
CITY OF MILTON-FREEWATER GOVERNING BODY

Damien Reino At Large, Position 1
Steve Irving - Council President At Large, Position 2
Wes Koklich At Large, Position 3

Lewis S. Key Mayor
John Lyon Ward 1
Bradley J. Humbert Ward 2
Jose Garcia Ward 3

**CITY OF MILTON-FREEWATER
CITY COUNCIL MINUTES****March 11, 2024**

The Council of the City of Milton-Freewater met in regular session on March 11, 2024 in the Albee Room of the City Library, 8 SW 8th Avenue at 7:00 p.m.

The following members were present: Mayor Lewis Key, Councilors Damien Reino, Wes Koklich, John Lyon, Brad Humbert, Steve Irving and Jose Garcia.

Staff members present were: Assistant City Manager/City Recorder Leanne Steadman, Public Works Superintendent Brian Steadman and Public Works Engineering Technician Steven Patten.

Guests and citizens present were: Carol Irving, Kay West, Patty Key, Judi Garza, Tammy and Paul Seaquist, Rick Haverineu, Cindy Timmons, Donna Sheridan, Krista Gannon, Suni Danforth, Emily Holden, Tim and Robin Sanchez, Kelly and Carolyn Hahn, Arlen Calley, Brian Calley, Ryan Westman, Kenneth Jenkins and John Wells of Anderson Perry & Associates.

Representing the news media were: Sherrie Widmer of the Valley Herald and Sheila Hagar of the East Oregonian.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Council Minutes from February 12, 2024
- Special Session Minutes from February 26, 2024
- Executive Session Minutes from February 26, 2024
- Accounts Payable from February 6th – February 21, 2024
- Accounts Payable from February 22nd – March 4, 2024
- Appointment of a Volunteer Firefighter

Councilor Humbert motioned to approve all items on the Consent Calendar. Councilor Irving seconded the motion which passed unanimously.

BUSINESS ITEMS:**RESOLUTION NO. 2537, AUTHORIZING APPLICATION FOR A LOCAL
GOVERNMENT GRANT FROM OREGON PARKS AND RECREATION DEPARTMENT**

Public Works Engineering Technician Steven Patten gave a brief update on the two parks and recreation grants that the Public Works Department has been working on. One of the grants is for Yantis Park with a project amount of \$190,000. \$114,000 of that amount is grant funds and \$76,000 will be provided by the City as in-kind or cash match through the local option tax and other park revenues. To date, the Public Works Department has completed the ADA improvements at Yantis Park. This includes new access by the tennis courts, aquatic center, and by the parking area by Yantis Park. Part of the walking path resurface has been finished and is projected to be completed by April or May of 2024. Patten continues to state that the old playground equipment located at Yantis Park

will be removed this week in preparation for the installation of new playground equipment at the park in April. The removal was supposed to take place in February. Due to winter storms that occurred, the removal date was pushed back. The project should be completed late spring to early summer of 2024.

Steven Patten stated that the second grant project that was received in December of 2023 is located at Freewater Park. Public Works is working on hiring contractors to start the project. The first part of the project would be the construction of a new multi-sport court that will replace the existing tennis court. That court will be removed. A new asphalt pad will be poured as well as the installation of new fencing and lighting. This new court will have lines for arena soccer, basketball, and other sports. A new walking path will be installed along the norther edge of the park that will create a loop. New park benches will also be installed along the walking path. Patten continued to state that late summer of 2024 or into next fall, more ADA and restroom improvements will be made along with the installation of a natural play area with rocks, boulders, and logs where the old playground equipment used to be located.

Steven Patten stated that Public Works would like to apply for a third grant project that would be located at Marie Dorian Park. The grant project has four main components. The first would be to do improvements to the existing shelter, which was the old power production building. Improvements would be to install a new roof and a new interior. The second component would be to improve the restrooms at the park with ADA and modernization improvements. The third component would be to install a new natural play structure. The fourth component would be to install security cameras to promote monitoring of the improvement and to prevent vandalization. Patten stated that with installing security cameras at Marie Dorian Park, Public Works is proposing to put funding in this grant to install security cameras at Yantis Park as well. This estimated project amount would be \$150,000 to \$180,000. With that said, the estimated grant amount coming into the City would be \$90,000 to \$108,000. The City's cost would be anywhere from \$60,000 to \$72,000. The match would be either in-kind with our staff and equipment or cash match through the local option tax. Public Works is still in the process of receiving quotes for this project.

Sheila Hagar addressed the council and asked Steven Patten if those grants could include funding for anti-graffiti coating.

Steven Patten responded stating that with natural play structures, it would be hard to put it on the surface. Patten continued to say that he would have to speak with Matt Chesnut who is the City of Milton-Freewater's Parks Supervisor, but it would have to depend on what the coating material is made of to see if park benches and other surfaces could be coated.

Tammy Seaquist addressed the council and stated she was excited about the park improvements, but that she is concerned with the tennis courts by Yantis Park. She wanted confirmation that the Milton-Freewater Unified School District has authority at that location.

Steven Patten responded that his understanding is that the tennis courts are a city owned facility, but that the city partners with the School District to operate the facilities, such as paying for utility costs.

Tammy Seaquist mentioned the large cracks throughout the tennis courts.

Steven Patten responded that with the grant programs, the city is trying to find the balance between the needs of the park infrastructure, the park needs that were identified through community meetings, and what the grant programs are prioritizing for funding. The Public Works Department is looking at

what projects fit those needs. Patten explained that if the project is not a priority for the grant organization, the likelihood that the grant will be approved is unlikely. Patten continued to say that they are narrowing in on projects that will be successful, meet the needs of the community, and also meet physical infrastructure needs that staff has identified. The tennis courts are on the list of projects to do in the future, but staff needs grant funding opportunities to help cover those improvement costs.

Councilor Irving motioned to adopt Resolution No. 2537, A Resolution Authorizing Application for a Local Government Grant from the Oregon Parks and Recreation Department. Councilor Humbert seconded the motion which passed unanimously.

BID AWARD – HOUSE BILL 2017 (HB2017) ROBBINS STREET RECONSTRUCTION PROJECT

Public Works Superintendent Brian Steadman stated that Robbins Street is the final street to be improved with the House Bill 2017 funding. The project will include approximately 600 linear feet of water main replacements, 350 linear feet of sewer main replacements, ADA curb/ramp construction and street paving from Robbins Street at North Main Street and 4th Avenue north to just shy of 6th Avenue intersection. Five bids were opened and reviewed by Anderson Perry & Associates and city staff on February 22nd. Upon reviewing the bids, it was determined that Silver Creek Contracting LLC of Heppner, Oregon was the lowest bid of \$457,644.25. All physical work needs to be complete by July 31, 2024. This project has been budgeted and staff recommendation was to award the bid for Robbins Street reconstruction project to Silver Creek Contracting LLC.

Paul Seaquist asked what amount was the project budgeted for.

Steadman stated that the engineers estimate was approximately \$100,000 more than bid price. The bid for the project came in lower than anticipated. Steadman reviewed the funding sources as outline in the staff report.

Councilor Lyon stated that when this project was brought to City Council the year prior, he understood City crews were going to handle the water and sewer portions.

Steadman explained that with all the other projects that the city crew is currently working on, he was concerned with the city crew not having enough time to meet this fast-approaching deadline.

Councilor Lyon asked if the crew could have done the project, how much money would the city have saved.

Steadman referred to the costs of the bided project.

Councilor Lyon estimated that it would have saved the city about \$200,000 in which Steadman stated it was possible minus the material costs.

Councilor Humbert stated it wouldn't have been that much with costs of piping and materials that the city crew would have needed for the job. Councilor Humbert stated the city would have saved about a third of that price.

Councilor Lyon wanted confirmation that the money would be spent by the July 31, 2024 deadline in which Steadman confirmed.

Councilor Lyon asked for another confirmation that the deadline would be met. He continued to state that for him to vote yes on this bid award, he would need to know, for certain, this would be complete.

Steadman stated that was the goal and the intent of the bid award being presented to council as soon as it was possible.

Councilor Lyon stated that HB17 was established back in 2017, which was almost 10 years' time to complete the project.

Assistant City Manager/City Recorder Leanne Steadman stated that House Bill 2017 was extended a year, due to material delays and other construction companies could not meet the deadlines either. The state recognized this and extended the deadline one year.

Councilor Lyon stated that the City Council does not know the details about the contract and asked if it would have been easier to have found a local contractor, rather than one out of the area.

Councilor Humbert confirmed that contractor is reputable. He stated that he would not have done the project for what this contractor has bid it to do.

Councilor Humbert motioned to award unit prices as bid, for the Robbins Street Reconstruction Project to Silver Creek Contracting, LLC of Heppner, Oregon as they were the apparent low bidder. Councilor Irving seconded the motion which passed unanimously.

RESOLUTION NO. 2538, AUTHORIZING SIGNATURE TO AMENDMENT #2 OF PROFESSIONAL SERVICES AGREEMENT WITH ANDERSON PERRY & ASSOCIATES FOR HB2017 ROBBINS STREET RECONSTRUCTION PROJECT FOR CONSTRUCTION ENGINEERING.

Public Works Superintendent Brian Steadman stated that in September of 2023, a proposal from Anderson Perry & Associates for the preliminary 30% design engineering for the Robbins Street Reconstruction Project was approved by former City Manager Linda Hall in the amount not-to-exceed \$30,000. In November 2023, City Council authorized Amendment 31 to agreement for professional services with Anderson Perry to include final design engineering services, bid package preparation, and bidding assistance for an amended amount not-to-exceed \$60,000. Amendment #2 will authorize up to \$30,000 as needed for construction administration, construction observation, construction staking, project documentation, project closeout, and construction record drawings.

Councilor Lyon stated that last fall there was discussion about new regulations on recycling. He stated that this topic was not associated with Resolution No.2538, but wanted an update.

Steadman stated that he has attended several meetings about this new proposed recycling requirement. The requirement is for the entire state of Oregon. He stated all cities are going to be required to have trucks that travel to everyone's homes, pick up the co-mingled recycled materials, and then truck it to places that are going to recycle the materials.

A brief discussion ensued regarding who was going to fund this requirement.

Steadman stated if all the cities ordered the new trucks they needed for this requirement, it would take at least 2-3 years before these trucks could even be built. He stated that the city was still waiting on the truck they ordered about 18 months ago to show up.

Councilor Humbert motioned to adopt Resolution No. 2538, A Resolution Authorizing Signature to the Agreement for Professional Services Amendment #2, Job No. 201-60, for HB2017 Robbins Street Reconstruction with Anderson Perry & Associates, Inc. for a project total and engineering costs not-to-exceed \$90,000. Councilor Reino seconded the motion which passed unanimously.

Paul Seaquist asked if the plans for Robbins Street were just now being drawn.

Steadman stated that Anderson Perry & Associates engineers have done a preliminary design. They would like to do a design for the whole street, but only going the first two blocks will be designed, because that is what funding is available at this time. The future plan is to improve the whole street to the north end. Steadman continued to state that the Public Works Department is listing the entire number to make sure they have enough to cover the project. This is the work for Anderson Perry to assist with making sure the project goes as planned and get completed.

Paul Seaquist wanted confirmation as to why another \$90,000 was being asked for.

Steadman stated, as explained earlier, there was originally \$30,000 for the preliminary design engineering, \$30,000 (Amendment 1) for final design engineering, bid package preparation and bid assistance, and an additional \$30,000 (Amendment 2) for construction administration, construction observation, construction staking, project documentation, project closeout and construction record drawings for a total not-to-exceed \$90,000 for the entire agreement with Anderson Perry for this specific project.

Steadman stated that they do not believe the project will cost the entire \$90,000, but wanted to make sure the project was financially covered in case something happened. Steadman continued to explain that when digging occurs, things are sometimes found that weren't anticipated.

Councilor Brad Humbert stated that this \$90,000 is for construction, staking, inspections, testing, and building of the street. Anderson Perry will oversee the contractor to make sure the quality of the work gets done and that everything is inspected, so when everything is covered up and buried with new asphalt, the city will not be digging up the street in two years because it was done incorrectly.

Paul Seaquist asked why wasn't all this information put in the original plan.

Councilor Humbert explained that typically you go out for a predesign and design the street first. Then this becomes a second phase to that engineering design. He stated that John Wells with Anderson Perry could explain the process better than he could, but basically you hire the engineering firm that drew the plans, to come in and make sure the project is built to the design and to the standards the engineer put on the plans. You fund the design first, then the bid, the bid gets awarded, then the inspection is funded. Councilor Humbert stated that they will not spend this much money to do what they have to do for the project.

PUBLIC HEARING FOR THE PURPOSE OF GAINING CITIZEN INPUT REGARDING POTENTIAL NEEDS FOR A COMMUNITY DEVELOPMENT BLOCK GRANT AND TO HEAR COMMENTS REGARDING A PROPOSED APPLICATION FOR A WATER SYSTEM IMPROVEMENT PROJECT WHICH WOULD SECURE ADDITIONAL WATER SUPPLY, IMPROVE WATER STORAGE CAPACITY, AND IMPROVE WATER SYSTEM RELIABILITY

Mayor Lewis Key read the public notice in its entirety stating the City of Milton-Freewater, Oregon, is eligible to apply for a 2024 Community Development Block Grant from Business Oregon.

Community Development Block Grant funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes. Approximately \$12 million will be awarded to Oregon non-metropolitan cities and counties in 2024. The maximum grant that a city or county can receive is \$2,500,000. The City of Milton-Freewater is preparing an application for a 2024 Community Development Block Grant from Business Oregon for a Water System Improvements Project in the City. The project's purpose is to secure additional water supply, improve our storage capacity, and improve water system reliability. It is estimated that the proposed project will benefit at least 7,145 persons, of whom 57.7% will be low or moderate income. A public hearing will be held by the City of Milton-Freewater City Council at 7 P.M. on Monday, March 11, 2024 at the City of Milton-Freewater City Library, Albee Room located at 8 SW 8th Avenue. The purpose of this hearing is for the City Council to obtain citizen views and to respond to questions and comments about: community development and housing needs, especially the needs of low-and moderate-income persons, as well as other needs in the community that might be assisted with a Community Development Block Grant project; and the proposed project. Written comments were welcomed and the posted notice reflected they must be received by March 11, 2024 by 4 P.M., at City Hall, address 722 South Main, Milton-Freewater, Oregon 97862. Both oral and written comments will be considered by the City Council in deciding whether to apply. The location of the hearing is accessible to persons with disabilities. Please contact Leanne Steadman at City Hall at 541-938-8233 if you will need any special accommodations to attend or participate in the meeting. More information about Oregon Community Development Block Grants, the proposed project, and records about the City's past use of Community Development Block Grant funds is available for public review at City Hall during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Leanne Steadman at City Hall at 541-938-8233 so that appropriate assistance can be provided. Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. If displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low- and moderate-income housing that is demolished or converted to another use will be replaced.

Assistant City Manager/City Recorder Leanne Steadman stated that staff is proposing to apply for a \$1.5-million Community Development Block Grant for water system improvements. A couple of the key components are; a new #10 well, which is located on the South Hill and the replacement of the reservoir above 8th Street. The \$1.5 million would cover the estimated cost for the design phase along with the permitting, environmental reporting, cultural resources, and other mandated requirements for the project.

Councilor Humbert asked if the pump station on the hill would be included in this project.

Assistant City Manager/City Recorder Leanne Steadman stated that Public Works Superintendent Brian Steadman, Public Works Technician Steven Patten, and John Wells with Anderson Perry were all present to answer questions about this project.

Steadman stated that the building structure itself that houses the well would have a building designed for a pump station.

Councilor Humbert asked if that would be included in the design.

John Wells with Anderson Perry confirmed and stated that the building itself would be big enough to include electrical as well as the well pump.

Councilor Humbert asked if it would have three pumps in it, a backup, plus two pumps that were simultaneously building pressure in the pipe.

John Wells with Anderson Perry confirmed and stated that, that sounded right, but that it hasn't been designed yet.

Councilor Lyon wanted confirmation that the pump building is included in the project. John Wells with Anderson Perry confirmed that the building was.

Councilor Lyon asked why the pump was not included in the plans. He continued to state that he believed there were three components to this project, the well, the tower, and the pump.

John Wells with Anderson Perry stated that the pump for the well itself would be included for the well pump.

Councilor Lyon asked about the lift/pressure pump. He explained that originally in the last budget meeting, the lift/pressure pump was included.

John Wells with Anderson Perry stated that it will be a building and a well pump.

Councilor Lyon asked if the lift/pressure pump was needed.

Councilor Humbert confirmed that the lift/pressure pump was needed.

Councilor Lyon then asked why the lift/pressure pump was not included.

John Wells with Anderson Perry stated that the lift/pressure pump was indeed included.

Paul Seaquist asked if the Community Development Block Grant would only be for the design of the project.

John Wells with Anderson Perry stated that it would cover the design and permitting requirements. He continued to stated that cultural resources and environmental permits are needed to meet the requirements for the design and project.

Paul Seaquist asked why don't we just get our check books out and write all our checks to Anderson Perry & Associates.

Councilor Humbert included that the grant would also probably cover geo-technical reports and other permits. He explained that Anderson Perry will at all times be giving cost estimates as the design progresses. This is just a \$1.5 million grant that the City of Milton-Freewater has the opportunity to apply for. If there is money left over, he would assume that money would be available to apply for the construction.

Assistant City Manager/City Recorder Leanne Steadman stated that the max is \$2.5 million that you can apply for a CDBG grant. She explained that if the city were applying for a \$1.5 million grant and

the city only used \$1 million, then half of a million dollars would go back to the balance. At that point the city could apply for the remaining grant amount to go towards the construction costs.

Mayor Lewis Key stated that he thought Paul Seaquist was asking if we would be getting another bid from another engineering company.

Councilor Humbert stated that when the Urban Renewal Agency money was used to do the improvements on the south hill, along with improvements to the sewer, water, and storm water infrastructure, Anderson Perry designed that portion of the project and put a future pump station in that design. Anderson Perry is very familiar with the project and familiar with that system. It would be more money to bring in another engineering company and get them up to speed to figure out that system when the city has already had an engineering firm that has designed it and understands the process.

Steven Patten stated that when staff started working on the project, which was a little over a year, the city did a RFQ (Request for Qualifications) bid, where the city submitted for the water reservoir and the well pump. The RFQ was to solicit engineering firms. The city only received one bid on that and it was Anderson Perry & Associates. Many engineering firms did contact the city with interest, but none submitted a bid. Patten continued to state that the city has gone through an RFQ process that included a cost bid component.

Councilor Lyon asked if Anderson Perry works with the city on finding funding or if the State does that.

Assistant City Manager/City Recorder Leanne Steadman stated that Anderson Perry does help try to find more grant funding for the project. More than likely it will be a combination of several funding sources; the balance of the CDBG grant, forgivable loans, and long-term low interest loans.

Councilor Lyon wanted confirmation that Anderson Perry is more than just engineering the project, but helping the city find financing for the project. Assistant City Manager/City Recorder Leanne Steadman confirmed.

City Councilor Humbert stated that the State of Oregon would require the City of Milton-Freewater to raise its water rates, because our rates are extremely low compared to other cities in the State. To get these grants to repair the city's water system the State will require the City of Milton-Freewater to raise the current water rates. When the city applied for a grant for the sewer treatment plant, the city sewer rates were increased.

Paul Seaquist asked how much money was Councilor Humbert speaking about.

Councilor Humbert stated \$2 million or more to replace the water tower, drill the well, and to put a pressure system in.

Suni Danforth asked, in grants how much money is available. She asked if \$2.5 million out of the \$10 million was available.

Assistant City Manager/City Recorder Leanne Steadman stated that it was just the CDBG component. There could be a potential for other grants that the city could qualify for or a low interest long term loan. It will be a combination of funding.

Suni Danforth asked if the City of Milton-Freewater does not get any grants, the city would not be forced to increase water rates.

Councilor Humbert asked if the city does not receive any grants, then how is the city going to pay for the project.

Suni Danforth responded stating that forgivable loans or low interest loans were mentioned by Assistant City Manager/City Recorder Leanne Steadman.

Councilor Humbert responded by asking how will the city pay for those loans. He continued to say that the water rates will have to be raised.

Suni Danforth responded that what Councilor Humbert said was a moot point. She continued to say that the water rates will go up no matter what.

Councilor Humbert disagreed and stated that he wanted the public to know that the water rates will have to go up to fund this and the State will force the city into raising our water rates. Even if the city gets forgivable loans, they will force the City of Milton-Freewater into raising the water rates

Suni Danforth responded by stating that she understood that Councilor Humbert was saying that if the city gets these grants, the State of Oregon would force the city to raise the water rates. She continues to explain why she asked her original question of if we do not have grants, the State of Oregon cannot force the city to raise the water rates.

Councilor Humbert stated that the State of Oregon can force the city to raise the water rates.

Assistant City Manager/City Recorder Leanne Steadman stated that grants would not normally raise the City rates, it's the long term-low-interest loan that would. To qualify for a 30 year, 1%, the City's rates have to be a certain rate which is set by the state. There is another option of 25 year at 3%. She explained that there are different levels of funding depending on how much the city is requesting for the project.

Krista Gannon stated that there are different terms, different loans, and different funding sources, but part of the loan criteria, no matter if the city went through the USDA or the Safe Water Drinking Program there are requirements. The city went through all the options with Business Oregon. Part of the requirements are that the city has to meet an individual dwelling unit minimum price, which is based off of a state formula. The state formula is calculated by the median household income, which is key, because that locks the city in at a certain level for the cities minimum water rate. That is based off of 7500 gallons of water. The longer this project gets postponed, the higher the median household income will go up, which will cause the cities minimum rate to go up. Gannon continued to state that what Councilor Humbert was stating was that this will be a future discussion on how the city will meet that, be able to pay for the loan, and qualify for the loan, because the city has to do all of those factors with the loan option. Gannon continued to state that there are many different factors that take place, but the city is working to find the best deal for our citizens.

Suni Danforth thanked Krista Gannon for her information.

Krista Gannon stated that there is a whole formula that not only Milton-Freewater is affected, but anyone who applies for this money.

Suni Danforth responded and confirmed that the formula is based on the average income of our community.

Krista Gannon confirmed and stated that it is based off of the city's median household average that is calculated every August, but it depends on the term, rate of the loan, and the lender. Depending on who the city goes through for the loan, which will be the best deal, will depend on what it looks like as far as whatever options are going to offset the loan and these loans usually don't have a pre-payment penalty.

Assistant City Manager/City Recorder Leanne Steadman stated that the rate that Krista Gannon was talking about is called a Statewide Affordability Index Rate and that is what you have to meet in order to qualify for some of these long-term low interest loans.

Emily Holden asked the council to clarify what would happen if the city did not do anything about the water situation.

Councilor Humbert stated that worse case scenario would be the water tank could potentially collapse.

Assistant City Manager/City Recorder Leanne Steadman stated that the water tank is 68 years old.

John Wells with Anderson Perry stated that he didn't know the life span of the current reservoir, but that the tank is inspected regularly and the last inspection showed that there was quite a bit of corrosion inside and that the exterior foundation was starting to show wear. He stated the storage study that was done, Anderson Perry looked at various tank sizes and various materials that can be used to replace it. It was decided that the best solution would be to go to a 2-million-gallon tank with a life expectancy of 75 years. The south reservoir, which is the highest reservoir, would have a well pump installed, which would pump into the south reservoir. The highest reservoir would then lead down to the other reservoirs, using actual water coming out of the ground to fill the reservoir. Right now, the only way to get water into the reservoir is to push it using a pipe.

John Wells stated that the question of what would happen if nothing is done, he explained that the system will not have enough safe storage capacity and it would slowly deteriorate.

Assistant City Manager/City Recorder Leanne Steadman stated that this project is expected to take three to four years from design.

John Wells with Anderson Perry agreed and stated that the construction wouldn't be completed until at least 2028 and that is if everything goes smoothly.

Assistant City Manager/City Recorder Leanne Steadman stated that the rate increase that was discussed earlier in the meeting wouldn't have to be met until construction is completed, if the city went for a long-term.

John Wells with Anderson Perry stated they have seen a lot of price increases and are continuing to see prices go up. Going forward the projection is a 5% per year inflation increase. Wells stated that it is a moderate increase from the 10% in the past few years. Anderson Perry is trying to keep up by estimating what the cost will be going forward and getting a plan in place.

Assistant City Manager/City Recorder Leanne Steadman stated that when this project was originally brought to City Council in December of 2022, it was a PowerPoint provided by the public works staff, the project was estimated at \$7.2 Million and now it is estimated upwards of \$10 Million.

Councilor Koklich stated that in Lewiston, Idaho, a few years prior, that city had a water tower failure. He stated that any house or structure that was below the tower suffered significant damage from a tidal wave like movement from the tower.

Assistant City Manager/City Recorder Leanne Steadman stated that a video of that situation and aftermath was shown at the last Budget Committee Meeting.

Tim Sanchez asked if there were plans made for the water tower project and if that was the \$1.5 million and how the city was paying for that.

Assistant City Manager/City Recorder Leanne Steadman clarified and stated that was what was being brought forward for the city council to authorize a grant application to apply for a \$1.5 million Community Development Block Grant for the design work and permitting expenses.

Tim Sanchez asked if the city was sure that the grant would be approved.

Assistant City Manager/City Recorder Leanne Steadman stated that the city would have to apply for the grant and hope to be awarded the grant and receive those funds.

Tim Sanchez asked when the city would know if the grant was approved.

Assistant City Manager/City Recorder Leanne Steadman stated that the application is due at the end of March, so best guess would be at the end of April before the city would be notified.

John Wells with Anderson Perry stated that the grant process is a fast turnaround. He stated that businesses do not apply until they are invited to apply and that only comes around every 6 months. He explained that is why this public hearing was rushed to be put on the agenda, because that time is coming up very fast.

Councilor Lyon asked if this was the city's first invitation. John Wells with Anderson Perry confirmed.

Assistant City Manager/City Recorder Leanne Steadman asked for confirmation from John Wells that once the city indicates the intent to apply for the grant, that would freeze the cities index rate.

John Wells with Anderson Perry confirms and states that the Affordability Index Rate is frozen at that level, so it keeps the rate from shooting up, because affordability has increased quite a bit over the last several years.

Assistant City Manager/City Recorder Leanne Steadman stated that between last year and the current index rate, it has gone up \$10. She continued to state that if the city was able to lock that rate in now, it will not keep going up.

Tim Sanchez asked how long after the city gets the grant, and the plans, will the tower be replaced.

John Wells with Anderson Perry stated that the design phase takes at least a year and by that time the environmental clearances need to be completed. He continued to state that if the city was lucky, they would be in construction by 2026. It is a couple year process.

Sheila Hagar asked if the lot that the tank is currently on is big enough for the new tank.

John Wells with Anderson Perry stated that the current city lot is not big enough. The city would have to go through the required process to acquire the acre or quarter of an acre of property to expand that site to allow for a bigger reservoir. The City owns part of the property that is out on the abutting farm ground, but to try and construct on it, the big heavy machinery would have to pass the existing tenant, that additional acquisition is required.

Sheila Hagar asked if that portion was figured in to the cost of the project.

John Wells with Anderson Perry stated that it is included in the design and documents will be put together for that specific property. He stated that they have already talked with the farm manager.

Tim Sanchez asked that in the event that the tank does not hold and there is a disaster, is there a plan.

Steven Patten stated that there are three different sizes of connections between the south reservoir and the middle reservoir. There is one inch, three inch, and six inch, so depending on what is needed they open pretty wide. The middle reservoir could be supplied from the south reservoir. The limitation there is that there is not a well that is dedicated to the south reservoir. The middle reservoir wells could then pump water to the south reservoir. Patten continued to say that getting water to the south reservoir would be possible, but not optimal situation. He added that a certified scuba diver inspects the inside of the reservoir for safe standards. There wasn't any cause for eminent failure, but they did identify aging issues and that is why the city initiated this process.

Sheila Hagar asked with the new reservoir would it likely help with the water pressure.

Steven Patten stated that is one of the things the city has been looking at and that there could be a narrow window where there might be a possibility to help raise the pressure slightly, but the city cannot increase it so much that it over pressurizes the overall system. The reservoir on the hill serves everyone from Jacquelyn Street and Maple Street all the way down to Broadway. Patten explained that if you increase the pressure up on the hill it will also increase pressure down below. There is a window that the city is allowed to be within. The city is looking to see if the pressure can be increased without over pressuring the lower portion. He stated that part of the design process is looking at the diameter of the storage tank as well as the height for the ideal pressure.

Mayor Key stated the rules for the Public Hearing. Mayor Key stated no person shall testify without recognition of the chair. Each person speaking shall state their name and address for the record. No person shall speak more than once without obtaining additional permission. No person shall present irrelevant or repetitious testimony. No abusive or disorderly conduct will be allowed. Now is the time and place established for the Public Hearing to consider comments from citizens regarding community development housing needs, especially the needs of low-and-moderate income persons as well as other needs in the community that might be assessed with the Community Development Block Grant project; and the proposed project for which was for water system improvements in the city.

No member of the audience challenged any council members right to participate in the hearing.

Notice of the Public Hearing was posted and published as a requirement by law.

No written comments were submitted to the City of Milton-Freewater.

Mayor Key asked the audience if there were any citizens present that wished to ask any questions or make comments. None were shared.

Mayor Key declared the hearing to be closed.

Mayor Key asked the council if there were any questions. None were shared.

Councilor Humbert motioned to authorize an application to apply for the 2024 Community Development Block Grant through Business Oregon for water system improvements in the amount of \$1.5 million for the design phase of a new water tower, well, and pump station. Councilor Irving seconded the motion which passed unanimously.

APPOINTMENTS TO ADVISORY COMMITTEE

Mayor Key stated that after a second round of advertising for Advisory Committee openings and vacancies, there were several applications that were received. He made the following recommendations; Vickie Becker and Paul Seaquist for a 3-year term and Kay West for a 1-year term on the Budget Committee, and Randy Reese for a 4-year term on the Library Board.

Councilor Lyon motioned to appoint Vickie Becker for a three-year term, Paul Seaquist for a three-year term, and Kay West for a one-year term all for Budget Committee and Randy Reese for a four-year term for the Library Board. Councilor Reino seconded the motion which passed unanimously.

ORDINANCE NO. 997 AN ORDINANCE AMENDING THE TRANSIENT TAX

Assistant City Manager/City Recorder Leanne Steadman stated that this item was brought back from the February 12, 2024 meeting. The Milton-Freewater Chamber Downtown Alliance approached council seeking additional funds from the transient tax revenues. One of the suggestions was to increase the percentage of the transient tax from 8% to 9%, which according to MFCDA would garner them the additional funds they were looking for. The ordinance presented to the council was Ordinance No. 997 for transient tax, reflecting 9% tax instead of 8%. The only other change that was made to the ordinance was the effective date of July 1, 2024. This was asked for by Assistant City Manager/City Recorder Leanne Steadman as a way for her to inform the public about the change in percentages. This change also has to be sent to Airbnb, VRBO, and anyone who might manage any type of rental property in Milton-Freewater. Staff's recommendation was Ordinance adoption procedures.

Paul Seaquist asked if this affects anyone with rental property.

Assistant City Manager/City Recorder Leanne Steadman stated that these effect rental properties of 30 days or less. Not for long term over one month stays. Hotels, Airbnb, VRBO, weekend rentals, or anything 30 days or less. She also stated that this does not affect the property owners. The users pay the percentage. The property owners still retain 5% of the 1% for their administrative fees.

Councilor Irving motioned that Ordinance No. 997 be introduced by title only and full reading waived. Councilor Humbert seconded the motion which passed unanimously. The Assistant City Manager then read the ordinance by title. The council then introduced the first reading of Ordinance No. 997, An Ordinance Repealing Ordinance No. 982 and Re-Establishing the Transient

Room Tax. A roll call vote was taken: Councilor Reino, yea, Councilor Koklich, yea, Councilor Lyon, yea, Councilor Humbert, yea, and Councilor Irving, yea, the motion passed.

Mayor Lewis Key stated that the Council had introduced and completed the first reading of Ordinance No. 997.

City Manager/City Recorder Leanne Steadman stated that the Council had two options. One option was that the Council could carry the second reading and adoption to the next meeting, which is what Council normally does. The item would show up under the “old business” section of the next meeting’s agenda as second reading and adoption. The second option would be, if there was Council consensus to waive the second reading policy, the Council could carry on with the second reading and adoption during the current meeting. She explained that either decision that the Council made, the effective date would not be any sooner. On a normal ordinance, the decision could make the effective date sooner, because once the Council adopts the Ordinance, the ordinance is published in the newspaper of record, then the city ordinance takes effect 30 days from the publication date. She stated that is not the case with this ordinance, due to the requested date of July 1, 2024 as the effective date.

Mayor Key stated that the second reading of Ordinance No. 997 would be scheduled for the next City Council meeting on April 8, 2024.

OPPORTUNITY FOR CITIZENS TO APPROACH THE COUNCIL WITH ISSUES NOT ON THE AGENDA

Jodi Garza addressed the Mayor and City Council. Garza stated that she was with Alaska Seaplanes who is one of three regional airlines that are competing for the Central Air Service Contract that will be flying out of Pendleton, Oregon. Garza stated that she is from the Tri-Cities, but has family in the local area and realizes that the region that the Pendleton Airports serves is more than just the City of Pendleton, it is a regional airport. Garza stated that Alaska Seaplanes builds planes and its benefits are excursions and other express. They are the only regional carrier in South East Alaska and flies in all types of weather. Garza stated that Alaska Seaplanes is ready and willing to do the job. Garza stated that she is excited to be back in the region. They have 19 aircrafts and 250 employees. Alaska Seaplanes are a proud partner of Alaska Airlines and conform with that airline. Garza explained that a person could book a ticket through Alaska Airlines.com and that person could fly from Pendleton to Juneau, Alaska, if they wished to do so. Alaska Seaplanes are proposing to fly to only Portland, Oregon, while their competitors are offering services to Seattle, Washington. With the additional service from Alaska Airlines, 53 destinations are available to be connected to from Portland, Oregon. Garza stated that Alaska Seaplanes are offering a seasonal access to Salem, Oregon during legislative session, which could be of some interest to the City Council. Alaska Seaplanes has built their schedules to try and make it so people can go to communities and do business and be back home at the end of the day. The comment period ends on March 19th and citizens can weigh-in on the topic by going online at regulations.gov on the docket or through the Pendleton City Council who has a meeting on March 19th where they will make a recommendation to the Department of Transportation for the contract services.

Councilor Humbert asked if Alaska Seaplanes are competing against Boutique Air. Garza confirmed.

Councilor Brad Humbert wanted confirmation that Boutique Air currently has the service out of Pendleton, Oregon, in which Garza confirmed and stated that the new service would begin June 1, 2024.

Mayor Key asked when a person lands from Alaska Seaplanes, will they be in a secured area or how the processes currently is.

Garza stated that Alaska Seaplanes is the same type of airline as Boutique Air, so that passenger would be in a non-sterile environment. Garza added that the aircrafts would also be the same as Boutique.

Councilor Koklich wanted confirmation that Alaska Seaplanes services multiple states.

Garza stated that Alaska Seaplanes only serves Alaska. If Alaska Seaplane is approved, Pendleton, Oregon would be their base.

Councilor Koklich asked if Alaska Seaplanes would have 19 planes in service in Pendleton, Oregon.

Garza stated that the plan is to start with two aircrafts in Pendleton, servicing Pendleton and Portland. Garza stated that eventually Alaska Seaplanes would end up with additional connections in the Pacific Northwest. Garza continued to state that she has an old Horizon Air Map and a lot of the connections on that map are some that Alaska Seaplanes are considering like Spokane and Seattle, Washington, and Boise, Idaho. Garza stated that Alaska Seaplanes is a small, local business.

A discussion ensued regarding the number of flights and proposed cost for the fare.

CITY MANAGER REPORT

Assistant City Manager/City Recorder Leanne Steadman gave an update on the City Manager Recruitment. Steadman stated that the candidate meet and greet is still scheduled for Monday, March 25th at 5:30 pm - 7:00 pm, at the Milton-Freewater Community Building. Interviews will be on March 26th. Cliff from Prothman has not released the names. There are four candidates with one alternate that council decided to interview. The alternate would move up if one of the four candidates happen to drop out or if they take a different job. Two of the four asked for their names not to be released.

She stated she was asked before the council meeting for an update on the police station. The police station received their permanent power hookup on Friday, March 8th. The contractor will be going through all their testing of the HVAC and other powered equipment.

COUNCIL ANNOUNCEMENTS

Councilor Koklich asked Assistant City Manager/City Recorder Leanne Steadman where the progress was at for the City Charter.

Assistant City Manager/City Recorder Leanne Steadman stated that the city council motioned to wait until a new city manager was appointed to have further discussion regarding a charter review.

There being no further business the meeting was adjourned at 8:15 p.m.

Lewis S. Key, Mayor