CITY OF MILTON-FREEWATER GOVERNING BODY			
Destiny Jensen	At Large, Position 1	Mike Odman	Mayor
Steve Irving - Council President	At Large, Position 2	John Lyon	Ward 1
Wes Koklich	At Large, Position 3	vacant	Ward 2
		Jose Garcia	Ward 3

CITY OF MILTON-FREEWATER July 13, 2026

CITY COUNCIL MINUTES

The Council of the City of Milton-Freewater met in regular session on Monday, July 13, 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, Jose Garcia, Destiny Jensen, Wes Koklich and John Lyon.

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, Library Director Lili Schmidt, Electric Superintendent Richard Jolly, Emergency Communications Specialist Tracy Martinez and Conservation Specialist Ryan Westman. Public Works Engineering Technician Steven Patten, and Electric Engineering Technician Matt Hellberg joined via conference phone.

Guests and citizens present were: Mike Charlo, Sally Babcock, Kay West, Paul Seaquist, Tammy Seaquist, Donna Sheridan, Arlen Calley, Kendahl Calley, Tim Sanchez, Robin Sanchez, Jon Mendez, Marlene McClintock and David Prock.

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

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of:

- City Council Regular Session Minutes from June 8, 2026
- City Council Executive Session Minutes from June 12, 2026
- City Council Special Session Minutes from June 12, 2026
- City Council Special Session Minutes from June 22, 2026
- May 2026 Financial Reports
- Approval for staff to issue 6-month addendums through December 31, 2026 to:
  - Carter Plumbing for Backflow Inspection/Plumbing
  - Doyle Electric for Electrician Services
  - Tino's Painting for Pavement Marking Services
  - Sawyer's Cleaning Service for Janitorial Services
  - Mill Creek Mechanical for HVAC Maintenance
- Approval of a 1-year lease agreement extension through July 31, 2027 with Tina Riedel, doing business as The Upper 9 LLC, for the Milton-Freewater Golf Course Restaurant

Councilor Irving moved to approve all items in the Consent Calendar. Councilor Garcia seconded the motion which passed unanimously.

Mayor Odman added that the golf course contract with the school district required renegotiation and mentioned that Mr. Gillette, who operates the Golf Course Clubhouse, would be retiring at the end of the year.

UNFINISHED BUSINESS:

BID AWARD – OF CONTRACT 321 TO CONDUCT A WATER RATE STUDY

The council considered a bid award for Contract 321 for a water rate study. Public Works Engineering Technician Steven Patten addressed the council via conference telephone, explaining that the study is a mandated component of the city's Water Management Conservation Plan. He reported that a five-member review panel had evaluated five proposals and selected FCS Group as the highest-ranked bidder. Patten noted that Anderson Perry had recommended FCS Group because Anderson Perry lacked the internal economic expertise required for the study. He also stated that the City of Walla Walla had provided a strong recommendation for FCS Group.

Councilor Lyon questioned the proposed expenditure of $39,800 to FCS Group, contrasting it with a lower bid of $18,500. He pointed out that the state of Oregon had estimated the study's cost at $20,000 and had provided a corresponding $20,000 grant to the city for this purpose. Patten responded that the lower bidders were primarily water system operators, not economists, and that FCS Group would provide a more detailed economic analysis, including future water rate projection spreadsheets. He stated that Anderson Perry did not have the necessary economic expertise on staff, which was the reason for their recommendation of an outside firm.

Councilor Lyon proposed tabling the decision for one month to allow the incoming city manager to review the contract. Patten confirmed that a one-month delay would be acceptable.

Councilor Lyon moved to table the water rate study bid award Contract 321 to the August council meeting. Councilor Jensen seconded the motion with Councilor Irving casting the dissenting vote.

BUSINESS ITEMS:

DISCUSSION/ADOPTION OF CITY MANAGER AGREEMENT

City Recorder Leanne Steadman presented a draft employment agreement for the new City Manager, Nicole Schneider. Steadman reported that the draft was received from the city attorney on July 7, 2026, and that Ms. Schneider had subsequently responded that she would have her own recommended changes.

Councilor Lyon voiced an objection to a tiered severance pay scale in the draft, which ranged from six to nine months of salary based on years of service. He suggested replacing it with a flat six-month severance package for any termination without cause.

Councilor Jensen expressed a desire for a comfortable agreement but was unsure of standard practices for such contracts.

Councilor Irving noted that the average tenure for a city manager is between 1.5 and 5 years.

Councilor Lyon also proposed modifying a clause that guaranteed a 3% salary increase at the six-month evaluation. He suggested changing the language to consideration for a performance raise to ensure that pay increases were tied to performance rather than being automatic.

Councilor Irving mentioned that former Interim City Manager Tim Johnson had informed him there was no budget for service club memberships like Rotary or League of Oregon Cities.

Steadman clarified this by stating that the City Manager's budget did, in fact, contain a line item to cover such memberships.

Councilor Lyon inquired about a vehicle stipend.

Steadman confirmed the draft only provided for standard mileage reimbursement.

Councilor Lyon reiterated his preference for a flat six-month severance package. He also questioned a clause allowing a 100% cash-out of unused sick leave hours exceeding 700.

Steadman explained this was a typical retirement benefit intended to incentivize employees not to misuse sick leave.

Councilor Irving added that such cash-outs can inflate the final salary calculations used by the Public Employees Retirement System (PERS) to determine retirement benefits.

Paul Seaquist, 684 College Street stated his opposition to paying several years of severance to a manager, arguing that a long-term employee terminated would likely be for cause. He also objected to the practice of cashing out sick leave as a retirement benefit. Later in the discussion, Mr. Seaquist pointed out a typographical error on page 3, Section IV, C (e) of the draft, where the text read "30 days" but the numeral in parentheses was "40".

Ryan Westman, 202 SE 7th identified a potential conflict on Page 3, Section III, item F of the draft. He noted that under the proposed terms, a long-term manager terminated after a council transition would be limited to six months of severance, rather than the nine months they would otherwise be entitled to.

Councilor Lyon stated that his proposal for a flat six-month severance would resolve this inconsistency.

Councilor Jensen recommended amending the document to consistently use the phrase "Mayor and City Council" instead of just "City Council". She also asked if the manager's power to hire and fire should be amended to include "transfer,"

Steadman explained that this authority was already covered under the City Charter.

Councilor Lyon moved to amend the draft contract with several changes;

1) Page 1, Section I, (D) add, “The Mayor”
2) Page 2, Section III, (C) remove #3 and #4
3) Page 3, Section III, remove (F)
4) Page 3, Section IV, (A) remove “receive a three percent 3%” replace with “be considered for a raise”
5) Page 3, Section IV, (C) (e), removed, “thirty”, replace with “forty”
6) Page 3, Section IV, last sentence of the last paragraph, “Upon retirement from City service, EMPLOYEE may cash out one hundred percent (100%) of unused sick leave earned

while employed by the City, over seven hundred (700) hours at their current rate of pay" move to Page 4, Section V, Retirement, Disability, Life and Health Insurance.

7) Page 4, Section VII, B, update language to add a $300 monthly vehicle stipend, with mileage reimbursement for any individual trip exceeding 50 miles round trip.

Councilor Jensen seconded the motion which passed unanimously.

Steadman stated she would send the council's approved recommendations to the city attorney and Ms. Schnieder after the attorney's review.

The council discussed scheduling a special meeting to finalize the contract.

APPOINTMENT TO LIBRARY BOARD

Steadman stated there were still vacancies on the City's advisory committees and board. An application was received from Virginia Lacy who was interested in serving on the Library Board. Mayor Odman recommended appointment.

Councilor Lyon motioned to appoint Virginia Lacy to the Library Board with the term ending February 2029 as recommended by the Mayor. Councilor Jensen seconded the motion which passed unanimously.

Steadman reported with this appointment, the Library Board was now full.

CONSIDERATION OF APPOINTMENT OF CANDIDATE TO FILL THE CITY COUNCILOR WARD 2 POSITION

Steadman reported that the City Council Ward 2 vacancy was created by the resignation of Emily Holden. She reported that three applications were received by the deadline of July 6th were from Mike Charlo, John Mendez, and Margo Piver. She reported that Ms. Piver was on vacation, only Mr. Charlo and Mr. Mendez were present for interviews. Steadman outlined the procedure, stating that each candidate would be interviewed separately.

Jon Mendez was interviewed first. He correctly identified the three branches of government and described the role of government as providing for the well-being of the people. He stated a councilor's primary duty is to represent their ward by engaging with the community to identify concerns and find solutions. Mr. Mendez listed integrity, honesty, and transparency as his top three qualities. He described his background, including living in the community for over two years, studying education and social work at the University of Oregon, and working as a child welfare case worker and a bilingual family advocate. He also highlighted his community involvement in revitalizing South Main Street through mural projects.

Mike Charlo was interviewed next. He also identified the branches of government and defined the role of government as setting policy to keep citizens safe, healthy, and prosperous. Mr. Charlo stated the city's highest priority should be economic development, focusing on empty buildings, unsightly properties, and maintaining low utility rates to attract businesses. He emphasized his 33-year career with the city, which included 17 years as the electric superintendent, to ensure utility services are well-maintained and properly rated. He also expressed interest in reviving a community festival at Yantis Park, referencing his past involvement with the Muddy Frogwater Festival.

Regarding the budget, he advocated a frugal approach to rate increases, ensuring they are justified by individual department needs.

Mayor Odman suggested postponing the vote due to Ms. Piver's absence.

Councilor Irving stated that he believed they had sufficient information to proceed as they all received the applicants' applications and supplemental questions.

Councilor Lyon moved to recommend Ms. Piver for the position. The motion failed for lack of a second.

Councilor Lyon moved to appoint Jon Mendez to sever to fill the unexpired term of City Councilor Ward 2 position. Councilor Jensen seconded the motion which passed unanimously.

Steadman noted that Mr. Mendez's oath of office would be scheduled for the August regular city council meeting.

Councilor Koklich stated it was very difficult to decide and appreciated the effort.

Councilor Lyon shared that he called the references listed on the applications by each applicant and stated Art Hill had spoken highly of Mr. Mendez's passion for the community.

APPROVAL OF CONTRACT AMENDMENT #1 FOR THE PFAS FEASIBILITY STUDY

Patten, again speaking by conference phone, explained that Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) had been detected in all three wells in the North Pressure Zone. He stated that because Well 5 had yielded inconsistent duplicate samples, the amendment would modify the scope of work to include startup and delayed testing to determine if flushing the well could reduce PFAS concentrations. The amendment added $3,200 to the project cost, bringing the new total to $116,700, which remains within the $120,000 state grant allocated for the project.

Councilor Lyon moved to approve Amendment 1 with GeoEngineers, in the amount of $3,200 for the PFAS Feasibility Study, Contract 320, and to direct the Mayor to sign the amendment, increasing the total not-to-exceed project cost to $116,700. Councilor Jensen seconded the motion which passed unanimously.

RESOLUTION NO. 2610 AUTHORIZING SIGNATURE TO A PROFESSIONAL SERVICES AGREEMENT WITH SUMMIT WATER RESOURCES, LLC TO CONDUCT AN AQUIFER STORAGE AND RECOVERY FEASIBILITY (ASR) STUDY, C-322

Patten, speaking via conference phone, explained that staff had previously brought a recommendation to the council for a vendor to conduct an ASR Feasibility study. Summit Water Resources LLC, was chosen. Since then, staff have been working with them to develop a professional services agreement, an agreement to accomplish most of the engineering components of the work. He listed there were three main tasks; developing and overseeing the drilling of the test bore hole, which will eventually become one of the city's wells, an ASR feasibility assessment, and an application for a state limited license. He clarified that the physical drilling of the test hole would be contracted out separately to minimize overhead costs.

Councilor Koklich asked about the processing of the river water.

Patten stated that the location for a potential processing facility would be determined after the year-long study analyzes water quality and land requirements.
A brief discussion ensued regarding the timeline.

Patten, in response stated based on their proposed schedule, it appeared to be approximately a year from now when they would have the information if the project went exactly as planned.

Councilor Lyon motioned to adopt Resolution No. 2610, Resolution Authorizing Signature to a Professional Services Agreement with Summit Water Resources, LLC of Portland, Oregon, to conduct an Aquifer Storage and Recovery (ASR) feasibility study, Phase 1, Contract 322 in the amount of $325,000. Councilor Jensen seconded the motion which passed unanimously.

AWARD OF ENGINEERING SERVICES FOR SUBSTATION UPGRADE PROJECT

Conservation Specialist Ryan Westman explained that the City is in the final phase of securing an Oregon Department of Energy Grid Resilience Grant funding for Phase 1 of the Substation Upgrade Project. The project consists of five phases of improvements at Milton and Freewater Substations. The City issued a Request for Qualifications (RFQ) with three statements of Qualifications being received by the deadline of June 25th. There were five reviewers, resulting in the recommendation of selecting Stoddard Power Systems as the highest ranked and most qualified firm. Westman explained that an Oregon Department of Energy (ODOE) grid resilience grant would cover 75% of the engineering costs, with the city providing a 25% match.

Councilor Lyon asked who the scorers were.

Westman replied, Electric Superintendent Richard Jolly, Engineering Technician Matt Hellberg, Electric Assistant/Project Aide Barbara Chadek, Engineering Technician Steven Patten and himself.

Westman noted that final contract negotiations would be deferred until federal grant approval was secured.

Electric Superintendent Richard Jolly announced that they currently have a request for proposal out for the large transformer with bids due July 15, 2026.

Councilor Lyon motioned to award Stoddard Power Systems as the most qualified firm to provide engineering services for the City's Substation Upgrade Project and to authorize the City's Project Manager and Electric Superintendent to negotiate a Professional Services Agreement with the firm and present the negotiated agreement to City Council for final approval. Councilor Jensen seconded the motion which passed unanimously.

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

Tim Sanchez, 51720 Highway 332 spoke about his experience organizing the recent Patriotic in the Park 4th of July Festival and Night Glow Parade with his wife, Robin. He thanked volunteers and Hank FM for their support and called for broader city and business partnerships to expand the event in the future. Mr. Sanchez proposed consolidating attractions such as children's activities, water slides, car show, and live music into a single, larger festival. He recommended the festival be only one day instead of two.

Mayor Odman thanked Mr. and Mrs. Sanchez on how well the event turned out.

Councilor Lyon asked Mr. Sanchez for his ideas of how to expand the event.

Mr. Sanchez replied that if there were more volunteers and more advertisements; he would also change the layout of the car show and would have more music. He said he was pleasantly surprised by the number of people who turned out for the night parade.

Mayor Odman offered his help with the car show.

MANAGER'S REPORT

Steadman reported that the following documents were included in the council packet;

- Memo from Public Works Staff regarding Well 6 Emergency Repairs
- Memo from Steven Patten – Yantis Park Tennis Courts Replacement – Project Update
- June 2026 Aquatic Center Stats from Pool Manager Russ Woodward
- Letter (email) from Yvonne Doyle regarding code enforcement in the Key Blvd Estates

COUNCIL ANNOUNCEMENTS

Councilor Koklich relayed a citizen complaint that the library's mission statement was not explicitly listed on the newspaper agenda.

Steadman stated that the Mission Statement would have been part of the Library Strategic Plan.

There being no further business, the meeting was adjourned at 9:01 p.m.

Approved August 10, 2026

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Mike Odman, Mayor