

Ducote Consulting 2023 Achievements and Grant Notes

- **WWTF Project**
 - Applied for additional funding (DEQ-CWSRF)
 - Completed the Biological Assessment and initiated formal consultation with NOAA-NMFS and USFWS
 - Initiated the monitoring plan developed by the CwM-H2O technical team
 - Scope of work for Final Design engineering at the WWTF is initiated by Flagline; BLJ determined that procurement steps have been met already.

- **Purple Pipe Project** - Now at 90% design, was stalled in early-2023.

- **Solar Project** - Project work will begin in January 2024, completed by May 2024. Was stalled in Fall of 2023.

- **Cleaned up grant reporting, found invoices missed; reviewed grant records for accuracy**
 - Found invoices charged to two separate grants (both URA Loan and DAS-8154 grant). We amended DAS-8154 reporting to take out these “double-charged” invoices. ~\$52,000, eight separate invoices.
 - Found invoices/costs missing from the OEM/4th Ave project and requested those funds from OEM/FEMA (\$123,557.81 in grants)
 - Amended the CDBG/WWTF budget to reclaim \$55,000 in expenses for Grant Administration and Environmental Review (Ducote Consulting work back to 2019) from grants.
 - Identified invoices missed over the last 1-3 years on a variety of projects that needed to be claimed by a particular grant (ex: CwM-H2O on the WWTF).

- **Grant Reimbursable Work (>50%)**
 - Of the time spent by Ducote Consulting this year, much of it has been grant reimbursable, including: WWTF project (DAS-8154 and CDBG), Purple Pipe (WRD), 4th Ave Repairs (OEM), Risk and Resilience Plan (CDBG), 7th St West (DAS-8154)
 - Some of the work that has not been grant reimbursable, including: OPRD, RTP – grant admin is not an eligible expense; General ledger/accounting support – not project specific, so not billed to one grant; EDA, Fiber project – administration and legal budget was over 100% expended by the previous administrator. Have tried to limit my time here.

- **Grant Disbursements/Reimbursements:** In our tenure since January 2023, we’ve overseen over \$1.5m of grant disbursement reporting and grant reimbursements for eight different projects.

Grant Disbursements Overseen, 1/15/23 – 12/31/23	
OWRD Purple Pipe WPG-0034-21	\$129,768.65
OBDD WWTF P18011/Y21006	\$154,721.00
OEM 4th Avenue Project DR-4452-OR	\$123,557.81
OBDD 4th Ave L22005	\$258,104.00

DAS Grant - 8154	\$787,351.97
Iron Triangle N21005	\$24,055.00
RTP Innovation Gateway Trail Phase 2	\$500.00
DEQ Malheur Lumber Co.	\$42,100.00
Total	\$1,520,158.43

John Day Sewer & Oregon Pine Improvements December 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. Engineering Design and Package Plant Procurement
6. Community Engagement and Outreach

This memo provides a progress summary for all six tracks over December 2023. Our top priorities currently are Task 1) environmental compliance and Task 2) completing the funding application(s) and Task 4b) Purple Pipe. **The project progress thermometer has changed on the right.**

Task %	Task
100%	WWTF Complete!
90%	Construct the WWTF
80%	Bid the WWTF Construction
70%	Package Plant Procurement
60%	Construction Funding Secured
50%	Final Design Engineering
40%	Environmental Clearance
30%	Preliminary Engineering
20%	Procuring Engineers and
10%	Securing Final Design Funding

High Notes:

- Task 1: Biological Opinion from NOAA-NMFS & USFWS expected in January or February.
- Task 2: Business Oregon and USDA are fine with a Design-Bid-Build approach for procuring Final Design services on the WWTF.
- Task 4b: Purple Pipe Final Design work is 90% completed; still need to determine what to do about the cost overruns.
- Task 4d: Tetra Tech is working on the solar feasibility study.
- Task 5: Flagline Scope of Work is being drafted internally by the engineering team for Final Design of the WWTF.
- Task 6: No update on Canyon City rate negotiations.

Council Discussion:

- A. None at this time. Expect a Scope of Work to review sometime in February.

1. 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:

- Reply expected by January or February 2024.
- USDA will then have to take 1-2 months to adopt the findings and publish them for public comment.
- Ducote Consulting will also have to update the Environmental Review Report when the Biological Opinion is finally issued to reflect the document.

Status:

- Formal Consultation on Biological Assessment initiated with NOAA-NMFS and USFWS in October.

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.

A preliminary application for the DEQ-Clean Water State Revolving Loan Fund was submitted on 12/6 for a total of \$4,000,000. Ideally, the package that DEQ will offer to the City would be a \$2m grant/\$2m loan combination. The terms would be 1.5-1.75% interest over 30 year – better terms than USDA will offer for their debt. This application is non-binding and this funding is mutually exclusive with a Progressive Design-Build procurement strategy. However, the CWSRF funding will be limited to construction and will take 6-9 months to finalize.

Additional Task Updates:

- Moving forward with a Design-Bid-Build approach; Flagline is drafting a Final Design scope of work.
 - a. CWSRF funding is **NOT** compatible with a Progressive Design-Build approach.

Status:

- USDA funding application for \$7-10m pending, waiting for Biological Assessment and USDA funding application to be accepted.
- DEQ-CWSRF application pending for \$4m in construction funds.

3. 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.

4. 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) to promote the Project and the City's use of reclaimed water to create a sustainable high-desert community.

a. AREA IMPROVEMENTS

Trail improvements contracted through Knife River are nearing completion with an inspection conducted. There will be Council discussion about the last Knife River invoice for this work. 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.

b. 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.

Based on the HECO preliminary designs and cost estimates, there is not enough grant funding to construction the entire planned Purple Pipe system. HECO has paused Final Design on the eastern segments given the high cost estimates. They have also a cost estimate exhibit to demonstrate the cost of various segments of the overall planned Purple Pipe system – Exhibit B.

WRD Project Budget	
Total Available for Construction	\$ 2,554,380
Total Construction Cost Estimate	\$ 3,702,354
GAP	\$ 1,147,974

Tank: ~\$1.1m

Task Updates:

- 90% Design meeting held on 1/4/24.

Additional Updates:

- Environmental team will be assembled for wetland delineation (if needed) and cultural survey after the alignment is finalized.

c. INSTREAM WATER RIGHTS TRANSFERS

Status:

- No updates at this time.

d. 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, 2023 meeting. Expiration deadline – May 2024.

Status:

- Tetra Tech is working on the project.

5. ENGINEERING DESIGN AND PACKAGE PLANT PROCUREMENT (Task 5)

Business Oregon and USDA will allow the City to use its existing funding to proceed with Final Design Engineering. The next milestone that will require the completed environmental and USDA application will be the Package Plant Procurement, which will be handled by Flagline at the 30% point of Final Design.

Status:

- Flagline and the internal team is drafting a Scope of Work, no costs provided yet.

6. 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.