CITY OF MILTON-FREEWATER **June 8, 2026**

CITY COUNCIL MINUTES

The Council of the City of Milton-Freewater met in regular session on Monday, June 8, 2026, in the Albee Room of the City Library, 8 SW 8th Avenue at 7:00 p.m.

The following members were present: Mayor Mike Odman, Councilors Steve Irving, Destiny Jensen, Wes Koklich and John Lyon.

Councilor Jose Garcia was absent, and Councilor Ward 2 position is vacant.

Staff members present were: City Recorder Leanne Steadman, Police Chief Joe Shurtz, Finance Director Laurie Bubar, Fire Chief Shane Garner, Electric Superintendent Richard Jolly, Public Works Engineering Technician Steven Patten, Court Clerk Tracy Martinez, Conservation Specialist Ryan Westman, Public Works Assistant/Project Aide Krista Gannon, Sergeant Anthony Martinez, Police Officers Dylan Garcia and Zach Paine and Electric Engineering Technician Matt Hellberg via conference phone.

Guests and citizens present were: Sally Babcock, Marlene McClintock, Mike Charlo, Donna Sheridan, Angie Leonetti, Joe Leonetti, and Kenneth Jenkins.

Representing the news media was: Sherrie Widmer of the Valley Herald.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- Regular Session City Council Minutes from May 11, 2026
- Library Board Minutes from March 26, 2026
- April 2026 Financial reports
- Liquor License Application from Milton-Freewater Winemakers Studio for 2190 Key Boulevard
- Resolution No. 2598, Authorizing Signature to Grant Agreements from Sherwood Trust and Wildhorse Foundation for the Yantis Park Tennis Courts Replacement Project

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

PRESENTATION ITEM:

Police Chief Joe Shurtz introduced Miley Leonetti who was selected by her school to participate in the "Chief for a Day" program. Some of the upcoming events for the program are a swearing in ceremony, attendance at a Walla Walla Sweets baseball game, National Night Out and a parade.

BUSINESS ITEMS:

DECLARING CITY COUNCILOR WARD 2 POSITION VACANT AND CHOOSING A METHOD TO FILL THE VACANCY

City Recorder Leanne Steadman stated Emily Holden who represented the City Councilor Ward 2 position submitted a resignation letter effective May 26, 2026, due to her family's move outside of Ward 2 boundary and the city limits. Steadman explained that council needed to officially accept her resignation and declare the position vacant.

Councilor Lyon motioned to accept Emily Holden's formal resignation and declared City Councilor Ward 2 Position to be vacant. Councilor Jensen seconded the motion which passed unanimously.

Steadman went on to explain there were three options to fill the vacancy; 1) fill the vacancy by direct appointment to a specific individual who meets qualifications to serve, 2) advertise and solicit applications for the vacancy and make an appointment from among the applicants, 3) leave the seat unfilled until its term naturally expires and the vacancy is then filled by the regular election process.

A discussion ensued regarding the options for filling the vacancy.

Councilor Lyon motioned to direct staff to advertise and accept applications for the Ward 2 position vacancy. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2599 TRANSFER FUNDS DUE TO UNFORESEEN REVENUES AND EXPENDITURES

Finance Director Laurie Bubar stated during the current budget year events have occurred that were not foreseen at the time of the budget being prepared. She then summarized the transfers needed which were listed on the resolution.

A brief discussion ensued regarding the items listed.

Councilor Lyon motioned to adopt Resolution No. 2599, Resolution to make appropriations due to unforeseen expenditures and revenues. Councilor Jensen seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2600, RECEIPT OF STATE REVENUE SHARING FUNDS

Mayor Odman opened and summarized the rules for a public hearing held for the purpose of gaining citizen input towards the receipt and use of State Revenue Sharing funds in the amount of $81,988.

No member of the Council declared ex-parte contact and no audience member challenged any Councilor's right to participate in the hearing.

City Recorder Leanne Steadman reported the hearing had been published according to law and there were no written comments on file.

Mayor Odman opened the floor to citizens' comments.

Councilor Koklich read a list of repairs he believed needed to be done to the Community Building and the Aquatic Center. He said he believed these funds would be best used for these purposes.

Finance Director Laurie Bubar stated these funds were proposed for public safety purposes.

Mayor Odman recommended Councilor Koklich share his list of items with the public works department.

There being no citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council. There were no Council comments regarding the State Revenue Sharing funds.

Councilor Lyon motioned to adopt Resolution No. 2600, Resolution Electing to Receive State Revenue Sharing Funds for Public Safety Purposes. Councilor Jensen seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2601, ADOPT FISCAL YEAR 2026/2027 BUDGET (July 1, 2026 – June 30, 2027)

Finance Director Laurie Bubar stated she was bringing forward the fiscal year 2026/2027 proposed budget as approved and recommended by the budget committee. She said the budget did contain rate increases of 5% in each utility. The budget did not include any decrease or changes in services that the public expects from the city. The sum of the budget was $47,886,307, which included $2,492,122 unappropriated fund balance and reserves, tax levy was at the rate of $3.7499 of assessed value for operations, $100,000 for Local Option Tax for Senior Transportation, $100,000 for Local Option Tax for Parks and Recreation, $320,000 for General Obligation Bond for the police station.

Mayor Odman announced the public hearing rules read earlier would remain in effect. He said the public hearing was being held for the purpose of gaining citizen input towards the proposed city budget for fiscal year 2027.

No member of the Council declared ex-parte contact and no audience member challenged any Councilor’s right to participate in the hearing.

City Recorder Leanne Steadman reported the hearing had been published according to law and there were no written comments on file.

Mayor Odman opened the floor to citizens’ comments.

There being no citizen comments, the Mayor declared the hearing to be closed. He then opened the floor to the entire Council.

Councilor Koklich inquired about the library roof and Albee Room folding door. He asked if enough funds were being saved as the building roof will eventually need to be replaced.

A brief discussion ensued along with an explanation of the process for requesting capital projects through the public works department prior to the preliminary budget being compiled.

Mayor Odman stated no decision on those items will take place until a new public works superintendent and city manager are in place.

Councilor Irving motioned to adopt Resolution No. 2601, Resolution adopting the budget for 2026/2027 fiscal year in the sum of $47,886,307, including $2,492,122 of unappropriated fund balance and reserves, levy taxes at the rate of $3.7499 per $1,000 of assessed value for operations, $100,000 Local Option Tax for Senior Transportation, $100,000 Local Option Tax for Parks and Recreation, $320,000 for General Obligation bond for new police station and make appropriations as listed on Resolution. Councilor Jensen seconded the motion. The motion passed with Councilor Lyon being the dissenting vote.

RESOLUTION NO. 2602 AMEND WATER RATES

Public Works Assistant/Project Aide Krista Gannon presented a resolution amending the water rates to reflect a five percent (5%) rate increase effective July 1, 2026, as proposed in the budget. Gannon stated that two of the driving factors are the increase in chlorine and having to meet the match requirements for grants. The 5% increase is equivalent to $1.97 per month to a customer's average water rates.

A brief discussion ensued along with a brief discussion regarding recycling.

Councilor Lyon motioned to adopt Resolution No. 2602, Resolution Amending Water Rates Reflecting a five percent (5%) increase effective July 1, 2026. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2603 AMEND SEWER RATES

Gannon presented a resolution amending the sewer rates to reflect a five percent (5%) rate increase effective July 1, 2026, as proposed in the budget. She reported there was unplanned maintenance of the recoating of the primary digester which came to approximately $300,000. The secondary digester will also need to be coated soon. The 5% increase is equivalent to $1.82 per month for services.

A discussion ensued regarding manholes, the outfall line, the number of products taken from the sewer plant that don't break down, and the pivots at the farm.

Councilor Lyon motioned to adopt Resolution No. 2603, Resolution Amending Sewer Rates Reflecting a five percent (5%) increase effective July 1, 2026. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2604 AMEND SOLID WASTE RATES

Gannon presented a resolution amending the solid waste rates to reflect a five percent (5%) rate increase effective July 1, 2026, as proposed in the budget. All rates increased except for the recycling fee. She explained that the primary driver for the increase was the fuel cost. She provided the difference of the fuel bill from May 2025, which was $2,571 to May 2026 of $5,597. Another increase in fuel consumption is digging with the scraper at the landfill due to closing out cell five. The 5% increase is equivalent to $.93 per month for residential solid waste customers using a 90-gallon container. The increase will generate approximately $58,672.

A brief discussion ensued.

Councilor Lyon motioned to adopt Resolution No. 2604, Resolution Amending Solid Waste Rates Reflecting a five percent (5%) increase effective July 1, 2026. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2605 AMEND ELECTRIC RATES

Electric Superintendent Richard Jolly presented a resolution amending the electric rates to reflect a five percent (5%) rate increase effective July 1, 2026, as proposed in the budget. He explained that funds have been transferred from reserve to meet the requirements of matching funds for a grant that has been applied for and has been approved at the State level. The match is $715,000. Another reason for the increase is that Bonneville Power Administration (BPA) has been ordered by the courts to spill more water for fish, and because of this, BPA will be increasing their rates by 6.5%. The prices for transformers have also significantly increased, which has created another need for the increase. The 5% increase is equivalent to approximately $6.00 based on 1,400 kwh's used for a residential customer.

Councilor Irving motioned to adopt Resolution No. 2605, Resolution Amending Electric Rates Reflecting a five percent (5%) increase effective July 1, 2026. Councilor Lyon seconded the motion which passed unanimously.

AUTHORIZATION TO GRID RESILIENCE GRANT APPLICATION COST MATCH COMMITMENT LETTER

Jolly reported that the City applied for funding through the Oregon Department of Energy (ODOE) Grid Resilience Grant Program and has been selected to advance in the federal review process for Phase 1 of the project. The program requires the City to commit a local match equal to one-third of the federal award amount before a grant agreement can be finalized. The estimated Phase 1 project cost is approximately $2,860,000, and ODOE requirements of City match are one-third of the federal contribution, not one-third of the total project cost. The federal grant would fund $2,145,000 and the City match would be $715,000. In the fiscal year 2026/2027 budget, the matching funds have been authorized to be transferred from the reserve account. Staff recommended the city council authorize a commitment letter be signed authorizing the required matching funds.

Councilor Lyon motioned to authorize signature to commitment of one-third (1/3) matching funds for the ODOE Grid Resilience Grant Program and authorize submission of the match commitment letter. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2606 AUTHORIZING SIGNATURE TO LETTER ON CITY'S PROVIDER OF CHOICE ABOVE CHWM ELECTION LETTER TO BONNEVILLE POWER ADMINISTRATION

Jolly reported that the City is required to make a one-time election for the Above-Contract High Water Mark (CHWM) Load Service by July 14, 2026. Bonneville Power Administration (BPA) has provided four options to choose from. Staff is recommending Option A – All Tier 2 Long-Term Rate Option, Customer's Obligation: Purchase Firm Requirements Power priced at the Tier 2 Long Term Rate to serve all its Above-CHWM load. Jolly also reported that BPA is in the process of working on a new contract that would go through 2044.

A brief discussion ensued regarding Data Centers and how they affect the power grid.

Councilor Lyon motioned to adopt Resolution No. 2606, Resolution Authorizing the Mayor's Signature on the City's Provider of Choice Above-CHWM Election letter to BPA choosing Option A. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2607 AUTHORIZING SIGNATURE TO INTERGOVERNMENTAL AGREEMENT WITH CITY OF HERMISTON FOR ONGOING INFORMATION TECHNOLOGY SERVICES

Finance Director Laurie Bubar reported in July 2023 that the City entered a contract with City of Hermiston for IT (Information Technology) services. The initial contract was for a three-year term, with the option of another three-year renewal term. IT services are a critical component of the City's everyday operation, and staff have been very satisfied with the service from the City of Hermiston. Staff recommended authorizing the extension of another three-year term. The proposed contract agrees to the initial $109,101 per year, with a 3% increase each subsequent year in which the agreement is in effect, noting that this is in line with CPI as well as less than other entities who offer similar services.

Councilor Lyon motioned to adopt Resolution No. 2607, Resolution Authorizing Signature to Agreement Between the City of Milton-Freewater and City of Hermiston for Information Technology Services for a Contract Extension period of Three years Beginning July 1, 2026, and ending June 30, 2029. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2608 AUTHORIZING SIGNATURE TO INTERGOVERNMENTAL AGREEMENT WITH UMATILLA COUNTY COMMUNITY CORRECTIONS

City Recorder Leanne Steadman presented an Intergovernmental Agreement (IGA) with Umatilla County Community Corrections (UCCC) for the purpose of providing Community Corrections work crews. Umatilla County offers a program by providing work crews comprised of offenders for a daily fee of $180.00. This fee could be for one worker or several workers, but the fee stays the same. The city is only billed when the services are scheduled and provided. The city currently has an IGA with Umatilla County but expires June 30, 2026. Staff recommended entering into another two-year agreement so that it's in place when city staff find the need to request the service. Steadman reported that the service was used 18 days last year between the electric department and public works department.

Councilor Lyon motioned to adopt Resolution No. 2608, Resolution Authorizing Signature to an Intergovernmental Agreement with Umatilla County Community Corrections for the purpose of providing Community Corrections work crews. Councilor Jensen seconded the motion which passed unanimously.

BID AWARD – CONTRACT 321, TO CONDUCT WATER RATE STUDY

Public Works Engineering Technician Steven Patten explained that this agenda item was for the selection of a consulting firm to conduct a state required Water Rate Study for the City's water utility. The State of Oregon, through Oregon Health Authority and Business Oregon provides funding through forgivable loans for Sustainable Infrastructure Planning Projects (SIPP). Eligible project-type examples include water rate analysis. The City updated its Water Management and Conservation Plan (WMCP) in February 2021. The plan is a requirement of the Oregon Water Resource Department (OWRD). It must be updated every 10 years, and progress updates must be submitted every five years. One requirement in the city's current WMCP is to complete a water rate study. City staff applied for the SIPP program to analyze water rates and the City was awarded a $20,000 forgivable loan to complete the water rate analyses. In April, City staff advertised a request for proposals (RFP) for the water rate study project. RFP packets were sent to seven entities, and the announcement was published in the Valley Herald and on the City's website. Five submissions were received by the May 6, 2026, deadline. A scoring table was provided on the fact sheet that was part of the council's meeting packet. The forgivable loan and City match funding was approved in the fiscal year 2026 budget for the water department. The project was listed in the water capital budget. Staff's recommendation was to award the bid to FCS, a Bowman Company in Portland, Oregon as the most qualified firm for a bid price of $39,800.

Councilor Lyon asked why the low bidder, OAWU, wasn't selected for $18,500.

Patten explained that their proposal did not include any work plan or scope of work. There was a limit of 14 pages for the proposal; theirs was one page. All the reviewers rated them lowest because they didn't demonstrate that they would be able to meet the requirements of the water rate study.

Councilor Lyon asked what type of selection process was used.

Patten replied that it was a request for proposal. He stated the evaluation criteria that was published with the RFP included the proposed work plan procedures, as well as a price component, but the price component wasn't the only scoring criteria.

Councilor Lyon asked who came up with the work plan requirements.

Patten stated that public works staff, in alignment with the American Water Works Association (AWWA) M1 manual standards.

Councilor Lyon asked if this was a state-mandated survey.

Patten replied yes, and the RFP was submitted to Business Oregon for their review and approval.

Councilor Lyon asked if the requirements that staff put together would meet state requirements and would the bid for $18,500 not meet that.

Patten stated the state requirement doesn't have a specific criterion. However, in the city's water conservation plan, it does say that the water rate analysis would be done to the AWWA M1 standards.

Councilor Lyon stated he wanted to know how the low bidder failed.

Patten replied, they failed to demonstrate in their submittal that they would be able to meet those requirements.

Councilor Lyon stated he would like to see the bids and recommended tabling the agenda item until the next regular meeting.

Councilor Lyon motioned to table the bid award for the water rate study until the July meeting, so the council has time to review the bids. Councilor Jensen seconded the motion which passed with Councilor Irving being the dissenting vote.

BID AWARD – CONTRACT 322, FOR AN AQUIFER STORAGE AND RECOVERY (ASR) FEASIBILITY STUDY

Patten explained last year, the City was awarded a grant through Business Oregon to work on Aquifer Storage and Recovery (ASR) due diligence in the amount of $1,435,062. As part of that, staff needed to solicit and hire a consulting firm of engineers and hydrogeologists to complete that work. The main components that were included in the grant are drilling a test borehole, which is basically a well built to specific standards. In addition, there would be engineering and hydrogeology work to assess the feasibility of aquifer storage and recovery. Staff sent out Request for Qualifications (RFQ) packets in May and RFQ packets were sent out to 21 entities, published in the Valley Herald, and posted on the city website. The City received two submissions by the May 27, 2026, deadline and the scoring results were made part of the council meeting packet. Based on the scoring results, staff recommended declaring Summit Water Resources the most qualified firm.

Councilor Koklich asked if the city has all the rights to the water, "under the city".

Patten replied, the city groundwater rights are tied to specific aquifers, so a new well can be drilled and water rights moved from one well to another, as long as it's in the same aquifer.

A brief discussion ensued regarding how aquifer storage and recovery is tracked and withdrawn.

Patten stated approximately $1.1 million is going to go towards drilling the test borehole, which when done, will be pulled into the system as a production well. The city is putting in $89,938 match funding. Without this grant program, the city would have to find the full $1.1 million to drill the well. The other $325,000 of the project is entirely grant-funded for the feasibility work.

Councilor Lyon asked where the $89,938 city match was in the budget.

Patten replied the fiscal year 2026/2027 budget has completing about 70% of the work, which equates to approximately $63,000 of city match and it's located in the water capital fund.

Councilor Lyon motioned to award Summit Water Resources, LLC of Portland, Oregon, as the most qualified firm to meet the needs of the City to conduct an Aquifer Storage and Recovery (ASR) feasibility study and to support the development of an ASR program to support the City's long-term water supply, system resiliency, and resource management goals, under Contract 322, and to direct the Public Works Engineering Technician, the current project manager, to negotiate with Summit Water Resources for services to complete Phase 1 requirements within a reasonable timeline and with payment to be approved by City Council. Councilor Jensen seconded the motion which passed unanimously.

BID AWARD – CONTRACT 314.3, FOR THE MARIE DORIAN PARK ROOFING PROJECT

Patten reported that staff applied for an Oregon Parks and Recreation Department grant to do some improvements at Marie Dorian Park. Part of that project includes replacing the roof on both the old powerhouse shelter and the bathroom facility. In May, staff published a request for proposal (RFP) and sent the proposal out to 10 entities. There were four submittals submitted by the June 2, 2026, deadline. The approximate budget for this project is $45,000 split between the grant and the city match. Currently, there are wood shakes on both buildings, and they will be replaced with forest green metal seam roofs that have a 40-year warranty. Staff recommended awarding the bid to R & Z Roofing as they were the apparent low bidder.

Councilor Lyon asked what method of selection was used.

Patten replied that the RFP was based on qualifications, having a current Oregon CCB license and proper paperwork, and cost.

Councilor Lyon motioned to award R&Z Roofing and Gutters, LLC of Walla Walla, Washington, as the lowest qualified bidder to install new metal roofs at Marie Dorian Park, Contract 314.3, and to direct the Mayor to sign a contract for roofing services for the amount of $38,015 as described in R&Z Roofing and Gutters' submittal dated June 2, 2026. Councilor Jensen seconded the motion which passed unanimously.

AUTHORIZATION OF SIGNING AUTHORITY BE GIVEN TO FINANCE DIRECTOR IN THE ABSENCE OF A CITY MANAGER

City Recorder Leanne Steadman presented a recommendation from Interim City Manager Tim Johnson that signing authority be given to Finance Director Laurie Bubar in the absence of a city manager until such time a city manager is appointed and on board.

A brief discussion ensued.

Councilor Jensen motioned to authorize the Finance Director signing authority in the absence of a city manager during this time. Councilor Irving seconded the motion which passed unanimously.

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

Kenny Jenkins, 17 NE 6th – stated he had two new fireproof filing cabinets that he would like to donate to the city. He understands that the city was looking for some.

Councilor Irving stated that his offer was incredibility generous.

The council thanked Mr. Jenkins.

Councilor Lyon motioned to accept the donation of two fireproof cabinets from Kenny Jenkins. Councilor Irving seconded the motion which passed unanimously.

MANAGER'S REPORT

Steadman reported that Interim City Manager Tim Johnson left a completion of work program report which was included in the council meeting packet.

COUNCIL ANNOUNCEMENTS

Councilor Irving stated that Interim City Manager Johnson advised that the council meet with city staff and public works staff. He reported that he will be starting this on Monday mornings with the department heads. He asked if he had council consensus to do this.

There was a consensus of the council for Councilor Irving to meet with the department heads.

Mayor Odman stated that he will be meeting with public works staff. He then announced that there was a public Meet and Greet with the city manager finalists on June 11th from 5:00 p.m. to 6:30 p.m. at the Community Building.

Steadman shared there would be community comment cards at the Meet and Greet. One side will be for comments on the city manager position, and the backside will be an opportunity for comments on the candidates. The council will be conducting interviews with the candidates on Friday, June 12th and they will be reviewing the comment cards from the Meet and Greet prior to conducting the interviews. Also on Friday, June 12th an executive session meeting is scheduled for 6:30 p.m. and a special session meeting will follow immediately with a final hiring decision, if one is made.

There being no further business, the meeting was adjourned at 8:40 p.m.

Adopted July 13, 2026

____

Mike Odman, Mayor