

**City of Milton-Freewater
City Council Minutes**

The Council of the City of Milton-Freewater met Monday, May 9, 2011 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Orrin Lyon, Ed Chesnut, Brad Humbert, Steve Irving and Jeff Anliker. Councilor Sam Hopkins-Hubbard arrived at 7:15 p.m.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman, Public Works Superintendent Dave Bradshaw and Electric Superintendent Mike Charlo.

Citizens present were: Steven Patten, Paul Seaquist, Merle Sherman, Laurie Hackney and Terry Hackney.

Press member Melanie Hall of the Valley Herald was present.

CONSENT CALENDAR ITEMS:

The consent calendar items consisted of council minutes and executive session minutes from the April 25, 2011 meeting and accounts payable from April 20 through May 3, 2011.

Councilor Humbert motioned to approve the consent calendar items. Councilor Chesnut seconded the motion which passed unanimously with the exception of Councilor Hopkins-Hubbard who was absent for the vote.

BUSINESS ITEMS:

BID AWARD – SOUTH MAIN STREET IMPROVEMENT – CONTRACT #237.1 (HOUSE BILL 2001)

Public Works Superintendent Dave Bradshaw reported the city was awarded \$3 million dollars for street and pedestrian improvements through funding of House Bill 2001. Last fall staff advertised for request for qualifications for Design Engineering. In October 2010, Council authorized the engineering services be awarded to Anderson Perry & Associates. Anderson Perry & Associates has completed their designs and advertisement for bids for South Main Street improvements and were submitted to the City's roster list, Anderson Perry's roster list, Valley Herald, East Oregonian, Walla Walla Union Bulletin and the Daily Journal of Commerce. The bid opening was held on April 21, 2011. There were four bids submitted. Those who bid were Taylor Northwest, Rod Anderson Construction, Premier Excavation Inc., and Michael A. Becker General Contractor. Anderson Perry compiled a tabulation of all the bids and unit prices. Staff recommended awarding the bid, per unit prices, to Taylor Northwest of Bend, Oregon as they were the apparent low bidder.

Manager Hall said there was a question regarding whether one of the subcontractors of the low bidder had their Construction Contractors Board (CCB) license in Oregon at the time of the bid opening. At the end of the bid opening, another bidder raised this question. Manager Hall sought a legal opinion from the City Attorney as well as the CCB committee and both are confident the bid was good at the time. The subcontractor in question does have their CCB license now.

Councilor Chesnut asked for more details about the flashing crosswalk signal lights.

Mr. Bradshaw explained these would be installed at 12th and Main Street as well as 4th and Main and will be activated by a pedestrian wanting to cross the road. He said Oregon Department of Transportation (ODOT) would not agree to more than the two sights due to freight mobility on Main Street. He explained

there was a department solely assigned to freight mobility and their goal is to keep traffic and trucks moving.

Paul Seaquist – 725 S. Main, asked if there were funds to add another flashing crosswalk site at 8th and Main. He felt there were a lot of children crossing at that intersection to get to the library.

Mr. Bradshaw said the ODOT approved crosswalks were at 4th, 8th, 9th, 10th and 12th Avenues.

A discussion ensued regarding details of the bulb outs on South Main.

Councilor Humbert motioned to award base bid and additive alternative #1 by unit prices as described on bid tabulation dated April 21, 2011 for the 2011 South Main Street Improvements, Contract 237.1 to Taylor Northwest of Bend, Oregon as they were the apparent low bidder. Councilor Anliker seconded the motion which passed unanimously.

BID AWARD – SOUTH MILL STREET WIDENING – CONTRACT #239.1 (HOUSE BILL 2001)

Public Works Superintendent Dave Bradshaw reported the city was awarded \$3 million dollars for street and pedestrian improvements through funding of House Bill 2001. Last fall staff advertised for request for qualifications for Design Engineering. In October 2010, Council authorized the engineering services be awarded to Anderson Perry & Associates. Anderson Perry & Associates has completed their designs and advertisement for bids for South Mill Street widening and were submitted to the City's roster list, Anderson Perry's roster list, Valley Herald, East Oregonian, Walla Walla Union Bulletin and the Daily Journal of Commerce. The bid opening was held on April 28, 2011. There were five bids submitted. Those who bid were Premier Excavation Inc., Rod Anderson Construction Inc., Fowler General Construction, Taylor Northwest and Michael A. Becker General Contractor. Anderson Perry compiled a tabulation of all the bids and unit prices. Staff recommended awarding the bid, per unit prices, to Premier Excavation as they were the apparent low bidder.

Councilor Humbert asked if there were any funds left after totaling up all the approved projects.

Mr. Bradshaw said he has factored in a 10% contingency to the total and there should be approximately \$100,000 to \$112,000 left for overlays to other city streets.

Councilor Humbert said while staying with complete transparency in Government he disclosed that he had a potential conflict of interest as he worked for the company that was being recommended to receive the bid award.

No one objected to Councilor Humbert's abstention.

Councilor Anliker motioned to award base bid and additive alternative #1 by unit prices as described on the bid tabulation dated April 28, 2011 for the 2011 South Mill Street widening and Pedestrian Improvements, Contract 239.1 to Premier Excavation, Inc. of Pasco, Washington as they were the apparent low bidder. Councilor Hopkins-Hubbard seconded the motion which passed unanimously with Councilor Humbert abstaining from the vote.

BID AWARD – ELECTRICIAN SERVICES TO INSTALL DEMAND RESPONSE UNITS FOR THE PACIFIC NORTHWEST SMART GRID DEMONSTRATION PROJECT

Electric Superintendent Mike Charlo explained the proposed bid award was for the installation of approximately 190 demand response units in conjunction with the Pacific Northwest Smart Grid Demonstration Project. This was advertised and bid packets were sent out to several local electricians. There was only one bid received from Walla Walla Electric. These units will replace approximately 610

existing REMS load management units. The old units are one-way communication and the new units are two-way communication compatible and have more features for load management efforts. The project is scheduled to begin June 1, 2011 and must be completed by August 1, 2012. The customers who this will affect have been notified that an electrician will be contacting them to schedule an appointment to replace the unit in their home. As mentioned in previous council meetings the Smart Grid project is a 50% cost share. The electric department matching funds will come from the electric infrastructure fees and from the electric operating and maintenance reserve fund.

Manager Hall said even though there was only one bid received she and Mr. Charlo were comfortable with the bid amount. Mr. Charlo's estimate was \$280,000 and the bid came in at \$274,409.

Councilor Anliker asked how long after the volunteer application had been turned in would the customer be notified. He suggested sending out a letter to those customers letting them know it could take up to a year before their unit was replaced since the timeline was June 1, 2011 – August 1, 2012.

Mr. Charlo said his office was working on that and sending a letter out was a good idea.

Councilor Hopkins-Hubbard motioned to award unit prices as described on the bid tabulation sheet dated April 27, 2011 to Walla Walla Electric for Demand Response Unit Installation services. Councilor Humbert seconded the motion which passed unanimously.

DISCUSSION OF UMATILLA COUNTY PROPOSALS FROM THEIR WORK SESSION REGARDING WIND DEVELOPMENT CODE AMENDMENTS

Before Councilor Chesnut began the discussion, Manager Hall thanked him for all the time, hard work and for taking the lead in the project. She expressed how grateful it was to have him on our team.

Councilor Chesnut appreciated her comment.

The County Planning Commission and County Planning staff has been working on amendments to the Umatilla County Development Codes to address the need for siting standards of development for the wind turbine farms. The City has submitted comments numerous times in an effort to protect Milton-Freewater's highly valued resources and citizen property rights.

Councilor Chesnut was invited to participate in the County's work session regarding wind development code amendments. A copy of the County's proposal was provided to the city councilors in their council packet for their review along with Councilor Chesnut's recommendation of what he felt the City had an interest in.

There were no decisions made at the work session, and the issue will go forward to a formal public hearing before the County Commissioners on May 12, 2011.

Councilor Chesnut felt the first area of concern was the socioeconomic impact study requirement. He had spoken with Brian Wolcott of the Walla Walla Basin Watershed Council who has some history and experience with environmental impact statements which socioeconomic impact study is a part of. Mr. Wolcott shared with the County Commissioners what the assessment should have included in it and how it is used in the environmental impact statement process. One of the primary issues Councilor Chesnut pointed out in support of keeping the socioeconomic impact study in the development code requirements was the fact that the Walla Walla Valley has a significant wine tourism industry. The Commissioners have already commissioned a study by an Oregon State Economist who identified there is \$53,000 per acre annually of community benefit from vineyards and wineries by which a wind development could put that at risk.

The second area of concern was the length of setbacks from the city boundaries. The Umatilla County Planning Commission had recommended a two mile setback from the city's Urban Growth Boundary (UGB). The County Commissioners had suggested no amount of distance be set for setbacks. It was explained to Councilor Chesnut that that gave cities the flexibility to request more distance. He felt that was an unworkable plan for both sides, the city and the wind developer. It would be hard for the developer to know and put into their plans how close to a city they could site and there would be no guarantee of a setback requested by the city. He felt the Commissioners thought two miles from rural homes was too much but one mile was not enough. He has discussed with Commissioner Hansell about setbacks from the UGB who thought that was acceptable. Councilor Chesnut said he was open for council's guidance. The Commissioners next Public Hearing is scheduled for May 12th. Councilor Chesnut suggested the city submit another letter expressing the importance of leaving in the requirement for the socioeconomic impact study and come up with a distance agreeable by the council for the setback and he suggested the setback begin at the UGB similar to the setback for a rural home.

Councilor Anliker and Councilor Chesnut discussed a document written by an expert appraiser in Indiana or Illinois. The appraiser had studied the effects of wind projects placed close to homes. Studies have shown that setbacks two miles or less could have a significant effect on property values.

Councilor Humbert felt a letter needed to be submitted and he suggested including in the letter that the city is requesting a minimum setback of two miles from the UGB. If a developer wants to be closer then they must make that request through the city and obtain a variance. He felt the city should hold strong onto the two miles from the UGB.

Councilor Chesnut said that was part of the proposed setback from rural homes that a minimum distance would be two miles or one and a half miles. The developer must obtain a waiver recorded by the deeded land owner to have the project placed closer than the minimum distance.

Mr. Seaquist asked if Commissioner Hansell had disclosed at any of the Public Hearings how much of the Hansell family property that might be a potential site for the proposed wind turbine projects.

Councilor Chesnut said there has been no disclosure made.

Mr. Seaquist felt that was a question that needed to be asked of the commissioner.

Mayor Key asked if there was any more discussion on this agenda item.

Councilor Humbert suggested holding to the two mile minimum from the UGB for a setback.

Councilor Chesnut said he felt it was all agreed upon to send another letter stating the city's stance. Included in the letter would be the minimum setback distance of two miles from the UGB with an option of obtaining a variance from the city to come closer than the UGB.

Mayor Key said the distance should depend on the height of the wind turbine.

Councilor Chesnut said the setback was originally written in the language of two miles or twenty times the base to the blade tip height.

Mr. Seaquist said if the County Commissioners felt the wind turbines were so valuable then they should buy out the property owner like they did in Ione, Oregon.

Councilor Chesnut said that point had already been raised to the Commissioners. He felt it would be easier to get them to accept the two mile setback.

Mr. Seaquist said that last weekend was the wine industries spring release weekend. Saturday night there were beautiful pristine views of the Blue Mountains. He received a phone call Monday from a gentleman who was here for the event and now he is looking for property in the Walla Walla or Milton-Freewater area.

Councilor Chesnut suggested Mr. Seaquist go with him to the county meeting.

Mr. Seaquist said he has attended some of the meetings but they wouldn't recognize him.

Councilor Chesnut talked about the County's 1972 inventory list of scenic views and Hwy 204 was among those listed.

Mr. Seaquist said he didn't want to look at the wind turbines that another state was getting the benefit from.

Councilor Irving asked if the Clean Water Act was considered in the proposed code.

Councilor Chesnut said yes it was and that Ron Brown has provided a large amount of documentation supporting that.

Merle Sherman – 716 Pierce, suggested there be language in the code that would address the issue of if key components were to be removed from already installed wind turbines that the ground must be returned to its original state by the developer.

Councilor Chesnut said there was already some language similar to that being proposed.

There was a discussion regarding the requirement of Surety Bonds by the wind developers.

In closing of this agenda item Councilor Chesnut reviewed what he understood should be included in the letter written to the County Commissioners to be included in their Public Hearing. The setback should be addressed with a minimum distance of two miles from the city's Urban Growth Boundary with the idea of the wind companies obtaining approval from the city if they wanted to be closer. There will also be the recommendation to retain the language that would require the socioeconomic impact study and include the County's inventory list of Hwy 204 being a scenic hwy.

All of the city council agreed with Councilor Chesnut.

OPPORTUNITY FOR CITIZENS TO APPROACH THE CITY COUNCIL WITH ITEMS NOT ON THE AGENDA

Laurie Hackney – 319 S. Mill, shared her concern with the Mill Street widening project that was just approved by the council. She said traffic just fly's down the street and felt it would be even worse if the street was wider. She suggested having the area policed more often.

Mr. Bradshaw said there would be two additional stop signs installed on Mill. The new locations will be 6th & Mill and one at 12th & Mill and maybe that would also help slowing traffic down.

Terry Hackney – 319 S. Mill, asked if the citizens that the project will affect would get some information prior to the start of the work.

Mr. Bradshaw said he was working on a door-to-door notice to inform all the affected citizens. He also offered citizens to stop by the Public Works office and take a look at the engineering plans.

Councilor Irving asked if there would be painted cross walks on Mill Street.

Mr. Bradshaw felt it would coincide with Main Street crosswalks.

Councilor Humbert commended Mr. Bradshaw and his staff for taking on such a huge work load. He said he can't believe the amount of work that Mr. Bradshaw's staff gets done for the amount of employees there is.

MANAGERS REPORT

Manager Hall reported there would be no council meeting on May 23, 2011 since she would be out of town. She will also be out of town on business May 26th and May 27th for a meeting with the Director of the Water Resource Department in Salem, Oregon.

She gave an update on the newly assigned Police Detective duties. Corporal Robert Guerrero volunteered for these extra duties at no addition expense to the city. She reported he has recently closed several sex abuse cases.

She informed the city council of an ongoing situation regarding the play schedule at the soccer field on County Road. Staff has been informed there are two adult soccer leagues that want to use the field. Staff has proposed a schedule which alternates the teams from morning to afternoons. Both leagues have been informed that school and/or little league teams have the first rights to the field. Manager Hall said she will not put the city in a "referee" situation between these two leagues.

Councilor Anliker suggested if it doesn't get resolved then the city should impose a fee for the use of the field.

Manager Hall announced the scheduled executive session on the agenda was not needed.

COUNCIL ANNOUNCEMENTS

Councilor Lyon asked what caused the major power outage on Saturday, April 30, 2011 and why did some homes still have power.

Mr. Charlo said the outage was caused by an owl in one of Bonneville Power Administration (BPA) substations. The homes that still had power were fed from Pacific Power & Light.

Manager Hall said BPA formally supplied electricity from both ends of town, which helped address outages sooner.

Mr. Charlo agreed with Manager Hall and said the emergency feed used to come from BPA/Pendleton. BPA said they couldn't feed Milton-Freewater from that side anymore and they didn't notify the city of that change.

There being no further business the meeting was adjourned at 8:33 p.m.

Lewis S. Key, Mayor