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 May 29, 2019, at the hour of 1:00 pm, pursuant to proper notice thereof.

Chelan County PUD Commissioners present:
Ann Congdon
Steve McKenna
Randy Smith

Chelan County PUD Staff present:
Steve Wright
Justin Erickson
Mike Coleman
Rebekah Garfein

Chelan County Commissioners and Staff present:
Bob Bugert
Kevin Overbay
Doug England

Port of Chelan County Commissioners and Staff present:
JC Baldwin
Rory Turner
Donn Etherington
Cami Harris
Monica Lough
Tricia Degnan
Craig Larson

Others present:
Mike Cooney, Chelan Mayor
Jim Fletcher, Cashmere Mayor
Frank Kuntz, Wenatchee Mayor
Joel Walinski, Leavenworth City Administrator
Lisa Parks, Port of Douglas
Representative Keith Goehner

Call To Order
• Chelan County PUD Vice President, Steve McKenna, called the meeting to order at 1:10pm

Pledge of Allegiance
• Rory Turner, Port of Chelan County Commissioner, led the pledge

Issue Discussion
• Port Functional Consolidation – Jim Kuntz
  o During functional consolidation, Chelan and Douglas would be one regional port authority
  o Requires 2 votes from Chelan and 2 from Douglas to conduct business
  o Reviewed budget; consolidation helps, but does not fully remedy, Pangborn financial issues
Existing assets of each port would be identified; each port will use their own tax levies to pay their own debt

- **PUD Strategic Planning – Justin Erickson**
  - Guidebooks and surveys arrived in the mail over the weekend; surveys are due June 21
  - The draft plan will be published over the summer for public comment
  - Rock Island Relicensing
    - Topic team kicked off in February; recognized the work we need to do in support of a longer FERC (Federal Energy Regulatory Commission) license along with our opportunity to engage with our communities on recreational and environmental enhancements
    - Discussed Horan Natural area and potential recreational enhancements to Malaga and Rock Island
    - Asking the public to weigh in on criteria used to prioritize projects
    - Limited window to pursue early action – must be completed prior to our notice of intent in December 2023
  - Based on survey feedback gathered earlier in the strategic planning process, there is little interest in additional costs for aesthetic considerations
  - The Public Power Benefit program topic team recommends retaining the program based on financial performance and helped shape project priorities

- **County Surplus Land for Substations – Kevin Overbay**
  - The county will meet with PUD staff to identify any parcels slated for surplus that may be of use as future substation sites
  - The County is considering a code change to allow space for substations in the cluster portion of the code to count as credit for open space

**Updates**

- **Cashmere Mill District – Jim Kuntz**
  - Finishing construction; thanks to the County for 0.9% sales tax grant for buildings
  - Two anchor tenants have leased half the space

- **Annual Growth Planning Meeting – Justin Erickson**
  - We are in the process of reestablishing this meeting; it will be led by PUD employees Teka Sellers, Customer Outreach Specialist, and Andy Wendell, Director of Customer Service and Stakeholder Outreach
  - Next meeting is July 9 @ 10-12 at the CTC with a focus on long-range planning and strategic goals
  - In October (date TBD) a broader group will review shorter timeframe projects and details

- **Columbia River Treaty – Steve Wright**
  - US and Canadian negotiating teams have been meeting every 6-8 weeks for the past year
  - Have received signals that Canada is in no hurry to update the Treaty
  - Canadian federal government has announced that indigenous tribes will be included as observers; unclear how that may change the negotiation process
  - We want the US to put in the 10-year notice for the power provisions of the Treaty; there is value in coordination, but it is currently unfairly allocated

- **Pangborn Commercial Air Service – Jim Kuntz**
  - Have met with many airlines over the last several months on adding a route to San Francisco; Jim highlighted the widespread competition for new routes
    - United Airlines remains a possibility for the new route; they will announce in the fall which routes they will add in 2020
  - Allegiant Air remains interested in Wenatchee as a market, though likely for routes to Las Vegas and Phoenix
  - Alaska Airlines has not been able to commit to four daily flights year-round, but has agreed to add the fourth flight for the entire months of November and December
• Microsoft MOU – Mike Coleman
  o Collaborative agreement to explore broadband solutions in underserved or unserved portions of the county; these areas are geographically large and have low population density
  o Broadband expansion
    ▪ $25M PUD Public Power Benefit program; goal is 85-90% of the county
    ▪ Expansion is in areas where we currently have no fiber; infill is where fiber is nearby, but some don’t have access
      o We don’t prioritize one over the other; infill can be done as we have time, expansion is a bigger project
    ▪ The Governor’s broadband legislation was passed and rules are being written
    ▪ Rules are being written on recent FCC changes; we anticipate some restrictions may apply and likely intense competition for funding
    ▪ How does 5G fit into this?
      o The serving radius of a 5G tower is about 600 feet – they are intended for densely populated areas
        o We may see them in Wenatchee, Leavenworth, Chelan due to tourist activity
  o Steve Wright reported on our recent Microsoft community meeting; discussed the Renewable Energy Buyers Alliance (REBA) and Hydro Research Institute

• Facilities Planning and Headquarters Redevelopment – Justin Erickson
  o A lot of effort has been put into redevelopment of the current PUD headquarters building into something that adds value to the downtown area
  o The consultant is gathering information; the group is reaching out to others in the community who may have facility needs
  o The consultant will be back in June for a workshop with key stakeholders to develop criteria for uses
    ▪ The group will prioritize a smaller set of concepts for public feedback in late summer
  o It was noted that between the PUD and Lineage property – this is a generational opportunity

Updates from the Mayors
• Mayor Kuntz, Wenatchee Mayor
  o Watching the Lineage property closely; requirement that the entire parcel close at the same time
  o Possible expansion of downtown apartments
  o Road preservation work; Western Ave connectivity for developments
• Mayor Cooney, Chelan Mayor
  o Hotel rooms were full over Memorial Day weekend and crime was down
  o Wine & Jazz Fest is in its second year; sold ~1,000 tickets
  o People are moving through town really well with the Woodin Ave bridge reconfiguration
  o Four parcels have been obtained to build homes as part of the Attainable Homes initiative
  o In the early stages of planning to update one block per year with curb gutters, planters, lights, and designated pedestrian areas
• Joel Walinski, Leavenworth City Administrator
  o 200-unit apartment building going in
  o Construction on Pine Street begins June 17
  o Working on two crosswalks with signals on Highway 2
  o The DOT is conducting a corridor study from Coles Corner to Cashmere and is looking for feedback on projects

Update from Representative Goehner
• Praised commissioners’ commitment to their elected positions; thanked commissioners for their commitment and service
Other Updates

- Steve Wright noted that the Association of Washington Business asserts that Washington will grow by 25% in the next 20 years; causes you to think differently about things
- Rory Turner wonders who is moving here, who is our market?

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

President

Vice President

Secretary

Commissioner

Commissioner