

JOHN DAY CITY COUNCIL (Amended Agenda)

Tuesday, June 13, 2023

Executive Session

5:00 pm

Work Session

6:00 pm

Regular City Council Meeting

7:00 pm

John Day Fire Station Day Fire Station, 316 S Canyon Blvd, John Day, OR 97845

(541)575-0028 <u>www.cityofjohnday.com</u>

This meeting is open to the public. This agenda includes a list of the principal subjects anticipated to be considered at the meeting. However, the agenda does not limit the ability of the Council to consider additional subjects. Meetings may be canceled without notice. The chat feature in Go To Meeting is only available during Public Comments portions of the meeting. Go To Meeting participants should use the "raise your hand" feature during these times to alert the moderator that they would like to speak.

Please join meeting from your computer, tablet or smartphone

https://global.gotomeeting.com/join/333257157

Join via teleconference:

From a phone: +1 (646) 749-3122

Meeting ID: 333257157

New to GoToMeeting? Get the app now and be ready when the meeting starts: https://global.gotomeeting.com/install/333257157

Executive Session 5:00 PM

- I. Call to Order
- II. Establish Quorum
- III. Executive Session ORS 192.660(2)(f)

The council will meet in executive session pursuant to ORS 192.660(2)(f), which permits the council to meet in executive session to consider information or records that are exempt by law from public inspection.

IV. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the council to consider or discuss additional subjects. This meeting is subject to cancellation without notice. The public will not be permitted to attend the executive session; provided, however, representatives of the news media and designated staff will be allowed to attend the executive session. Representatives of the news media are specifically directed not to report on any deliberations conducted during the executive session, except to state the general subject of the executive session as previously announced. No decision will be made in the executive session.

Council Work Session 6:00 PM

- I. Call Work Session to Order
- II. Roll Call and Attendance
- **III. Work Session Discussion Items**
 - a. Water Reclamation Project Purple Pipe Project (PPP)

 Nick Decote Consulting
 - b. Waste Water Treatment Project WWTP

 Nick Decote, Consulting
 - c. Notice of Violations and Orders to Abate and Vacate Property Rick Allen, Interim City Manager
- IV. Additional Comments
- V. Adjourn Work Session

Regular City Council Meeting 7:00 PM

- I. Call Regular Council Meeting to Order
- II. Roll Call and Attendance
- III. Amend or Accept Regular Agenda
- IV. City Council Consent Agenda

All matters listed within the Consent Agenda have been distributed to every member of the City Council for reading and study, are considered routine, and will be enacted by one motion of the Council. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- a. Approval of Check Register
- b. Approval of Council Minutes May 23, 2023
- c. Lease Grant County Cyber Mill Building Seneca
- d. Lease Rally Networks Cyber Mill Building Seneca
- V. Public Comments (Please Limit to 3-5 Minutes)

The Council reserves the right to limit the number of speakers pertaining to the same topic in the interest of meeting efficiency and expediency.

- VI. Iron Triangle Development Agreement Term Extension Rick Allen, Interim City Manager
- VII. Transportation Equity Project: Priority Projects & Update Susanna Julber, Consor and Aaron Lieuallen
- VIII. Professional Services Agreement Holladay Engineering Company (HECO) Purple Pipe Project
 Rick Allen, Interim City Manager
 - IX. Council Vacancy Process

Mayor Rookstool

- X Additional Department, Council or Other Comments
- XI. Adjourn Council Meeting



United States Department of the Interior



FISH AND WILDLIFE SERVICE
La Grande Field Office
3502 Highway 30
La Grande, Oregon 97850

Phone: (541) 962-8584 FAX: (541) 962-8581

File Number: 2023-F-0005

File Name: John Day Wastewater Treatment Plant

Ecosphere: 2023-0056391

Brian Daily
U.S. Department of Agriculture, Rural Development
1220 SW 3rd Avenue
Suite 1801
Portland, OR 97204

Re:

Insufficient information to initiate formal consultation under 7(a)(2) of the Endangered Species Act for the City of John Day Wastewater System Improvements Project

Dear Mr. Daily,

Thank you for your letter requesting initiation of formal consultation (Request Letter) with the U.S. Fish and Wildlife Service (Service) on the proposed John Day Wastewater System Improvement Project. This Request Letter was received by the Service via email February 16, 2023, and included a biological assessment (BA), and Letter of Insufficient Information from the National Marine Fisheries Service (NMFS) which had been initially sent on October 13, 2022.

Upon review of the information provided in the Request Letter and attached BA, we determined the need for additional information or clarification of the provided information before the Service can proceed with the formal consultation. At issue are the effects on the federally-listed bull trout (Salvelinus confluentus) and bull trout critical habitat.

Page 26 of the BA states "The Oregon Pine lumber mill and associated facilities were constructed in the early 1930s and were in operation for the following 60 years until the main timber production facilities were closed in the early 1990s...The mill used the proposed waste water treatment facility site within the Action Area for log storage".

Information found within an associated hydrogeology report transmitted to the Service from NMFS on October 12th, 2022, states "Most of the environmental concerns of the old mill were located south of the John Day River. However, debris piles were identified in the log yard area, including within a few hundred feet of the proposed infiltration trench, and it is possible that

PACIFIC REGION 1

buried wood materials may be found in the dredge tailings. This wood debris is a potential source of nutrients or wood processing chemicals in the groundwater surrounding the planned SIG (Subsurface Infiltration Galleries)." (Page 6, City of John Day: Phase 1- Preliminary Alluvial Aquifer Hydrogeology Report, 2021). The BA describes multiple remediation efforts accomplished at the site of the old mill (outside the action area) but does not address potential contaminants within the soil of the log yard (within the action area).

A Phase II field investigation memorandum transmitted to the Service from NMFS on October 12th, 2022, reports installing three shallow wells (CwM-1, CwM-2, and CwM-3) around the proposed subsurface infiltration gallery location where water quality samples were collected and shipped to separate labs for nitrogen source-analysis and general water quality testing. The results of those tests were described as "forthcoming" in the memorandum (Phase II field investigations: Sampling and Aquifer Pump Test, 2021).

The BA and associated reports have highlighted the potential for subsurface infiltration galleries to mobilize contaminants contained within the soils which will eventually reach the John Day River through the groundwater. To do a full analysis of effects we request the following information about conditions within the action area:

- The forthcoming report referenced within the CwM-H20 Technical Memorandum: City of John Day- Site Visit Field Memo: Sampling and Aquifer Pump Test (CwM-H20, 2021. City of John Day-Water Quality and Nitrogen-Isotope Analysis)
- Any past site/soil contamination reports pertinent to the action area

Pursuant to 50 CFR 402:14(c), the formal consultation process for this project will not begin until we receive all the information requested, or a statement explaining why that information cannot be made available.

If you have any questions regarding this information request, please contact Laura Navarrete, Fish and Wildlife Biologist (<u>laura navarrete@fws.gov</u>) or Marisa Meyer, Field Supervisor (marisa meyer@fws.gov) or 541-962-8584.

Sincerely,
MARISA Digitally signed by MARISA MEYER
Date: 2023.03.16
16:32:52-07'00'
Marisa Meyer
Field Supervisor

cc: Stuart Myers- Mason, Bruce and Girard, Inc. smyers@masonbrice.com
Rebecca Viray, NMFS, Rebecca Viray, Nick Green, City of John Day, greennoaa.gov
Nick Green, City of John Day, green grantcounty-or.gov



March 20, 2023

Rebecca Viray, Fish Biologist Interior Columbia Basin Office - West Coast Region NOAA Fisheries, U.S. Department of Commerce 1201 Northeast Lloyd Boulevard, Suite 1100 Portland, OR 97232

RE: RESPONSE TO NMFS QUESTIONS FOR THE CITY OF JOHN DAY BIOLOGICAL ASSESSMENT

Dear NOAA staff,

On March 9, 2023, the City of John Day was included in electronic correspondence between the National Marine Fisheries Service (NMFS), the USDA Rural Utilities Service (RUS), and several other entities regarding the Biological Assessment (BA) submitted for the City's wastewater project, a new wastewater treatment plant and groundwater infiltration gallery.

In the March 9th communication, Rebecca Viray of NMFS presented two questions for the City related to 1) the status of instream water right transfers required by the *Grant Agreement WPG-0034-21 John Day Innovation Gateway Adaptive Water Reuse-Condition 17*, which are not reliant on the wastewater project and 2) NMFS desire to review and comment of surface and groundwater quality monitoring plans required by the City's new Oregon Department of Environmental Quality (ODEQ) issued Water Pollution Control Facility (WPCF) Permit identified by File: 43569 and Permit 102481 for the wastewater project. Drafts of the required monitoring plans are due to ODEQ by May 1, 2023. It is the City's understanding that NMFS will have an opportunity to review and comment on the draft monitoring plans once submitted to ODEQ.

This letter is intended to address NMFS's questions and provide clarification. The following response was prepared by the City in coordination with CwM-H2O (CwM) and Mason, Bruce, and Girard (MBG) based on their expertise and familiarity with the City's projects.

Question 1 -NMFS asked for an update on the status of the City's proposed instream transfers of water rights on City property for streamflow conservation, which is referenced on page 15 of the BA. Firstly, the City would like to clarify that the proposed instream transfers have no connection to and are not reliant on the Wastewater Treatment Facility project in any way. The required instream transfers are related solely to the John Day Gateway Adaptive Water Reuse Grant. As part of this grant, the City is required to evaluate a set of water rights and attempt instream transfer applications with OWRD for eligible rights under Condition #17 condition of the agreement:

#17. Transfer of Certificated Water Rights Instream. Water Right Certificates C-48135, C-87480, C-36368, C-36367, C-85675, C-48000, C-25786, C-82663, and C-11725 identified in the application



are proposed for transfer instream. Water rights that are eligible for instream transfers shall be transferred instream. The Final Report shall include a copy of the final order approving the transfer and the instream certificates confirming the instream use for all water rights determined eligible and practicable by the Department. Within the Grant Budget where funds are allocated to facilitate the transfer of water right(s) instream, no funds shall be released for that Project Task until after the petition/reconsideration period following Final Order issuance has elapsed.

This instream transfer process is not associated with the Wastewater Treatment Facility, or the new Water Pollution Control Facility (WPCF) permit issued to the City by ODEQ (#103281). The City and CwM have evaluated the nine water rights listed in the grant condition above and has determined that many are not eligible for instream transfer, either due to water right type or history of use. The City intends to submit instream transfer applications for several of the water rights which may be eligible through rebuttal of the presumption of cancellation.

Question 2 - NMFS inquired about the status of water quality monitoring plans required by DEQ in relation to the City's WPCF permit. Indeed, WPCF Permit #103281 includes requirements for both a quarterly Groundwater Monitoring Plan and Surface Water Monitoring Plan and the permit defines the list of parameters that must be monitored in each case. However, the discharge under this permit will be to a subsurface infiltration gallery. There is no direct outfall of treated effluent to surface water. All treated wastewaters will be infiltrated or beneficially reused.

The surface water monitoring requirements include flow rate (measured at the USGS gage upstream of the City), dissolved oxygen, pH, temperature, *E. coli*, total nitrogen, and BOD₅ measured upstream and downstream of the infiltration site proposed. The measurements are to be collected quarterly and reported annually. Currently there are no requirements for analysis and reporting of metals. The new plant and infiltration site is located on City property above the 100-year flood plain.

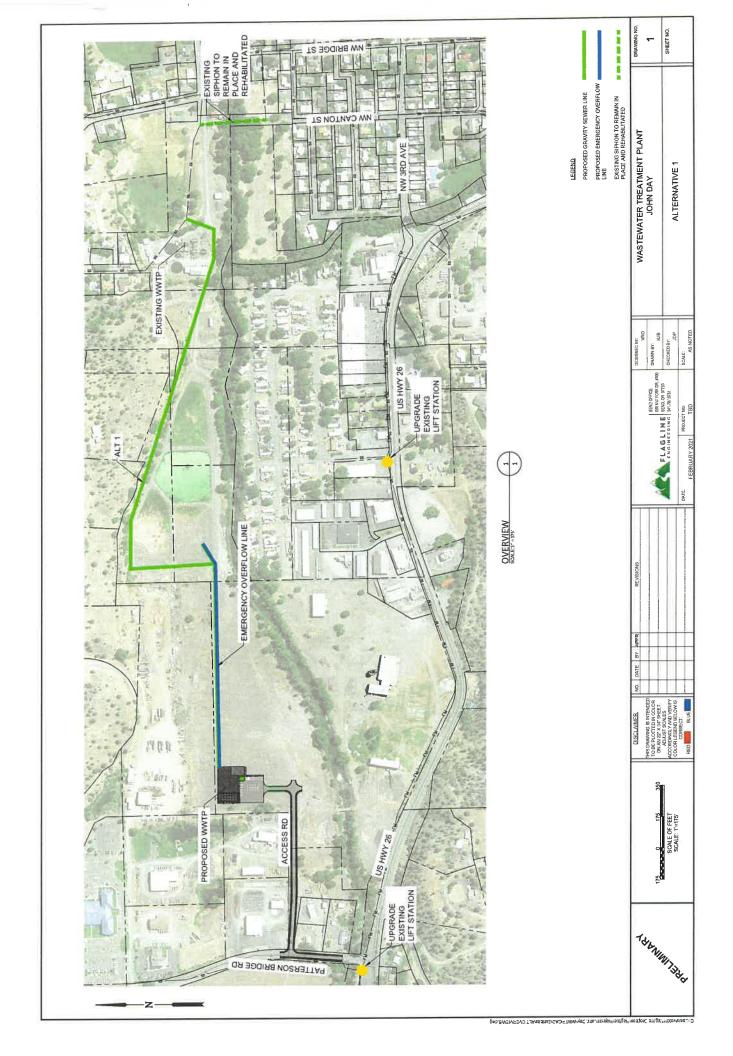
The WPCF permit includes the opportunity for surface water monitoring to be reduced or terminated after three years if data demonstrates that there are no impacts to surface water in the John Day River. The monitoring plans must be submitted to DEQ by May 1, 2023. CwM has prepared drafts of the monitoring plans for submittal to the City and review by the Council.

The City hopes that this letter provides the necessary clarification for NMFS to continue their review of the City's BA. The City and its consultants are available to schedule a discussion of these items if further clarification is required. Please let us know if there are any additional questions. Thank you for your assistance.

Sincerely,
-DocuSigned by:

Richard Allen

सिटिहिन्द्रीविनिद्री। Interim City Manager



CITY OF JOHN DAY CITY COUNCIL MINUTES JOHN DAY, OREGON

May 23rd, 2023

COUCILORS PRESENT:

COUNCILORS ABSENT:

Heather Rookstool, Mayor Sherrie Rininger, Councilor David Holland, Councilor Katrina Randleas, Councilor Elliot Sky, Councilor Ron Phillips, Councilor

STAFF PRESENT:

Don Gabbard, Fire Chief
Casey Myers, Public Works Director
Aaron Lieuallen, Senior Project Manager
Stephanie Allen (Virtual)
Savannah Lovell (Virtual)
Sarah Wright (Virtual)

GUESTS PRESENT:

John Rowell

Paul Smith

Carl Swank

Kathy Smith

Heather Swank

Shannon Adair

Steve Schuette

Jon Meiling

Andy Day

Cam Marlowe

Maxine Day

Agenda Item No. 1—Call Meeting to Order

Mayor Rookstool called the meeting to order at 7:00 pm.

Agenda Item No. 2—Roll Call and Attendance

Mayor Rookstool noted that all councilors were present as well as Interim City Manager Rick Allen.

Agenda Item No. 3—Amend or Accept Regular Agenda

Mayor Rookstool asked if there were any amendments or changes to the regular agenda, none were presented.

Councilor Randleas made a motion to approve the agenda as presented. The motion was seconded by Councilor Phillips and passed unanimously.

Agenda Item No. 4—Consent Agenda

Items on the consent agenda for approval:

- a) Approval of Check Register
- b) Approval of May 9th, 2023 Council Minutes
- c) Approval of Easement Agreement Greg and Melody Jackson
- d) Approval of Malheur/DEQ Grant Project Award Contract

Councilor Holland made a motion to approve the consent agenda as presented. Councilor Randleas seconded the motion and it passed unanimously.

Agenda Item No. 5—Public Comments

Mayor Rookstool opened the floor for public comments.

Shannon Adair came forward and think it's important for the city to have something in place about what we can and can't do about the homelessness situation, most cities are creating ordinances regarding this and the deadline to due so in July 1^{st,} 2023.

Cam Marlowe came forward curious on where we stand with R3. Mayor Rookstool stated that we've been accepted to join, pending the approval of the current city councils.

Paul Smith was curious about the burn downtown and if we have a plan to make it look nicer during summer, there have been volunteers who have offered to help clean up.

Jon Meiling came forward asking about the pitstop and whether or not more work is going to be done to it. He also brought up the bridge on 3rd Avenue being way over built and trucks going over it, even though there is a sign posted not to.

Agenda Item No. 6—Paul Smith-Public Comment

Paul Smith wanted to address the priority of the waste water treatment plant. He highly recommends that it should be the first priority to the council and the city. He stated the treatment plant could fail tomorrow. Our community is dependent on this treatment plant. Smith believed we need Nick Green to run this project to completion, he is the one who can articulate to do so and that's what is best for our city, in his opinion.

Lisa Weigum, who is on the city council in Canyon City stated that they are talking about developing their own treatment plant. She was curious on where this project stands in terms of priority with John Day's city council. Rick Allen stated there are many steps that still need to happen.

Andy Day doesn't understand why this treatment plant has been in the works for almost 10 years. He believes we should hire someone to take this whole project on just so it can be taken care. The city needs a distribution place for the water, and he is willing to provide that at the golf course.

Shannon Adair believes Nick Green should handle this set of projects. Adair is concerned because she feels like the treatment plant, the purple pipe project, and the solar array projects are being treated as 3 separate projects when they actually all supplement each other. She expresses her concerns about this massive project with all of this funding and having our interim city manager trying to figure out where this is going and how it works, then its going to be passed on to the next city manager who will have to do the same thing which will slow this project down. Adair believes if the council were to bring Nick Green back onto this project they would have the history, the historical knowledge and have someone who could move it forward fast and efficiently.

Steve Schuette believes that Nick Green is the right man to hire to push this forward. He knows the right contacts and Schuette believes that Green can get the job done and get it done sooner than we can.

Councilor Holland agrees with the citizens and past council members about Nick Green. He also stated we as councilors need to do what is best for the city and the community and personal feelings need to be set aside at all times.

Councilor Phillips made a motion to have Interim City Manager Rick Allen move forward with the process to find a project manager. Councilor Rininger seconded the motion and it passed unanimously.

Agenda Item No. 7—Regular Agenda

a. 3rd Amended and Restated Employee Handbook (Action)

Councilor Rininger proposed one more amendment to the employee handbook stating no children in the work place, she believes it is unprofessional. Mayor Rookstool thinks that making this change right now is not the time or place to do so. Casey Myers brought up the public works on call policy. Public works are forced to be on call. The public works on call policy is an attachment to the employee handbook. Councilor Labhart noticed the dates on the handbook are incorrect, so that needs to be changed.

Councilor Rininger made a motion to approve the 3rd Amended and Restated Employee Handbook with the changed presented. Councilor Randleas seconded the motion and it passed unanimously.

b. Council Committee Assignments (Action)

- Public Works Committee- Councilor Phillips, Councilor Holland, and Councilor Randleas
- Public Safety Committee- Councilor Phillips, Councilor Rininger, and Councilor Sky
- Administrative Committee- Mayor Rookstool, Councilor Holland, and Councilor Labhart
- Community Development Committee- Councilor Rininger, Councilor Randleas, and Councilor Labhart
- Grant County Digital Network Coalition- Councilor Sky
- Grant County Emergency Communications Agency- Councilor Labhart

c. East 7th Street (Park Area) Intent to Award Project (Action)

All of the funding for this project is there and appointed to the correct places.

Councilor Labhart made a motion to accept the East 7th Street project award. Councilor Phillips seconded the motion and it passed unanimously.

d. <u>Solar Array & Inline Hydropower—Department of Energy Grant (Action)</u>
Rick Allen supports going forward with the department of energy grant.

Councilor Labhart made a motion to accept the Solar Array & Inline Hydropower-Department of Energy Grant. Councilor Randleas seconded the motion and it passed unanimously.

e. Interim City Manager Updates

- **City Manager Recruitment**—The first review of applications will be on the 27th. So far there have been 5 applicants. The GMP consultants will inform us on who is qualified.
- Community Development Director—We are unsure right now whether or not the community development director will make the budget cut. We will have to wait until the budget meeting.
- Budget Meeting June 6 and 7 (if needed)—There will be a budget meeting on June 6th at 7pm and if another one is needed it will be on June 7th.
- Work Session June 27th Meeting at 6:00 pm— Mayor Rookstool wants a work session on June 27th before the city council meeting.

Agenda Item No. 7—Additional Comments, Announcements and Departmental Reports

Rick Allen posted nuisance abatements on the front and back doors of the fire buildings downtown. He has started the official process of declaring those buildings a public nuisance and safety. Letters have been sent out to the property owners.

Mayor Rookstool will be remote for the R3 meeting on May 25th, 2023

The next council meeting will be June 13th, 2023

Adjourn

There being no further business before the council, Councilor Phillips moved to adjourn the meeting at 9:04 pm. The motion was seconded by Councilor Rininger and passed unanimously.

Respectfully Submitted:

Rick Allen Interim City Manager

ACCEPTED BY THE CITY COUNCIL ON June 13th, 2023

Heather Rookstool, Mayor

AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT

This Amendment No. 1 to Development Agreement (this "Amendment") is dated effective June ____, 2023 (the "Effective Date") and is entered into between City of John Day ("City"), an Oregon municipal corporation, whose address is 450 E. Main Street, John Day, Oregon 97845, John Day Urban Renewal Agency ("Agency"), whose address is 450 E. Main Street, John Day, Oregon 97845, and Iron Triangle L.L.C. ("Company"), an Oregon limited liability company, whose address is 60643 Highway 26, John Day, Oregon 97845.

RECITAL:

City, Agency, and Company are parties to a certain Development Agreement dated effective May 24, 2022 (the "Agreement"). The parties are entering into this Amendment to correct a typographical error contained in Section 8.1 of the Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Term Section 8.1. Reference to "June 30, 2022" contained in Section 8.1 of the Agreement is amended to read "July 31, 2024."
- 2. <u>Miscellaneous</u>. This Amendment is hereby made part of the Agreement. The provisions of the Agreement that are not amended by this Amendment remain unchanged and in full force and effect. Except as specifically modified by this Amendment, Company reaffirms all its obligations under the Agreement. This Amendment contains the entire understanding of the parties regarding the subject matter of this Amendment and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Amendment.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and effective for all purposes as of the Effective Date.

City:	Company: Iron Triangle L.L.C.,		
City of John Day,			
an Oregon Municipal Corporation	an Oregon Limited Liability Company		
	By: I.T. Logging, Inc.,		
By: Heather Rookstool, Mayor	an Oregon corporation		
Agency:	Its: Member		
John Day Urban Renewal Agency			
By: Richard L. Allen, Interim (Pro Tem) Director	By: Russell Young, President		

PROFESSIONAL SERVICES AGREEMENT – ENGINEERING SERVICES

This Professional Services Agreement – Engineering Services (this "Agreement") is made and entered into effective on April _____, 2023 (the "Effective Date") between City of John Day ("City"), an Oregon municipal corporation, whose address is 450 E Main Street, John Day, Oregon 97845, and Holladay Engineering Company, an Idaho corporation, whose address is 32 N Main Street, Payette, Idaho 83661.

RECITALS:

- A. On January 2, 2023, City issued a request for proposals ("RFP") concerning a certain recycled wastewater distribution project (the "Project"). In response to the RFP, Engineer submitted a proposal (the "Proposal"). City desires to retain Engineer to perform certain engineering and related services concerning the Project. Engineer is willing to perform engineering and related services for and concerning the Project subject to and in accordance with the terms and conditions contained in this Agreement.
- B. City anticipates receiving certain funds (the "Grant Funds") for payment of the subject engineering services from the Water Supply Development Account administered by the Oregon Water Resources Department ("OWRD"). City's receipt of the Grant Funds is subject to the terms and conditions of that State of Oregon Water Supply Development Account Grant Agreement No. WPG-0034-21 dated on or about August 25, 2022 between City and OWRD.

AGREEMENT:

NOW, THEREFORE, in consideration of the parties' mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Engineering Services.

Services; Standards. Subject to the terms and conditions contained in this Agreement, 1.1 Engineer will perform the following engineering services concerning the Project for and on behalf of City (collectively, the "Services"): (a) those certain engineering services described on the scope of work attached hereto as Schedule 1.1 (the "Scope of Work"); (b) all other necessary or appropriate services customarily provided by Engineer in connection with its performance of those services described on the attached Scope of Work; and (c) such other engineering and related services requested by the city manager from time to time. Engineer will (w) consult with and advise City on all matters concerning the Services reasonably requested by City, (x) communicate all matters and information concerning the Services to the city manager and perform the Services under the general direction of the city manager (or his or her designee), (y) devote such time and attention to the performance of the Services as City deems necessary or appropriate, and (z) perform the Services to the best of Engineer's ability. Engineer acknowledges and agrees that City may cause or direct other persons or contractors to provide services for and on behalf of City that are the same or similar to the Services provided by Engineer under this Agreement. For purposes of this Agreement, the term "city manager" means the City's then-appointed city manager and/or his or her designee.

- 1.2 Schedule; Condition Precedent. The Services will be completed expeditiously, in a timely manner, and in accordance with the schedule identified in the Scope of Work. Notwithstanding anything contained in this Agreement to the contrary, City's performance of its obligations under this Agreement is conditioned on Engineer's performance of its obligations under this Agreement, including, without limitation, those Engineer obligations identified under Section 4.4. City has relied on the representations, warranties, and covenants contained in Engineer's Proposal when selecting Engineer to perform the Services. Engineer represents, warrants, and covenants to City that the representations, warranties, and covenants contained in the Proposal are true and correct in all respects.
- 1.3 Grant Documents. City will use a portion of the Grant Funds to pay for the Services. As a condition to City's receipt of the Grant Funds, City and OWRD entered into certain grant and other contract documents concerning, among other things, the Project and City's use of the Grant Funds (individually and collectively, the "Grant Document(s)"). Notwithstanding anything contained in this Agreement to the contrary, Engineer will perform the Services subject to and in accordance with the terms and conditions contained in the Grant Documents. Prior to the Effective Date, Engineer had the opportunity to ask questions and receive answers concerning the Grant Funds and Grant Documents. Engineer has obtained all information Engineer deems necessary or appropriate concerning the Grant Funds and Grant Documents.

2. Compensation.

- 2.1 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Engineer's timely performance of the Services in accordance with this Agreement, City will pay Engineer at the hourly rates identified in the fee schedule attached as Schedule 2.1. Engineer will submit monthly invoices to City concerning the Services performed by Engineer during the immediately preceding month (each an "Invoice"). Each Invoice will contain the following information: (a) a summary of the Services performed by Engineer (and by whom); (b) the number of hours (or fraction thereof) each person spent to perform the Services; (c) the applicable fee(s) for performing the Services; and (d) all other information reasonably requested by City. City will pay the amount due under each Invoice within thirty (30) days after City has reviewed and approved the Invoice. No compensation will be paid by City for any portion of the Services not performed. City's payment will be accepted by Engineer as full compensation for performing the Services. Notwithstanding anything contained in this Agreement to the contrary, total compensation payable by City under this Agreement for the performance of the Services will not exceed \$398,912.00 without first obtaining City's prior written consent.
- 2.2 <u>No Benefits; No Reimbursement.</u> City will not provide any benefits to Engineer, and Engineer will be solely responsible for obtaining Engineer's own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Engineer will provide, at Engineer's cost and expense, all materials, equipment, and supplies necessary or appropriate to perform the Services. City will reimburse Engineer for reasonable and necessary travel-related expenses incurred in connection with Engineer's performance of the Services at the then-applicable IRS per diem rates; provided, however, City's reimbursement obligation for all travel-related expenses will not exceed \$9,435.00. City will not reimburse Engineer for any other costs and expenses Engineer incurs to perform the Services.

Relationship.

- 3.1 <u>Independent Contractor.</u> Engineer is an independent contractor of City. Engineer is not an employee of City. Engineer will be free from direction and control over the means and manner of performing the Services, subject only to the right of City to specify the desired results. This Agreement does not create an agency relationship between City and Engineer and does not establish a joint venture or partnership between City and Engineer. Engineer does not have the authority to bind City or represent to any person that Engineer is an agent of City. Engineer has the authority to hire other persons to assist Engineer in performing the Services (and has the authority to fire such persons).
- 3.2 <u>Taxes; Licenses</u>. City will not withhold any taxes from any payments made to Engineer, and Engineer will be solely responsible for paying all taxes arising out of or resulting from Engineer's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes. Engineer will be solely responsible for obtaining all licenses, approvals, and certificates necessary or appropriate to perform the Services.

Representations; Warranties; Covenants.

In addition to any other Engineer representation, warranty, and/or covenant made in this Agreement, Engineer represents, warrants, and covenants to City as follows:

- 4.1 Authority; Binding Obligation; Conflicts. Engineer is duly organized, validly existing, authorized to transact business, and in good standing under applicable Oregon and Idaho law. Engineer has full power and authority to sign and deliver this Agreement and to perform all Engineer's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Engineer, enforceable against Engineer in accordance with its terms. The signing and delivery of this Agreement by Engineer and the performance by Engineer of all Engineer's obligations under this Agreement will not (a) breach any agreement to which Engineer is a party, or give any person the right to accelerate any obligation of Engineer, (b) violate any law, judgment, or order to which Engineer is subject, and/or (c) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.
- 4.2 Quality of Services. Engineer will perform the Services to the best of Engineer's ability, diligently, in good faith, in a professional manner, free from errors and/or deficiencies, and consistent with the terms and conditions contained in this Agreement. The Services will be performed in accordance with the Laws (as defined below). Engineer will be solely responsible for the Services. Engineer will make all decisions called for promptly and without unreasonable delay. All materials and documents prepared by Engineer will be accurate, complete, unambiguous, prepared properly, and in compliance with the Laws.
- Insurance. During the term of this Agreement, Engineer will obtain and maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Engineer's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of no less than \$2,000,000.00 per occurrence, \$4,000,000.00 in the aggregate; (b) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Engineer in

connection with Engineer's performance of the Services with limits of no less than \$2,000,000.00 combined single limit; (c) professional liability insurance (errors and omissions insurance) with limits of no less than \$3,000,000.00 per occurrence, \$5,000,000.00 in the aggregate; and (d) workers' compensation insurance in form and amount sufficient to satisfy the requirements of applicable Oregon law. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will list City and each City Representative (as defined below) as an additional insured (except for Engineer's professional liability insurance policy), and will contain a severability of interest clause; the workers' compensation insurance will contain a waiver of subrogation in favor of City. The insurance Engineer is required to obtain under this Agreement may not be cancelled without ten (10) days' prior written notice to City. Engineer's insurance will be primary and any insurance carried by City will be excess and noncontributing. Engineer will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) and endorsements Engineer is required to obtain under this Agreement upon Engineer's execution of this Agreement and at any other time requested by City. If Engineer fails to maintain the insurance required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Engineer immediately upon City's demand.

- 4.4 Compliance with Laws. Engineer will comply and perform the Services subject to and in accordance with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Engineer will comply with each obligation applicable to Engineer and/or this Agreement under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Prior to the Effective Date, Engineer obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services, including, without limitation, a business license from City and an unexpired certificate issued by the Oregon Department of Administrative Services under ORS 279A.167. For purposes of this Agreement, the term "Law(s)" means all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and/or ordinances related to or concerning Engineer, this Agreement, and/or the Services, including, without limitation, the Tax Laws (as defined below) and all applicable City ordinances, resolutions, policies, regulations, orders, restrictions, and guidelines, all as now in force and/or which may hereafter be amended, modified, enacted, and/or promulgated.
- 4.5 Compliance with Tax Laws. Engineer represents and warrants that it has complied with the tax laws of the State of Oregon and the tax laws of any applicable political subdivision of the State of Oregon including, without limitation, ORS 305.620 and ORS chapters 316, 317 and 318 (individually and collectively, the "Tax Law(s)"). Engineer will continue to comply with the Tax Laws during the term of this Agreement. Engineer's failure to comply with the Tax laws before Engineer executed this Agreement or during the term of this Agreement is a default for which City may terminate the Agreement and seek damages and other relief available under the terms of this Agreement and under applicable law. By signing this Agreement, Engineer certifies, under penalty of perjury, that the Engineer is, to the best of Engineer's knowledge, not in violation of any tax laws described in ORS 305.380.
- 4.6 <u>Indemnification</u>. To the fullest extent permitted under applicable law, Engineer will defend, indemnify, and hold City, and each present and future City officer, employee, agent, and representative (collectively, "City's Representatives"), harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of the following: (a) damage, injury, and/or death to person or property caused directly or indirectly by Engineer (and/or Engineer's directors, officers, shareholders, members, managers, partners, employees, agents, representatives, and/or contractors); (b) Engineer's failure to pay any tax arising out of or

resulting from performance of the Services; and/or (c) Engineer's breach and/or failure to perform any Engineer representation, warranty, covenant, and/or obligation contained in this Agreement. Engineer's indemnification obligations provided in this Section 4.6 will survive the termination of this Agreement.

- 4.7 Assignment of Studies and Reports. Engineer will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement (collectively, the "Deliverables") to City upon the earlier of City's request or termination of this Agreement. All copies of the materials provided to City will become the property of City who may use them without Engineer's permission for any proper purpose relating to the Services, including, without limitation, additions to or completion of the Services; provided, however, any City modification and/or use of the Deliverables for any non-Project related purpose will be at City's risk and expense. Engineer will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Engineer is responsible (including, without limitation, any claims which may be brought against City), and Engineer will be liable to City for all losses arising therefrom, including costs, expenses, and attorney fees.
- 4.8 Records. Engineer will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of five (5) years after termination of this Agreement. Engineer's records will be maintained in accordance with sound accounting practices. Engineer will provide City access to any Engineer books, documents, papers, and/or records which are pertinent to this Agreement, the Project and/or the Services. Engineer will maintain all books, documents, papers, and records generated under this Agreement for a period no less than five (5) years commencing on the date of City's final payment to Engineer under this Agreement.
- Confidential Information. During the term of this Agreement, and at all times 4.9 thereafter, Engineer will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, and/or disclose any Confidential Information to any person, or remove or make reproductions of any Confidential Information, except that Engineer may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in accordance with a judicial or other governmental order or as required by applicable law, but only if Engineer promptly notifies City's city manager of the order and complies with any applicable protective or similar order. Engineer will promptly notify City's city manager of any unauthorized use, communication, and/or disclosure of any Confidential Information and will assist City in every way to retrieve any Confidential Information that was used, communicated, and/or disclosed by Engineer and will exert Engineer's best efforts to mitigate the harm caused by the unauthorized use, communication, and/or disclosure of any Confidential Information. Upon the earlier of City's request or termination of this Agreement, Engineer will immediately return to City all documents, instruments, and/or materials containing any Confidential Information accessed or received by Engineer, together with all copies and summaries of such Confidential Information. If requested by City, Engineer will execute a written certification satisfactory to City pursuant to which Engineer will represent and warrant that Engineer has returned all Confidential Information to City in accordance with the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the terms of this Agreement do not operate to transfer any ownership or other rights in or to the Confidential Information to Engineer or any other person. For purposes of this Agreement, the term "Confidential Information" means all documentation, information, and/or materials identified by City as confidential and/or any documentation, information, and/or materials relating to or concerning City's future plans, business affairs, employment, legal, and litigation matters that need to be protected from improper disclosure, in whatever form (e.g., hard and

electronic copies, etc.), that are received or accessed by Engineer; provided, however, the term "Confidential Information" does not include City's public records which are non-exempt public records under applicable federal, state, and/or local laws.

5. Term; Termination.

- 5.1 Term of Agreement. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until Engineer's completion of the Services, unless sooner terminated or extended as provided in this Agreement. Notwithstanding anything contained in this Agreement to the contrary, (a) this Agreement may be terminated at any time by the mutual written agreement of City and Engineer, and/or (b) City may terminate this Agreement for convenience and without cause by giving ten (10) days' prior written notice of such termination to Engineer. Upon receipt of the notice of termination, except as explicitly directed by City, Engineer must immediately discontinue performing any Services.
- Termination for Cause. Notwithstanding anything contained in this Agreement to the contrary, City may terminate this Agreement immediately upon notice to Engineer upon the happening of any of the following events: (a) Engineer fails to timely perform the Services; (b) Engineer engages in any form of dishonesty or conduct that reflects adversely on City's reputation or operations; (c) Engineer fails to comply with any applicable law related to Engineer's independent contractor relationship with City; (d) problems occur in connection with Engineer's performance of the Services; and/or (e) Engineer breaches and/or otherwise fails to perform any Engineer representation, warranty, covenant, and/or obligation contained in this Agreement. The determination as to whether any of the aforementioned events have occurred will be made by City in City's sole discretion.
- 5.3 Consequences of Termination. Upon termination of this Agreement, City will not be obligated to reimburse or pay Engineer for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Notwithstanding anything contained in this Agreement to the contrary, termination of this Agreement by City will not constitute a waiver or termination of any rights, claims, and/or causes of action City may have against Engineer. Within a reasonable period of time after termination of this Agreement (but in no event later than five (5) days after termination), Engineer will deliver to City all materials and documentation, including raw or tabulated data and work in progress, related to or concerning the Services.

6. Miscellaneous.

- 6.1 <u>Severability; Assignment; Binding Effect.</u> Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Engineer will not assign this Agreement and/or the Services to any person without City's prior written consent. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.
- 6.2 <u>Attorney Fees; Dispute Resolution</u>. If any arbitration or litigation is instituted to interpret, enforce, and/or rescind this Agreement, including, without limitation, any proceeding brought

under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney fees and other fees, costs, and expenses of every kind, including, without limitation, costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), City and Engineer will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, either party may initiate a suit, action, arbitration, or other proceeding to interpret, enforce, and/or rescind this Agreement.

- 6.3 <u>Governing Law; Venue.</u> This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.
- 6.4 Attachments; Further Assurances; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to Engineer's performance of its obligations under this Agreement. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third (3rd) business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.
- Maiver; Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by City and Engineer. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Engineer has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.
- 6.6 Person; Interpretation; Execution. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The parties may execute this

Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed and effective for all purposes as of the Effective Date.

CITY: City of John Day, an Oregon municipal corporation	ENGINEER: Holladay Engineering Company, an Idaho Corporation	
By: Heather Rookstool Its: Mayor	By: John Blom Its: President	
Federal Tax Id. No.:	Federal Tax Id. No.:	

Schedule 1.1 Scope of Work

In addition to all other services identified under this Agreement, Engineer will timely perform the following engineering and related services concerning or related to the Project:

Task 1 - Preliminary Design Engineering.

- 1. Meet with City public works staff to gather pertinent Project data.
- 2. Complete geotechnical evaluation of the tank and booster station site.
- 3. Complete a topographic survey of the Project alignment.
- 4. Prepare a preliminary engineering report for the Project and submit to the Department of Environmental Quality ("DEQ").
 - a. The engineering report will address Section 5.2 of the DEQ IMD: Implementing Oregon's Recycled Water Use Rules, June 2009.
 - b. It will be specific to the Class A recycled water "purple pipe" distribution system design, including the above ground storage tank and pump station to be co-located with the water reclamation facility. The Class A recycled water is planned for industrial and agricultural uses.
- 5. Prepare a Draft Recycled Water Use Plan ("RWP") and submit to DEQ. RWP will include the following for Class A recycled water for industrial and agricultural uses per OAR 340-055-0025(1):
 - a. A description of the wastewater treatment system, including treatment efficiency capability;
 - b. A detailed description of the treatment methods that will be used to achieve a specific class of recycled water and for what beneficial purpose;
 - c. The estimated quantity of recycled water to be provided by the wastewater treatment system owner to the user, and at what frequency and for what beneficial purpose;
 - d. A description of contingency procedures that ensure the requirements of OAR chapter 340, division 55 are met when recycled water is provided for use;
 - e. Monitoring and sampling procedures;
 - f. A maintenance plan that describes how the wastewater treatment system equipment and facility processes will be maintained and serviced;
 - g. If notification is required by the rules of OAR chapter 340, division 55, a description of how the public and personnel at the use area will be notified; and
 - h. A description of any measuring and reporting requirements identified by the OWRD after consultation with that agency.
- 6. Prepare preliminary plans (approximately 30% design) and submit to City.
- 7. Prepare a draft construction contract and submit to City for legal review.
- 8. Organize, attend, and conduct a preliminary design review meeting with City.

Task 1 Completion Date: May 20, 2023.

Task 2 – Final Design Engineering.

- 1. Review DEQ comments on draft RWP and finalize RWP.
- 2. Prepare 90% draft plans and technical specifications for City review.
- 3. Organize, attend, and conduct a 90% design review meeting with City.
- 4. Prepare Final Design documents and submit to DEQ and OWRD.

- 5. Address DEQ/OWRD comments, as necessary.
- 6. Submit final design and construction contract documents to City and OWRD.

Task 2 Completion Date: August 30, 2023.

Task 3 – Construction Bid & Materials Procurement.

- 1. Advertise for bids (publication of record and statewide publication).
- 2. Open bids, prepare bid tabulation, evaluate bid compliance with requirements, and review with City.
- 3. Prepare and distribute notice of intent to award.
- 4. Prepare award of construction contract for City signature and distribute to the selected contractor.
- 5. Organize and conduct a preconstruction conference and prepare a notice to proceed.

Task 3 Completion Date: October 20, 2023.

Task 4 - Construction Phase Services.

- 1. Provide construction contract administration and construction engineering.
 - a. Review construction contractor submittals and requests for information;
 - b. Review pay applications;
 - c. Review change order requests; and
 - d. Address project changes or modifications which may become necessary.
- 2. Provide construction observation.
- 3. Review as-built information from the construction contractor and prepare record drawings.
- 4. Prepare an operation and maintenance ("O&M") manual.
- 5. Complete Project close out with City and OWRD.

Task 4 Completion Date: December 31, 2023

Schedule 2.1 Fee Schedule

Principal III	\$200.00/hr	Project Architect 2	\$160.00/hr
Principal II	190.00	Project Architect 1	140.00
Principal I	180.00	Staff Architect 4	120.00
Project Manager 4	165.00	Staff Architect 3	110.00
Project Manager 3	155.00	Staff Architect 2	100.00
Project Manager 2	145.00	Staff Architect 1	90.00
Project Manager 1	130.00	Inspector/Observer	95.00
Project Engineer 5	180.00	Engineering Aide	70.00
Project Engineer 4	175.00	Designer 6	110.00
Project Engineer 3	160.00	Designer 5	100.00
Project Engineer 2	145.00	Designer 4	90.00
Project Engineer 1	135.00	Designer 3	85.00
Staff Engineer 5	135.00	Designer 2	80.00
Staff Engineer 4	125.00	Designer 1	70.00
Staff Engineer 3	115.00	Administrative 4	95.00
Staff Engineer 2	105.00	Administrative 3	80.00
Staff Engineer 1	95.00	Administrative 2	75.00
Project Architect 4	180.00	Administrative 1	60.00
Project Architect 3	170.00		

Other in-house charges:
Mileage
Expert Testimony
GPS Backpack

Standard GSA Rate 2 X Billing Rate 40.00/hr