

**Minutes of the Special Meeting (Chelan County Tri-Commission)  
of the Commission  
of Public Utility District No. 1 of Chelan County, Washington  
November 26, 2019**

The special meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held at the Confluence Technology Center, 285 Technology Center Way, Wenatchee, Washington, on November 26, 2019, at the hour of 1:00 pm, pursuant to proper notice thereof.

**Chelan PUD Commissioners and Staff present:**

Garry Arseneault, Commissioner  
Steve McKenna, Commissioner  
Randy Smith, Commissioner  
Steve Wright, General Manager  
Justin Erickson, Managing Director of District Services  
Rebekah Garfein, Clerk of the Board  
Shaun Seaman, Government & External Affairs  
Tracy Yount, Director of External Affairs  
Bill Towey, Fisheries Scientist

**Chelan Douglas Regional Port Authority  
Commissioners and Staff present:**

JC Baldwin, Commissioner  
Donn Etherington, Commissioner  
Alan Loeb sack, Commissioner  
Jim Huffman, Commissioner  
Jim Kuntz, Executive Director  
Cami Harris, Administrative Assistant

**Chelan County Commissioners and Staff present:**

Bob Bugert, Commissioner  
Kevin Overbay, Commissioner  
Blake Baldwin, Economic Development Director

**Others present:**

Senator Brad Hawkins  
Representative Mike Steele  
Representative Keith Goehner  
Jim Fletcher, Cashmere Mayor  
Mike Cooney, Chelan Mayor  
Frank Kuntz, Wenatchee Mayor  
Linda Haglund, Wenatchee Downtown Assoc.  
Shiloh Burgess, Chamber of Commerce  
Brent Cappell, Office of Representative Goehner  
Mike Mackey  
Bob Geodde  
Jerrilea Crawford

**Call To Order**

- Chelan County PUD President, Garry Arseneault, called the meeting to order at 1:11pm

**Pledge of Allegiance**

- Justin Erickson led the pledge

**2020 Legislative Session**

- Senator Brad Hawkins
  - Upcoming session will be fast-paced; hoping to finish on schedule with minimal changes to budgets
- Representative Mike Steele
  - Very little room for movement in either budget, but has not slowed requests; consider introducing ideas now for the next budget cycle
- Representative Keith Goehner
  - Growth Management Act - want more flexibility in local planning under current legislation

- Major change in leadership in the House; Speaker Chopp was there over 20 years
- How will \$30 car tabs initiative impact projects that are already slated?
  - Still a question as to how that will play out, but for now it appears they will proceed as planned
  - A bill has been introduced that would allow counties to impose a gas tax
- A capital gains tax bill will potentially come back this session

## **2020 Tri-Commission Legislative Priorities**

- Public Works Trust Fund – JC Baldwin
  - Appreciate support for the Public Works Trust Fund; noted concern with those who gain appropriations which are paid out of the fund instead of following the regular process
  - Representative Geohner received an award as a Champion of the Public Works Trust Fund
- Wildfire Issues / Fire Resiliency – Tracy Yount
  - Several community meetings have been held to determine priorities, which are:
    - Water use / availability
    - Fires
  - The County and Commissioner Bugert are taking the lead in this effort; working to determine what the community needs and how best to coordinate with the Department of Natural Resources
  - Commissioner Bugert noted that a lot of good plans already exist; looking at how to use those to work with DNR and maintain our strong partnership with them
- Jim Kuntz requested support for HB1457 regarding funding for general aviation airports
  - Currently, when pilots fuel up, the tax goes into the general fund
  - This bill redirects 1% of the excise tax to the aviation fund
- Tracy Yount noted the importance of the state recognizing the role of hydropower as we move forward with the Clean Energy Transformation Act
  - Seeking tax parity for hydropower, which would remove the state portion of sales tax for hydropower
- Tracy Yount also encouraged legislators to consider changes to laws that affect the use of independent contractors, which is an efficient and cost-effective way to fill short-term needs
- Commissioner Smith noted that Senator Brad Hawkins has been named the Washington PUD Association's State Legislator of the Year
- Jim Kuntz noted support of tax increment financing
- Blake Baldwin noted Chelan County priorities:
  - Restoration and protection of the Public Works Assistance Fund
  - Lead arsenic contamination workgroup
  - Correctional facility bed rate
  - Rural county tax fund
  - Cannabis zoning

## **Tri-Commission Updates**

- Chelan County Commission
  - Economic Development Efforts – Kevin Overbay
    - Have identified 189 County properties eligible for surplus
  - Opportunity Zones Update – Kevin Overbay
    - Chelan, Douglas, Okanogan and Ferry Counties along with the Colville Confederated Tribes have partnered to create the North Star Opportunity Zone
    - More information can be found at [www.northstaroz.com](http://www.northstaroz.com)
    - Nationwide competition to identify the top 20 opportunity zones will be announced Dec. 2
    - Opportunity zone identification allows investments to be made in those areas
- Chelan Douglas Regional Port Authority – Jim Kuntz
  - Presented Economic Development Plan and identified 6 core elements of work:

- Small business development / entrepreneurship
- Existing small business retention / expansion
- Business recruitment, marketing and advertising
- Site and infrastructure development
- Economic profiling
- Economic development advocacy
- Update on Regional Port Authority (functional consolidation)
  - 100% of their property tax levy will go toward capital projects or debt service
- Executive Flight Building
  - Corporate headquarters of the Regional Port Authority
  - Want to create an aviation hub
- Linneage Property
  - The Regional Port Authority is purchasing the Linneage property for \$4.5M and will work with the City to create a mixed-use zone, then sell back to private sector in more manageable parcels
  - The Regional Port Authority volunteered to provide testimony for any bills that impact small businesses
- Commissioner Overbay noted that the County is working to obtain property for a Mercado similar to the one operated in Pasco
- Chelan County PUD
  - Strategic Plan / Key Priorities – Steve Wright
    - Chelan County PUD has completed their 2020-2024 Strategic Plan identifying 4 key priorities:
      - Invest in assets and people
        - Commissioners passed a resolution opposing breaching of the Lower Snake River Dams
        - The Service Center will be the most visible project, but is less than 15% of an overall \$700M investment in facilities; even with these investments debt to equity ratio is expected to continue to improve
        - Rate increases for fiber, water and wastewater move them toward self-sufficiency
        - Rate increase for electric are not necessary, but prudent at this time due to market volatility
      - Invest in distribution reliability
        - Upcoming substations were noted along with 8 more that are on our planning boards
      - Remain committed to the Public Power Benefit program
      - Economic development; customer-owners indicated we should lean in, but with no more than a 5% increase
    - The Port had asked for a liaison position, which is in process
    - Working on a new product to provide renewable, non-hydropower energy
    - Partnering with the County and Port on options to redevelop the PUD's 5<sup>th</sup> Street campus
    - Resource adequacy is emerging as a significant regional issue in the near future
    - Rock Island Dam
      - Using design/build alternative contracting mechanism for Powerhouse 2; expect to choose a vendor in 2020
      - Early next year will solicit environmental and recreational projects for early action credit
    - Stehekin is a tiny, unique piece of our system
      - The number of building permits is concerning; staff is working on options
      - Concern was also expressed around trees obstructing the airport runway
  - Invasive Species Update: Northern Pike – Bill Towey
    - Washington Invasive Species Council video (can be found at <https://youtu.be/OPAeKf1Chgc>)
    - Northern Pike are found in Lake Roosevelt and are less than 100 miles from our project waters
    - The Invasive Species Council has been preparing for incident command / emergency response should the Northern Pike reach Salmon and Steelhead spawning areas

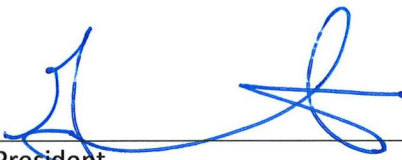
**Updates from the Mayors**

- Frank Kuntz, Wenatchee Mayor (reported by Linda Haglund)
  - Completed a comprehensive process to update the sign code, which will go to City Council in May
- Jim Fletcher, Cashmere Mayor
  - Working to build more cooperative partnerships with the County, Port and others
- Mike Cooney, Chelan Mayor
  - Proud of accomplishments in Chelan including defining attainable housing; first project broke ground 2 weeks ago
    - Completed project will include five 1200-square foot townhomes; each include 2 bedrooms, 1.5 baths that will sell for \$200k

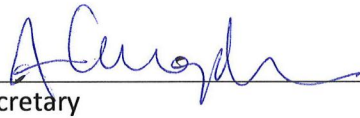
**2020 Tri-Commission Meetings**

- Will hold three meetings per year, on Tuesday afternoons, at the CTC consistent with survey feedback

There being no other business, the meeting adjourned at 3:00pm.

  
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President

  
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Vice President

  
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Secretary

  
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Commissioner

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Commissioner