

Sewer rates to increase by \$12

Officials say increase necessary to obtain financing for wastewater treatment project

By Rudy Diaz
Blue Mountain Eagle

The city of John Day will increase sewer rates by \$12 next year.

In January, the base rate for sewer will go up to \$60, which will allow the city to qualify for U.S. Department of Agriculture financing at a low interest rate, City Manager Nick Green said. After the new treatment plant is constructed, the city can then look at the possibility of a rate reset, he said.

“What we want to be careful of is that we don’t underfund the facility to the point that we’re not putting any money into future replacements and we end up in a situation like the city was in in 2009 where there wasn’t adequate reserve funds, our rates weren’t high enough to get financing and we weren’t able to build,” Green said.

With the increase in rates, the USDA will have the authority to consolidate the city’s higher-interest debt, the loans from the property purchase and bridge loans for the rest of the construction into a 40-year-loan with a 1% interest rate, Green said.

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—Nick Green, John Day city manager

interest rate,” Green said. “That, coupled with whatever grant funds they can bring to the table and other grant sources we can find between now and the end of construction, should allow us to reset that rate.”

The increase was approved during the committee budget meeting in May.

“I know that’s going to be hard,” Green said. “...We understand, especially at this time, it can be difficult to see a rate hike like that. I don’t think we can get better financing than what we got.”

John Day’s water and sewer rates have been steadily rising for the past five years by a dollar for each fund. The council in the past discussed the need to raise the rates in order to qualify for grants or loans.

“What we want to do is build in enough cushion in the rate structure so that we can make the investments we

need to make to keep the plant operational,” Green said.

On Oct. 2, the city learned they were awarded \$3 million in funding from the Business Oregon Infrastructure Finance Authority for the city’s new wastewater treatment plant and the John Day Innovation Gateway.

Business Oregon Water/Wastewater Program awarded \$750,000 in grant funding and \$1.75 million in loan funds for 30 years at 1% interest, which will help fund completion of the design and begin construction of the new wastewater treatment plant.

The second award was \$60,000 in grant funds and \$535,000 in loan funds for 20 years at 2% interest. This funding will reimburse the city for the purchase of the Iron Triangle property and allow the city to begin developing the new 12-acre Innovation Gateway industrial park north of the John Day River.



Eagle file photo

A for sale sign in John Day.

John Day approves housing incentive rebates

\$46,859 in incentive payments approved for nine homes

By Rudy Diaz
Blue Mountain Eagle

John Day’s housing incentive program continues to grow.

Another year of incentive payments were approved Oct. 13 by the city’s Urban Renewal Agency as more people participate in the program that provides cash rebates of 7% of the increase in assessed property value for new homes and 15% of the increase for remodels that increase the value by at least \$10,000.

Eight homeowners in John Day received refunds in 2020, which totaled \$46,859 for building a new home or conducting a major remodel.

Doug and Becky Sharp received a \$1,908 rebate on a new home that they recently completed. Jim and Sandy Bay received \$8,093 for a new home they constructed. Terry and Elizabeth Davidson received \$7,530 for completing a new house.

Sally and Jeffrey Knowles received \$14,954 in rebates for the construction of a multi-dwelling unit that consists of two duplexes: \$6,628

was for one duplex and \$8,326 was for the other.

Dave and Lisa Holland received \$1,118 in rebates for the addition of a new structure, and Jesse Madden received \$3,834 in rebates for a major remodel. Mahogany Ridge Properties received \$6,561 for a major remodel.

City Manager Nick Green said 2020 will be a reset year with only one new applicant looking to participate in the program.

“COVID hit at the worst possible time because everybody was pumping the brakes in April saying, ‘What is this?’” Green said.

He said, when people would usually be working to get permits and getting ready to do projects, they were concerned about COVID-19’s impact on the community.

“By the time late summer rolled around and they realized it was going to be OK, it was too late,” Green said.

In the first two years of the incentive program, the city has seen more than \$1.1 million in increased assessed values.

The agency also approved resolution 2020-05, which allows manufactured homes to be eligible for the program through the guidelines established.



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The John Day City Council during a July meeting.



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