**John Day Sewer & Oregon Pine Improvements**

**October 2023 Progress Report for City Council**

John Day’s Sewer Improvements Project and the Oregon Pine Companion Projects have six primary tracks that are the focus of our efforts:

1. Section 7/Environmental Compliance
2. USDA and Other Funding Applications
3. DEQ Permitting Compliance
4. Preliminary Site Preparation for Companion Projects
5. Progressive Design/Build Procurement Document
6. Community Engagement and Outreach

This memo provides a progress summary for all six tracks over October 2023. Our top priorities currently are Task 1) environmental compliance and Task 2) completing the funding application(s) and Task 4b) Purple Pipe.

**High Notes:**

* Task 1: Biological Assessment was submitted and received 10/26/23, it should be cleared and the Biological Opinion issued by/around 2/22/2024.
* Task 1: CDBG budget amendment finalized to allow reimbursement for some past grant administration and environmental expenses.
* Task 2: 11/8 meeting with funders
* Task 4b: 30% Purple Pipe Design meeting held; cost estimate for construction exceeds the available budget.
* Task 4c: Tetra Tech (solar engineer) is finalizing scope details
* Task 6: Canyon City rate negotiation is on-going; a contract draft was sent to Canyon City and returned with revisions to John Day Staff.

**Council Discussion:**

1. Procurement Plan for WWTF Design/Construction:
   1. Owner’s Rep Position for the WWTF Design/Construction process – include construction administration/management, QA/QC on Design/Build team
   2. Progress Design/Build Procurement – engineer and WWTF vendor team that will construct the “WWTF engine” off-site and then deliver it.
2. Purple Pipe project direction –
   1. Will either have to cut segments or raise more funds;
   2. Need an individual authorized to negotiate the Golf Course easement;

**Additional Documents Attached:**

1. Construction Cost Estimate from HECO on the Purple Pipe Project

# Section 7/Environmental Compliance (Task 1)

USDA initiated Formal Consultation on the Biological Assessment for the new WWTF on October 26, 2023 with National Marine Fisheries Service and the US Fish and Wildlife Service. The services have 120 days to produce their Biological Opinion, although they told us this would be an “expedited review.”

**Additional Task Updates:**

* 10/26: Formal Consultation on Biological Assessment initiated with NOAA-NMFS and USFWS.
* Reply expected by February 2024.
* USDA will then have to take 1-2 months to adopt the findings and publish them for public comment.

# 2. USDA and Other Funding Applications (Task 2)

Ducote, Flagline, USDA, and Business Oregon held a meeting on 11/8 to discuss next steps after the finalizing of the environmental report, how to coordinate the two funding agencies, and move the project forward. There are still many steps remaining to finalize the funding, which will include input and work from Flagline and Ducote.

**Additional Task Updates:**

1. 11/8: Status meeting with Business Oregon, USDA, Flagline to catch up about the plans for the next several months.

**Status**:

* Once all of these steps are completed, we can go out to bid on the Progressive Design-Build (PDB) procurement:
  + Once the Biological Opinion is finalized from USFWS and NOAA-NMFS, then USDA and Business Oregon will have to finalize the Environmental Assessment.
    - Each agency will publish various documents to formalize a “Finding of No Significant Impact” and that will take 1-2 months of paperwork and process.
  + Finalize the USDA funding application, which will require:
    - Updated and detailed cost estimate, separating out the package plant procurement from the PDB contract.
    - An assortment of other documents, including the Risk and Resilience Assessment.
    - Final Environmental Review clearance.
    - Determination of the methods of procurement and approval for the PDB from the USDA National Office.
* After our two primary funders have settled on the approach, we will involve DEQ in the funding conversation.

# DEQ Permitting (Task 3)

The Department of Environmental Quality (DEQ) issued a new wastewater pollution control facility (WPCF) permit effective on May 1, 2022 (Permit Number: 103281; File Number: 127619). The permit is good for ten years and expires December 31, 2032.

**Status**:

* Purple Pipe Draft Preliminary Engineering Report and Draft Recycled Water Plan submitted to DEQ 8/25, Received RWP comments 10/27, PER comments pending.

# Preliminary Area Preparation for Companion Projects (Task 4)

The City has three ongoing companion projects that accompany the Wastewater Treatment Plant. They are (1) Site improvements to NW 7th Street and the former Oregon Pine/DR Johnson mill site to make the new facility accessible; (2) Design and construction of the reclaimed water (purple pipe) distribution system; and (3) Design and potential construction of a solar array to power the new facility. The City also completed updates to its [DiscoverJohnDay.com website](https://www.discoverjohnday.com/grow) to promote the Project and the City’s use of reclaimed water to create a sustainable high-desert community.

## Area Improvements

Trail improvements contracted through Knife River are nearing completion with an inspection conducted. There is currently discussion on-going between Sisul and Knife River about the quantity of base rock that was installed. Once that matter is finalized, the invoice will be sent to the City. These improvements will be paid by the HB5006 DAS-8154 and Oregon Parks and Recreation Department’s Recreational Trail Program grants.

## Purple Pipe System

The Oregon Water Resources Department (OWRD) awarded the City $2.9 million in August 2022 to design and build the purple pipe distribution system. The matching funds for this companion project are the City’s planned expenditures for the treatment plant.

|  |  |
| --- | --- |
| **WRD Project Budget** | |
| Task 1 | $ - |
| Task 2 | $ 48,000 |
| Task 3 | $ 120,000 |
| Task 4 | $ 192,000 |
| Task 5 | $ 799,900 |
| Task 6 | $ 1,821,300 |
| TOTAL | $ 2,981,200 |
|  |  |
| Task 2-5 budget | $ 1,159,900 |
| HECO Contract | $ 426,820 |
|  |  |
| Task 5 Remaining | $ 733,080 |
| Task 6 | $ 1,821,300 |
| Total Available for Construction | $ 2,554,380 |
|  |  |
| Total Construction Cost Estimate | $ 3,702,354 |
| **GAP** | **$ 1,147,974** |

**Task Updates:**

* No comments yet from DEQ on the Preliminary Engineering Report (PER).
* Instream Water Rights Transfer submitted.
* 11/1: 30% Draft Construction Documents reviewed, alignment will be tweaked, but a high cost estimate needs to be discussed.
  + Funding gap is roughly $1,100,000 (some Environmental and Administrative costs to be incurred). Overage will be broke out as bid options in the construction documents.
* Easement negotiations – need to appoint a representative to negotiate

**Additional Updates:**

* Environmental team will be assembled for wetland delineation and cultural survey after the alignment is finalized.

## Solar Array

The City was awarded a design contract for $100,000 by the Oregon Department of Energy (ODE) under its Community Renewable Energy Program (CREP). The city council approved the grant agreement at its May 9 meeting. Expiration deadline – November 2023.

**Status**:

* 11/1: Tetra Tech working to finalize a contract.
* Ducote submitted a grant extension request to ODOE for the maximum length – 6 months – to last until May 2024.

# Progressive Design/Build Procurement Document (Task 5)

When the environmental review (Task 1) is published and the public comment period is completed, our Business Oregon grants and loans will “unlock” so we can begin the bidding process on an engineer and vendor. That bid process will be covered under a Progressive Design/Build solicitation unless that method fails to receive USDA approval at the National Office. Having the solicitation process begin requires both Task 1 and Task 2 outlined to be completed and finalized.

**Status**:

* Ducote Consulting and Flagline will work on developing a procurement method overview document. This will cover BOTH:
  + Owner’s Rep initial engineering procurement, combined with construction administration and management duties.
  + A Progressive Design-Build procurement that will include a General Contractor and Design Engineer (separate from the Owner’s Rep). Review of the PDB document, once the City and its team has transmitted it to USDA, will take another 3-4 months for review and approval by USDA.
    - As a sub-set of this procurement, the City would separate out the Package Plant as a stand-alone contract to be funded by Business Oregon. Business Oregon will not fund a contract that includes a General Contractor/construction activities.

# Community Engagement and Outreach (Task 6)

**Status**:

* Canyon City rate negotiation is on-going, a contract draft was sent to Canyon City and returned with revisions to John Day Staff.
* Monthly John Day Council updates are being given in written and verbal format by Ducote Consulting.
* Citizen Advisory Committee has not been formed.

**Task Overview Schedule and Timeline:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **COMPLETED** | | | **ALMOST COMPLETE** | |
| **TASK** | Preliminary Engineering Reports (1 & 3 updates) | Grants Secured ($10.7m) | Environmental Compliance\* | Finalize Funding Commitments (USDA & CWSRF) |
| **Status** | 2019 - 2022 | 2018 -2022 | *2019 - 2024* | *2018 - current* |
| **Est Timeframe** |  |  | *3-5 months* | *4-8 months\** |
|  |  |  |  |  |
| **NEXT TASKS** | | **TASKS NOT BEGUN** | | |
| Bid/procure an Owners Rep (City-side Engineer for QA/QC, construction) | Bid/procure the Progressive Design/Build, PDB (Engineer + Vendor Team) | Final Design & Off-Site Construction (PDB Team), City Engineer QA/QC | Bid Construction on the WWTF | Complete Construction on the new WWTF |
|  |  |  |  |  |
| 1.5-3 months | 5-7 months | 12-18 months | 1-2 months | 12 months |