *We expect the NTP to be issued this spring.*

There are multiple factors that impact our individual funding timeline, however, this project site has already completed its NEPA evaluation and multiple SHPO reviews and is expected to receive early concurrence. Upon receipt of the NTP, we will begin paving the trails, which will run from Patterson Bridge Road to Bridge Street on the north side of the John Day River. Additional trail paving may be completed concurrently along Canyon Creek and into downtown as funds and design allow.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #10: Innovation Gateway Business Park & Wastewater Treatment Plant Update  
Attachment(s)

- Business Park and 7<sup>th</sup> Street Design Concepts – Walker Macy
- DEQ Letter
- Phase 2 – Groundwater Quality Investigation Technical Memorandum
- Phase 3 – Final Groundwater Modeling Report
- Water Rights Assessment and Action Plan
- MohrWater Legal PC – Engagement Letter

## **BACKGROUND**

Walker Macy will present design concepts for the new 7<sup>th</sup> Street extension that will service the new treatment plant. We will review those concepts during the meeting.

Oregon DEQ has issued a preliminary approval of the permit pathway for our new wastewater treatment plant, based on the results of the Groundwater Quality Investigation and Final Groundwater Modeling Report, all of which are enclosed with this packet.

This is a historic milestone in the construction of the new water reclamation facility, as it will allow the City to begin the final design engineering and construction for the new site using funds already awarded and appropriated for this project that could not be spent until a permit pathway was determined and approved by DEQ.

The City is concurrently working on a project application with Oregon Water Resources Department related to the distribution (purple pipe network) that will distribute reclaimed water from the new facility to industrial and agricultural end-users. We have engaged Bob Long's team at CwM H2O to provide a water rights assessment and action plan and MohrWater Legal to assist us with compiling additional data for OWRD and DEQ to consider with regard to the recycled water / water reuse plan for the new facility.

This is a timely subject as congress just passed the Infrastructure Investment and Jobs Act, a \$1.2 trillion investment package that include \$1 billion over five years in water recycling (that until now received only \$65 million per year through the Bureau of Reclamation).

## **DISCUSSION**

**Innovation Gateway Business Park.** Walker Macy will present a realignment of the Innovation Gateway Business Park that enhances the aesthetics of the site and incorporates space for an up to 750 kWh solar array on city-owned land adjacent to the new wastewater treatment plant (design charrette enclosed).

**DEQ Permit Pathway.** DEQ has reviewed the Phase 2 – Groundwater Quality Investigation Technical Memorandum and Phase 3 – Final Groundwater Modeling Report and issued preliminary approval of the City's permit to operate a new facility under a WPCF permit (see letter, enclosed).

Kennedy Jenks and Flagline are completing the WPCF permit application. The PER/Facility Plan report prepared and submitted earlier this year will form the basis for the City's permit application and water recycling plan, which accompanies the permit. DEQ has confirmed no Biosolids Management Plan will be required for this permit application, neither will pre-treatment be required for industrial users. Based on what we know at this time (prior to having DEQ review of the final application) our permit limits are expected to be:

- TSS – 20 mg/L
- BOD - 20 mg/L
- TDS – 500 mg/L
- Total N – 9 mg/L
- pH – 6.5 to 9.0
- E. coli – Monthly geometric mean of 126 organisms per 100 ml with no single sample exceed 406 organisms per 100 ml

I still need to get clarification on potential chlorine limits, identify definitively if this is a renewal or new permit, verify if there is a refund/credit to the City for the permit renewal fee that was already paid back in 2006.

There is a significant application fee difference between a permit renewal versus a new permit application. I'd like to clarify with DEQ on what the fee schedule looks like for this application and confirm that a new application is warranted – this will be a new facility, but the City is the same discharger.

If this action meets the definition of a new permit, the fees are:

Permit	\$10,942
1st Annual	\$2,793
Population	\$470
<u>New plant</u>	<u>\$12,427</u>
Total	\$26,632

We hope to confirm these final questions within the next week or two.

**Water Rights Assessment and Action Plan.** On November 5<sup>th</sup>, the U.S. House of Representatives approved the Senate-passed bipartisan infrastructure package, the Infrastructure Investment and Jobs Act, which invests \$1 billion over five years in water recycling programs for the Western United States. This is an historic investment in water recycling, which until now has received roughly \$65 million per year through the Bureau of Reclamation. The bill also directs the Administration to establish a federal Interagency Working Group on Water Reuse, which will break down silos, leverage resources throughout the federal family, and facilitate stakeholder engagement on water recycling.

The WateReuse Association (of which John Day is a member) worked closely with congressional champions over many months to secure these provisions. I am one of five committee members in Oregon as part of the WateReuse Pacific Northwest (WR PNW) Committee that advocated for this inclusion. Our committee is now focused exclusively on Oregon and advocating for water reuse issues affecting our state. Committee founding membership includes:

- Jared Kinnear, CWS
- Todd Miller, Springfield

- Nick Green, John Day
- Susan Schlagen, WSC
- Shelly Parini, WES

Committee Advisors include:

- Holly Tichenor, Brown & Caldwell
- Terrance Romaine, WES
- Bob Baumgardner, CWS
- Mark Cullington, Kennedy & Jenks

Within the \$1 billion for Western water recycling is \$550 million for the Title XVI Water Reuse Grants Program and \$450 million for a new competitive grant program for large-scale water recycling projects. Both programs will be administered by the Bureau of Reclamation.

With enactment of this package, Congress also recognized that communities throughout the nation are making investments in water recycling by authorizing the Alternative Water Source Grants Pilot Program, the first nationwide grant program to support investments in water recycling. This program is on target to receive funding through the Build Back Better Act.

As noted above, though the Infrastructure and Jobs Act invests in water recycling for western states, the Build Back Better Act (also known as the budget reconciliation package) invests \$125 million in the only nationwide water recycling program, the Alternative Water Source Grants Pilot Program. The program will expand access to water recycling tools and resources nationwide.

Through the Alternative Water Source Grants Pilot Program, the U.S. Environmental Protection Agency (EPA) will also provide competitive grants to state, interstate, and intrastate water resource development agencies to engineer, design, construct, and test alternative water source systems, including water recycling systems like the one we are building in John Day. WateReuse worked closely with the Senate Environment and Public Works Committee, House Transportation and Infrastructure Committee, and other congressional champions to secure this funding, and is urging that it be retained in the final reconciliation package as enacted.

## **NEXT STEPS**

The City of John Day is now at the forefront of developing and implementing water reuse policy for the state of Oregon and the western United States. We are creating one of the most innovative and adaptive reuse projects ever undertaken in Oregon.

Our recycled water plan and distribution application for \$3M in funding from OWRD is currently under intense scrutiny as it goes through the public hearings process. Our project was provisionally recommended by OWRD's review committee, subject to available funding, and is out for the 30-day comment period. This link will take you to the review committee's recommendations:

<https://www.oregon.gov/owrd/programs/FundingOpportunities/Pages/funding-cycle-history.aspx> and this link will take you to our full application that is currently under review:

<https://www.oregon.gov/owrd/programs/FundingOpportunities/FundingCycleHistory/JohnDayReuse.pdf>

The funding recommendations and comments received from the public will be presented to the Water Resource Commission. These comments will be shared with the Water Resources Commission for consideration as they make their final funding decision at the December 3, 2021 meeting. See link @:

<https://www.oregon.gov/owrd/aboutus/Commission/Pages/default.aspx>



While we wait on a decision from OWRD, we are actively planning our final design and construction efforts for the new plant. As part of this process, I have engaged CwM H2O to help prepare our water rights action plan (see enclosure). Our water rights four wells and aquifers are certified and this process will allow us to review and verify the additional rights acquired by the city through its purchase of the Oregon Pine property and surrounding lands adjacent to the new facility. Peter Morh esq. specializes in Oregon water law and I am requesting we engage his services formally to facilitate this process.

The next steps will be to finalize the design of the 7<sup>th</sup> Street extension and to submit the WPFC permit application to DEQ, which will be completed and submitted within the next 30-45 days. We will then issue a design RFP for the package treatment plant and begin construction RFPs for the new facility next spring.

Council Review and consent is requested on the 7<sup>th</sup> Street / Business Park design and engagement letter for MohrWater Legal to assist the city in the water rights review.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** November 9, 2021  
**SUBJECT:** Agenda Item #11: East Charolais Heights Road Construction Project & (Former) Government Way Road Naming Attachment(s)

- Tidewater bid and contract

## **BACKGROUND**

The City is prepared to proceed with construction of East Charolais Heights upon completion of the Charolais Heights Intersection project later this month. Tidewater is the only firm that bid this contract in response to our request for quotes. Iron Triangle LLC and other firms are currently engaged on other city projects but anticipate bidding on future street improvements, including the demolition of Gleason Pool, the 7<sup>th</sup> Street Extension, the (former) Government Way Road and the Innovation Gateway Business Park street improvements.

## **DISCUSSION**

Tidewater's bid is for \$258,431 to extend Charolais Heights, install utilities, and clean existing ditches. Contracts are being prepared by Sisul and will be reviewed during the council meeting.

These funds will be secured through the City of John Day Street Fund and the John Day Urban Renewal Agency tax increment financing and are included in the capital outlay for the URA as part of the supplemental budget that will be submitted for council approval on December 14<sup>th</sup>.

The votes are in on the new name for Government Way Road:

Timber – 15 (35%)  
Mill – 13 (30%)  
Hudspeth – 11 (25%)  
Planar – 4 (10%)  
Total – 43

Council needs to assign a suffix (road, street, way, terrace, landing, etc.) and then make a motion to approve the new name. It appears that Timber, Mill or Hudspeth would be viable options for the pre-fix.

## **NEXT STEPS**

Upon council approval of the agreement, Tidewater will begin construction. Mobilization of equipment to the site is in progress as equipment comes off the Charolais Heights Intersection job.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #12: Discover John Day Website Update – Straw-to-Gold  
Attachment(s)  
• None

**BACKGROUND**

Straw-to-Gold will attend the council meeting and provide an update on their progress on the DiscoverJohnDay.com website and content creation for the City's tourism campaign and outdoor recreation initiatives.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** November 9, 2021

**SUBJECT:** Agenda Item #13: Police Agreement  
Attachment(s)

- Fund transfer agreement (draft)
- Property book

## **BACKGROUND**

A copy of the police agreement will be presented for council review. This agreement was prepared by the city attorneys.

A current list of the City's property book for police equipment is also enclosed.

## **DISCUSSION**

The City's most valuable assets in the police department are the vehicles (purchased with motor pool funds), followed by firearms, ammunition, and body cameras. Our radios are obsolete and likely have little to no market value.

I am recommending the Chevy Tahoe and Chevy Silverado be retained for use by the new Department of Public Safety and that they be repainted. The other vehicles can be sold at auction or transferred to another department. For the vehicles that are sold, the funds received will accrue back to the Motor Pool fund.

We need to retain two body cameras for use by the DPS department, the others can be sold or transferred to another agency. The firearms and ammunition will need to be certified and some will need to be sold through a certified firearms dealer.

A rough estimate of the market value of these items, in their current condition, is \$120,000. Staff will continue to evaluate the options for sale or transfer in the coming months.

## **RECOMMENDATION**

Review and approve the agreement, subject to approval and ratification by the county court.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** November 9, 2021  
**SUBJECT:** Agenda Item #14: Other Business and Upcoming Meetings  
Attachment(s)

- None

**OTHER BUSINESS**

- None

**UPCOMING MEETINGS**

- December 14, City Council Meeting – Fire Hall, 7:00 PM
- January 11, City Council Meeting – Fire Hall, 7:00 PM
- January 25, City Council Meeting (State of City Address) – Fire Hall, 7:00 PM
- February 8, City Council Meeting – Fire Hall, 7:00 PM