

**Minutes of the Special Meeting (Chelan County Tri-Commission)
of the Commission
of Public Utility District No. 1 of Chelan County, Washington
May 29, 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 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
 - During functional consolidation, Chelan and Douglas would be one regional port authority
 - Requires 2 votes from Chelan and 2 from Douglas to conduct business
 - 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
 - Collaborative agreement to explore broadband solutions in underserved or unserved portions of the county; these areas are geographically large and have low population density
 - 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
 - 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?
 - The serving radius of a 5G tower is about 600 feet – they are intended for densely populated areas
 - We may see them in Wenatchee, Leavenworth, Chelan due to tourist activity
 - 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
 - A lot of effort has been put into redevelopment of the current PUD headquarters building into something that adds value to the downtown area
 - The consultant is gathering information; the group is reaching out to others in the community who may have facility needs
 - 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
 - It was noted that between the PUD and Lineage property – this is a generational opportunity

Updates from the Mayors

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

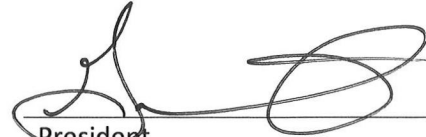
Update from Representative Goehner

- 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