

**John Day City Council Meeting
Tuesday, September 27th, 2022
316 S. Canyon Boulevard**

7:00 PM Council Meeting

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Suggested Public Meeting Process per League of Oregon Cities

1. The Mayor will begin an agenda item
2. Staff and/or the presenter will provide context
3. City Council will deliberate
 - a. City Council may ask questions of Staff and/or the presenter
4. The Mayor may solicit public comment
 - a. Members of the public will then be invited to the podium to speak for no more than 3 minutes on the topic. Members of the public must address the Mayor in their comments
 - b. The Mayor may then direct comments towards other members of Council or City Staff
5. The Mayor will request a motion on the topic if applicable

1. **OPEN AND NOTE ATTENDANCE**
2. **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.
3. **APPROVAL OF PRIOR MINUTES**

ACTION ITEMS

4. 4th AVENUE CONSTRUCTION UPDATES

Attachments:

4. 4th Ave Updates Presentation

5. WASTEWATER TREATMENT PLANT UPDATES

Attachments:

- 5a. USDA financing authorization letter
- 5b. Flagline Engineering Proposal
- 5c. Sisul Engineering Proposal
- 5d. Cascade Environmental Group Proposal
- 5e. Inter-Fluve River Enhancement Proposal

6. DRAFT COUNCIL RULES AND PROCEDURES

6. DRAFT Council Rules and Procedures

7. TOWN HALL PROPOSAL

8. OTHER BUSINESS & UPCOMING MEETINGS

Other Business:

- a) Audit Preparation Discussion
- b) Emergency Call Center Budget Committee Invitation

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: September 27th, 2022
SUBJECT: Agenda Item #4: 4th Avenue Construction Updates
Attachment:
4. 4th Avenue Updates Presentation

BACKGROUND

Staff will provide a presentation to the John Day City Council on the current status of the 4th Avenue reconstruction project.

DISCUSSION

What questions does Council have about this project

RECOMMENDATION

No action necessary

TO: John Day City Council

FROM: Corum Ketchum, Interim City Manager

DATE: September 27th, 2022

SUBJECT: Agenda Item #5: Water Reclamation Center Updates
Attachment:
5a. USDA financing authorization letter
5b. Flagline Engineering Proposal
5c. Sisul Engineering Proposal
5d. Cascade Environmental Group Proposal
5e. Inter-Fluve River Enhancement Proposal

BACKGROUND

Nicholas Green, City of John Day Contractor, will give a presentation on the status of the Water Reclamation Center and related projects.

Gardener Johnson, Interfluve, will present virtually on the attached scope of work for river enhancement services (valued at approximately \$240,000) related to the Water Reclamation Center and the Innovation Gateway.

DISCUSSION

The following is a status update on the design, permitting, financing, procurement, and status of the companion projects associated with the City's wastewater system improvements project.

Design. The City initially approved its wastewater facility plan in 2010. The plan was developed by Anderson Perry after several years of study and analysis, dating back to 2006, the year before the City's Wastewater Pollution Control Facility (WPCF) operating permit expired. The city commissioned additional feasibility studies in 2018, which concluded that a new facility could be constructed to economically reclaim both solid and liquid waste streams and put them to beneficial reuse. This option was not included in the 2010 plan. The Wastewater Facilities Plan Update was updated to incorporate this alternative and was adopted by the council on March 12, 2019, through Resolution No. 19-804-05. Anderson Perry developed the Preliminary Engineering Report (PER) in 2019, and this report was updated in 2021 and 2022 by Flagline Engineering through two addendums to the PER, PER Revision 2 and Revision 3. On September 8, 2022, the third revision was accepted by USDA Rural Development, along with the prior work products, as the final PER for our new facility. We are now authorized to begin procurement for the final design and construction.

Permitting. DEQ issued a WPCF operating permit for the new facility on April 18, 2022 (File 127619 Permit 103281). This was only received after an additional 12 months of groundwater analysis by the City's hydrogeologic engineers, CwM H2O, conducted from 2021-2022. After receiving the WPCF Permit, USDA required an additional biological assessment of the John Day River and the river boundary interface based on the hydrogeological modeling done for DEQ as an additional report for our Endangered Species Act (ESA) compliance. The City contracted with Mason, Bruce & Girard on May 18, 2022, to complete this additional work. The final report was submitted to USDA on September 13, 2022, who transmitted the report that day to National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS) and the U.S. Fish & Wildlife Service. USDA requested ESA Section 7 informal consultation and concurrence of their "May Affect, Not Likely to Adversely Affect" determination for ESA-listed species.

USDA will lead the informal consultation as the lead federal agency with NMS/NOAA, which regulates salmon and steelhead in the John Day River, and USFWS, which regulates Bull Trout. These agencies have until October 13th to acknowledge receipt and until November 13th to respond with a concurrence or non-concurrence of USDA’s findings. Based on their anticipated concurrence, USDA will then publish an Environmental Assessment (EA) and make their findings available for public review and comment before issuing a Finding of No Significant Impact (FONSI) for the project.

Because there are two sources of federal funding associated with our project, HUD CDBG and USDA Rural Development, the environmental review process is not complete with USDA issuing the FONSI. The City, as the responsible entity (RE) for the HUD program funding, must also adopt the USDA determination, which requires a separate publication process to publish the exact same information as USDA’s notice. This will add an additional 45 days.

Assuming the USDA publishes on or around November 15th, we anticipate making our publication in January 2023 and concluding the environmental review in February 2023.

This is required before we receive a Letter of Eligibility from USDA to complete the project, which is also a stipulation in our HUD funding – we cannot begin expending HUD CDBG funds until we have a letter of eligibility from USDA.

Financing. As we wait for the final publication of the environmental assessment, we plan to submit our funding application through RDApply so USDA’s loan officer can begin the USDA financing. A summary of the financial activity to date is below:

- Business Oregon loan for \$519,000 expended on land purchases for the Oregon Pine property acquisition.
- \$5 million in funding secured through Business Oregon and ready to commit to the procurement through HUD CDBG grants (\$2.5M) and Water/Wastewater Loans (\$1.75M) and grants (\$750K). Payments on the Water/Wastewater loan do not begin until project completion.
- \$1.5 million in grant funds from the City as in-kind contributions toward the facility land purchase and construction through HB5006.
- \$12.9 million will be requested from USDA through their Water and Environment Program (WEP), which includes the existing loan consolidation for the Oregon Pine property purchase.

A summary of the loans associated with the project is shown in the table below. The \$469,367 remaining after December 2022 on the Oregon Pine loan will be consolidated by USDA’s financing. The WaFd bank loan will be paid in full on December 1, 2022. Business Oregon’s loan will be carried to term as it has a one percent interest rate.

Loan	Amount Due	Payoff
Loan L17011 - Business Oregon - Oregon Pine Property Acquisition	\$469,268	Consolidation with USDA
WaFd Bank Loan for Wastewater System Improvements	\$458,367	Dec. 1, 2022
Loan Y21006 - Business Oregon - Water/Wastewater Loan	\$1,750,000	Carried to term (1% for 30 yrs)

Council approved an engagement letter for Hawkins Delafield and Wood as the City’s bond counsel and authorized the city manager to work with bond counsel to negotiate the interim financing for the USDA-funded portion of the wastewater treatment plant during the February 22, 2022 council meeting. The city manager subsequently approved an engagement contract with D.A. Davidson as the city’s placement agent for the USDA interim financing, with a not-to-exceed cost of \$17,500, issued on March 2, 2022.

The enclosed attachment 5a. authorizes the Interim City Manager to apply for USDA WEP Funding.

Procurement. We will post notice of the solicitation in November with an intent to award in late February or early March 2023 after we receive the eligibility determination letter from USDA and the complete environmental review process. Procurement will be under a progressive design-build (PDB) with a sole provider for final design and construction.

Council will need to adopt specific legislative findings next month before going out for competitive procurement in November. We will include a notice that the award of this bid request shall be contingent upon the Environmental Clearance from the Community Development Block Grant Program and receipt of the eligibility determination from USDA.

Companion Projects. The city has several companion projects that will run concurrently with the treatment plant procurement and construction. They are:

- *7th Street.* Completing the 7th Street connection from Patterson Bridge Road to the new water reclamation facility; Knife River has mobilized and began work on 7th Street this week.
- *Broadband.* Installing fiber optic cable under the EDA grant through the Innovation Gateway from the city shop north to Valley View Drive, including service connections to the new treatment plant; the final broadband design and procurement package is due Wednesday (9/28) and will be sent next month to EDA for review and approval before final solicitation.
- *John Day Innovation Gateway Adaptive Water Reuse Project (aka Purple Pipe).* Final design and construction of the purple pipe reclaimed water system main line, funded by a \$3M grant through the Oregon Water Resources Department; staff have solicited bids and will discuss each with the council this evening.
- *Innovation Gateway Business Park.* Installation of streets and utilities to serve the new business park at the Innovation Gateway, plus completion of the brownfield remediation of the property, is ongoing. RFP’s expected early in 2023.
- *Riverfront Restoration.* Analysis of alternatives for the riverfront restoration and redevelopment of the old treatment plant and public works site.

Purple Pipe Procurement. We solicited bids from several design firms as part of the purple pipe procurement. CwM H2O will complete the water rights analysis and dedication, which they began last spring. The final design has two firms that submitted bids, Flagline Engineering and Sisul Engineering. A comparison of their bids is shown in the table, below, with bids attached.

Scope	Flagline Engineering	Sisul Engineering
Preliminary Design	\$146,100 up to 60% Design (Phase 1)	Not-to-exceed \$45,000 plus plan reviews charged hourly (est. \$2,000 to \$3,000)
Design		
Project Bidding	\$116,620 for final design, procurement and construction (Phase 2)	Est. \$18,000 to \$24,000 in engineering plus \$4,000 in surveying based on 10-12 week construction window
Construction Oversight		
Project Total (Cost Range)	\$219,228	\$69,000 to \$76,000

Neither firm bid permitting, which required staff to solicit separate permitting bids. Cascade Environmental Group (Cascade) provided a proposal for the permitting effort for an estimated \$26,110. Ducote Consulting will assist with permit preparation and NEPA reviews under a previously awarded contract for services we competed in June 2022.

Riverfront Restoration. Gardner Johnston with Inter-Fluve will present his proposal for the John Day River Improvements, Innovation Gateway Project, attached. This scope covers analysis, preliminary design, and associated coordination and planning for approximately one mile of the John Day River (Bridge Street to Patterson Bridge Rd). The total estimated cost for this proposal is \$241,900.

SUMMARY

- The proposed WWTF improvements and effluent infiltration will not affect water temperatures within the John Day River. DEQ concurred with this during permitting efforts for the new facility.
- The effluent criteria in the proposed new WPCF permit far exceed the criteria of our existing permit.
- We are treating to the highest level of wastewater treatment currently available in the marketplace, tertiary treatment with full Class A Recycled Water disinfection standards across the full design flow of the treatment plant.
- USDA has issued a finding of “May Effect, Not Likely to Adversely Effect” and initiated Section 7 informal consultation with NMFS and USFWS, whom we expect to concur with their finding. This will not result in design changes to the facility.
- Council will need to select a final design firm for the John Day Innovation Gateway Adaptive Water Reuse Project.
- Council will need to authorize the City Manager to contract with Cascade Environmental Group for the permitting.
- Council will need to decide on the timing and scope of the riverfront restoration work.

What questions does Council have on the status of the projects and scope of work?

RECOMMENDATION

We request council authorize the Interim City Manager to apply for the USDA financing as proposed.

For the professional services agreements, Council may decide this evening on these matters, schedule a special meeting to review the proposals in more detail, or defer the decision on the professional services agreements to the October 11th council meeting:

- PSA for Final Design Engineering – Purple Pipe
- PSA for Environmental (Cascade)
- PSA for Inter-Fluve Riverfront Restoration Agreement

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: September 27th, 2022
SUBJECT: Agenda Item #6 DRAFT Council Rules and Procedures
Attachments:
6. DRAFT Council Rules and Procedures

BACKGROUND

Jeremy Green, City Attorney, has provided the City Administrator and Council with a draft of revised rules for the operation of John Day City Council meetings, including defining the roles and responsibilities of the Mayor, City Councilors, and City staff.

DISCUSSION

The draft document covers topics and situations including:

- Roles of key persons during a meeting
- Calling for a meeting
- Placing items on the agenda
- Voting
- Procedures for dissenting against the majority
- Decorum and ethics

And other topics.

Councilor feedback and questions are welcomed by the City Manager. The City Manager will then share the results of the discussion with the City Attorney before submitting a final draft for Council approval.

The City Attorney can be invited to a future City Council meeting to address significant concerns.

RECOMMENDATION

Consensus moving forward with this draft is requested.

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: September 27th, 2022
SUBJECT: Agenda Item #7: Town Hall Proposal

BACKGROUND

City Councilors have requested that the City Manager explore hosting a town hall discussion to seek the general input of citizens.

DISCUSSION

What suggestions does Council have on the time, place, solicited topics, or manner of discussion for a town hall?

RECOMMENDATION

Consensus is requested on directing the City Manager to organize a town hall discussion that falls within the parameters set by Council during this agenda item.

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: September 27th, 2022
SUBJECT: Agenda Item #8: Other Business and Upcoming Meetings

OTHER BUSINESS

- a) Audit Preparation Discussion
- b) Emergency Call Center Budget Committee Invitation

UPCOMING MEETINGS

- October 11th, City Council Meeting – Fire Hall, 7:00 PM
 - October 11th, Urban Renewal Meeting – Fire Hall, 8:00 PM or after the City Council Meeting
- October 25th, City Council Meeting – Fire Hall, 7:00 PM
- November 8th, City Council Meeting – Fire Hall, 7:00 PM