

**Minutes of the Special Meeting (Chelan County Tri-Commission)
of the Commission
of Public Utility District No. 1 of Chelan County, Washington
December 19, 2024**

The special meeting of the Commission, of Public Utility District No. 1 of Chelan County, Washington, was held at Confluence Technology Center, 285 Technology Center Way, Wenatchee, on December 19, 2024, at the hour of 1:00 pm, pursuant to proper notice thereof.

Chelan PUD Commissioners and Staff present:

Steve McKenna, Commissioner President
Carnan Bergren, Commissioner
Kelly Allen, Commissioner
Kirk Hudson, General Manager
Justin Erickson, Chief Strategy & Stakeholder Officer
Rebekah Neumann, Clerk of the Board
Rachel Hansen, Daniel Scott, Dave Arbaugh, Kelli Scott, Libby Siebens

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

Richard DeRock, Commissioner
Jim Huffman, Commissioner
Mark Spurgeon, Commissioner
Jim Kuntz, Chief Executive Officer
Sarah Deenik

Chelan County Commissioners and Staff present:

Kevin Overbay, Commissioner
Shon Smith, Commissioner
Anabel Torres, Clerk of the Board
Mike Kaputa

Others present:

Senator Brad Hawkins
Senator Judy Warnick
Representative Keith Goehner
Representative Mike Steele
Representative-Elect Brian Burnett
Representative Alex Ybarra
Jim Fletcher, Cashmere Mayor
Mike Poirier, Wenatchee Mayor
Erin McCardle, Chelan Mayor
Carl Florea, Leavenworth Mayor
Steve Keene, Peshastin
Ruby Gaston, Rep. Schrier's Office
Steve Wilkinson, Wenatchee Chamber
Chris Duke, Bureau of Reclamation
Brandt Cappell, Senator Goehner's Office
Tom Tebb, Ecology
Brock Hoenes, WDFW Region 2
David Blodgett III, Yakama Nation
Erica Taecker, US Forest Service
Bill Gale, US Fish & Wildlife Services
Daryl Harnden, Peshastin Irrigation District

Call To Order

- President McKenna called the meeting to order at 1:10pm; Justin Erickson led the pledge of allegiance

Perspectives on the 2025 Legislative Session

Legislators discussed committee assignments and areas of focus

- Legislature will meet on January 13 for a 105-day session to develop operating, transportation, and capital budgets; state budget has nearly doubled in 10 years
- 30 of 49 senators are democrats; 59 of 98 representatives are democrats
- State projecting a significant budget deficit over 4 years

- Rep. Steele noted a focus on AMI and how the state supports housing
- Rep. Ybarra is focused on feasible clean energy solutions and would like to remove redundancy overlaps in I-937, CETA and CCA bills
- Commissioner Bergren highlighted the challenges of a low-income assistance program funded through a system benefit charge
 - Important for Chelan PUD to have the ability to opt-out
 - Chelan PUD already doing a great job at keeping energy burden down
- Commissioner Overbay highlighted conversations around a road usage charge and the ability for the County to constitutionally protect those dollars

Tri-Commission Legislative Priorities

- Chelan County Commission
 - Due process with Liquor and Cannabis Board application and permit renewals does not consider land use requirements; Senator Goehner is willing to resurrect his previous bill on this topic
 - Agricultural Lands Banking
 - Required to have land set aside; County allows production across all zones - If currently-producing land can be designated, then non-producing land can be de-designated and applied to the land bank
 - Emergency Management, Olds Station Campus – will be requesting \$2M in capital funding for this project; currently in design and nearly ready for bid
 - Rep. Steele asked about the \$1M provided a few years ago for the Emergency Operations Center (EOC)
 - EOC dollars used to create shared space at Wenatchee Valley College
 - Rep. Steele also noted a Rivercom request for \$25M, which is competing with the County’s request
 - Ohme Gardens operating budget – will be requesting \$500k over 2 years to develop a more sustainable funding source for the Gardens and offset some deferred maintenance costs
- Chelan Douglas Regional Port Authority
 - Emergency cluster at airport
 - National Guard, Department of Natural Resources, Airlift Northwest (ALNW), Central Washington Interagency Communications Center, and Airbase Rappel Program
 - Need \$3.2M to finish project
 - What is driving costs? Escalation of construction costs
 - What is the university of WA role with ALNW? They support the ALNW project but aren’t very active; their support would go a long way in raising this to the State priority level
 - Trades District project is under construction now
 - Giving people who want to start a small business a space they can afford
 - First phase is funded; Senator Murray has secured \$4M of USDA funding for phase 2
 - Lineage Redevelopment
 - First development is planned as a Craft District for breweries, wineries, etc.
- Chelan County PUD
- Ensure Resource Adequacy
 - We have capacity to meet local need for the long-term, but the state and region face resource adequacy challenges
- Improve access to wildfire insurance
 - We offer an essential service, but risk massive wildfire liability challenges; hard to find insurance
 - May be useful to be allowed to form captive insurance companies, which would allow access to reinsurance markets
- Preserve PUD energy assistance
 - Chelan PUD has the lowest percentage of energy burdened individuals
 - We take care of our customers by tailoring programs based on the foundation of low rates

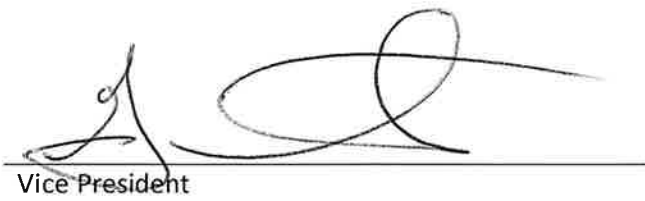
Icicle Working Group Update

- Reviewed historical context of the Icicle Creek
- Reviewed problems of low streamflow, unmet fishery obligations to Tribes, irrigation and domestic water supply, resolving litigation, and infrastructure improvements
- Reviewed progress to date and upcoming efforts
- More information can be found at www.iciclestrategy.com
- Expressed appreciation to those who have moved this project forward

Insights From the Mayors

- Erin McCardle, Chelan
 - Noted 2025 initiatives (partnerships is a key theme to all these initiatives) - managing growth (comprehensive plan), diversifying housing options, modernizing infrastructure and policies, establishing a long-range economic strategy, and enhancing youth wellbeing
- Jim Fletcher, Cashmere
 - Merry Christmas and may we all find success in the next year
- Mike Poirier, Wenatchee
 - Thank you to legislators for coming to listen; level of care is obvious
 - Completed phase 1 and ready to begin construction on Confluence Parkway; received \$1.25M to revamp the pedestrian bridge

There being no other business, the meeting adjourned at 3:40pm.



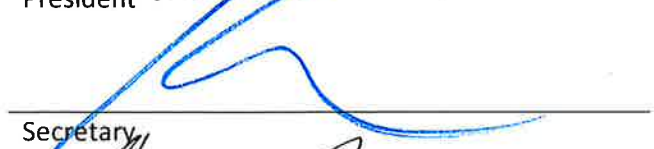
Vice President



Commissioner



President



Secretary



Commissioner