

**Special Meeting
Of the Board of Commissioners
Port of Chelan County
Joint Session with Chelan County & Chelan County PUD
Tuesday, October 23, 2007
1:30 pm
Confluence Technology Center
285 Technology Center Way, Wenatchee, WA**

Meeting Minutes

Present:	Port of Chelan County Michael H. Mackey, Commissioner JC Baldwin, Commissioner Craig Larsen, Commissioner Mark Urdahl, Executive Director	Chelan County PUD Norm Gutzwiler, Commissioner Werner Janssen, Commissioner Ann Congdon, Commissioner Randy Smith, Commissioner Dennis Bolz, Commissioner Rich Riazzi, General Manager
	Chelan County Keith Goehner, Commissioner Buell Hawkins, Commissioner Ron Walter, Commissioner John Guenther, Community Planning Director	
Facilitator:	Joyce Stewart	
Others:	Jack Winter/Chelan County PUD Melissa McPherrren/Chelan County PUD Karen Wiggum/Chelan County PUD Steve Keene/Peshastin Community Council Steve Lachowiz, Chelan County PUD Brian Lenz/Puget Sound Energy Laura Jaecks/CTC Director Dayle Rushing/Port of Chelan County	Sebastian Moraga/Cashmere Valley Record Jeff Smith/Chelan County PUD Doug Clark/Peshastin Community Council Greg Pezoldt/Chelan County Public Works Director Ron Slabaugh/Chelan County PUD Beth Stipe/Campfire of North Central Washington Yvette Davis/Wenatchee Business Journal Judy Bradford/Port of Chelan County/Recorder

Port Commission President Mike Mackey called the meeting to order at 1:35 pm and immediately turned over the facilitation of the meeting to Joyce Stewart.

Laura Jaecks, Director of the CTC, explained the meeting is being recorded and there are table microphones shared by each two commissioners. A recording copy will be provided to each Commission for filing.

Stewart asked those in attendance to self-introduce including all those in the gallery.

The agenda for this meeting was developed by the MOU working group at its meeting last Thursday; consequently, there is more detail than average in the agenda. (Copy attached.)

County Commissioner Goehner explained the current MOU neglects to address one very important issue: the shared constituency of the three commissions. The working group proposes to add a section 5 which would read:

"SECTION 5: The County, PUD and Port acknowledge that key benefits of this collaborative effort will be more consistent, efficient and cost-effective services to their mutual constituents."

Some discussion ensued and the topic was tabled. Chelan County Commissioners by statute are required to sign documents at the Courthouse in regular session. Each entity will take the document back to each respective meeting session for consideration.

Value Statements

PUD Commissioner Smith explained the proposed MOU value statements are process values developed by the staff MOU working group and presented to the MOU Commission working group and are being brought to the full three commissions for consideration. Jeff Smith commented "collectively these three values state: we will strive for positive outcome to produce something of value; our work will reflect responsiveness and accountability to our mutual constituents; will demonstrate our ability to work together for a common good in an open forum with no hidden agendas; we are willing to try new approaches; the results of our work will be applied consistently by these three entities and this effort and the results achieved will endure over time". No action taken.

Port Commissioner Baldwin reviewed the proposed MOU guiding principles which were also developed by the three agency staff working group, presented and reviewed by the Commissions' MOU working group to be brought before the three full commissions today:

"The GUIDING PRINCIPLES for the three agency collaboration are:

- Mutual success of the three boards and the individual commissioners;
- The acknowledgement that there is a need for continuing to improve our working relationships;
- The management of actions and resources to minimize shared and individual risk;
- The agency leadership rewards and encourages cooperation and innovation;
- The 3 agencies work together in strategic, comprehensive planning;
- The 3 agencies accept there are and will be state and federal mandates driven by climate change;
- The 3 agencies acknowledge that their decisions impact the actions of the other two;
- The 3 agencies will jointly utilize the highest and best technologies enabling the County as a whole to move toward the "virtual community". (utilities, roads, plat maps, etc);
- The 3 agencies will share community indicators;
- The leadership (elected and staff) will find ways to communicate frequently and accurately to reduce the probability of "surprises";
- The agencies agree that more frequent and collaborative planning provides value to the citizens of Chelan County;
- The 3 agencies value and desire an efficient, transparent & responsive mechanism(s) for open two way communication with the constituencies within Chelan County;
- The 3 agencies work together to create a climate that supports and promotes innovative problem solving;
- The 3 agencies acknowledge that individual agency decisions impact the actions of the other two; and
- The 3 agencies will consider the balance of three central elements that contribute to the highest quality of life in Chelan County opportunity for economic vitality and mobility; the protection of the environmental quality; and the vitality of its social fabric. Triple bottom line.

The three agencies acknowledge that action of any one agency will affect the other two agencies. Commissioner Baldwin provided an example of future PUD power contracts and the Port's economic development business recruitment efforts. The Port has deferred any inquiries for data centers at the PUD's request. No action taken.

Stewart briefly reviewed the organizational power cycle which demonstrates the relationship between action and mission values highlighting where evaluation of an organization's goals, efforts and missions creates more energy for future projects.

There was a brief review and discussion of projects worked on cooperatively by the three agencies in the past five years.

water system in Monitor, and how the three agencies all worked together to get safe, reliable water and fire protection for the Monitor area. Chelan County PUD was the lead agency in this effort as a result of the requests and constant encouragement of the residents of Monitor.

Commissioner Buell Hawkins reported on the three agencies involvement in the Sunnyslope project. There is an interlocal agreement between City and County for joint planning and revenue sharing, and an Agreement between City, PUD and County to provide a sewer hookup to the Sunnyslope School.

The County still needs to act on the urban growth boundary designation coming from the City. The Interlocal Agreement between the City and County is ongoing. This provides a good model for future work together; it took 10 years to develop.

Commissioner Ron Walter noted there is a common thread which is the timeline. This multi-agency project was attempted ten years ago, but hit closed doors. There has been change in the commissions. This speaks to the principles of how the organizations work together and collaborate through processes regardless of the personalities. This has been lacking in these communities over the prior decades. This statement includes Douglas County in the mix as well. Agencies are moving toward a protocol that keeps the project working whether or not personalities are changed. This puts some guardrails on the project.

Port Executive Director Mark Urdahl referred to the CTC which is a facility now largely full. There is a mix of tenants from small incubator type to large like Yahoo that is now headed to 21 employees for the 5 megawatts of power.

The CTC project would not have been possible without the Chelan County PUD and Chelan County. Chelan County PUD purchased the condominium and helped reduce the risk factor in the project. The County contributed \$2.7 million of returned sales taxes to the North Central Educational Service District #206 for the project. This was a very complex project. It is governed by a condominium board comprised of the two owners: The Chelan County PUD and the Port of Chelan County. The CTC is an example of an ongoing and continuing partnership.

The three agencies need to streamline the process and develop a protocol to keep collaboration and cooperation ongoing.

Discussion ensued on differences and similarities of how the three Commissions operate including the governance and administration roles of each commission.

Discussion ensued on the increased activity and how that impacts the "hands on" involvement of individual Commissioners. The improved general economy of the county over the last seven years has created a lot more activity. There are more stimuli for evaluation.

Each new issue brings more collaboration. Being a commissioner in today's world is almost an open-ended job.

This affects how the agencies work together. All commissioners need to remember there are common goals but different operating styles and focuses. The County has 3 commissioners and 3 districts; the Port has 3 commissioners representing the same three districts. The PUD, however, has five commissioners representing 5 different areas. The fundamental difference is the geography which is not necessarily the same between the commission districts, and commissioners take the lead on issues where interest, constituent or geography dictates.

Common Legislative Priority list and Lobby effort

Mark Urdahl noted this idea resurfaced out of an experience Port Commissioners had last February when bumping into other county officials in DC; and the premise that communities that advocate for common interests are more successful on the funding of projects. The MOU working group suggests the three agencies collaboratively communicate/lobby delegations in Olympia and Washington D.C. It is being proposed the three agencies share legislative agendas or priorities with one another; and have a common voice on common issues. Whenever interacting with legislators, to work to give a collective message on larger community issues i.e. transportation. Each agency should not surrender its own legislative agendas, but recognize common goals and lobby for them.

Discussion ensued on the possibility of the three agencies sharing and supporting common legislative agenda items including examples of how agencies can work together to an end result, i.e. Stehekin flooding issue and road issue, and watershed planning and salmon recovery.

The goal would be for the agencies to look at legislative issues and recognize potential interest by either of the other two agencies and communicate it.
No action taken.

Peshastin Project

John Guenther, Chelan County Community Development Director, briefly reviewed the collaborative process unfolding with the working group.

He then briefly outlined the Peshastin project process. Lisa Parks, Alliance Consulting, has been hired as a consultant to develop a sub area plan as well as a study area working specifically with the Peshastin Community Council hoping to capitalize on the public outreach to enhance the sub area plan. This is the first grass roots sub area plan in the county. Three agencies have definite interests within the Peshastin area to develop or at least enhance the process that has been started.

Discussion ensued on the Peshastin sub-area project process and how the three agencies have been are planning to work together on the sub area planning process. No action taken.

Discussion on evaluating the collaborative process and projects ensued along with a brief outline of how the land use projects are progressing. Examples of how the process could work or be applied were reviewed. No action taken.

Discussion ensued on the Peshastin sub area planning process. It was noted the sewer is still the driver of the urban growth area sub area plan. The county can't do the planning unless it is sure services will be provided.

Commissioner Hawkins commented that GMA (Growth Management Act) requires that services/infrastructure is in place before the formal sub area plan can be adopted.

Jack Winter explained when the infrastructure for a growth area is being considered it would be planned to serve an area that is larger, not just expansion of the current need.

Guenther explained the timetable for the sub-area planning process will be shared with all the agencies in Feb or March of next year. The PUD will definitely be involved. Feasibility will be a big part of that discussion. The agencies need to have a working relationship on how we share capital facilities.

There are no assumptions as to the obligations for agencies. Commissioners for each agency make all the decisions for their respective agencies.

The working group will present recommendations to the joint commission. It will tie guiding principles to the working group planning.

Discussion with no action taken.

Mark Urdahl and Jeff Smith outlined a possible approach for the "Legislative Priority Project".

Urdahl explained this is an education of our respective legislative goals which begins through the working group on some kind of timelines. If there is commonality there is a timeline. It is hoped the agencies will find ways to collaborate and partner rather than not to. Discussion ensued with no action taken.

From this meeting forward, the decisions needed from the respective Commissions are to consider and take action on the addition of Section 5 to the Memorandum of Understanding, and the acceptance of the value statements, guiding principles and the criteria/critique process. These items will be on the Commissioners agendas at their respective meetings.

The agencies' staffs are charged to come back to the next joint Commission meeting with detailed scopes and budgets on the projects accepted for action.

It was agreed the next meeting time and place for the joint Commission meeting will be at 1:30pm-3:30pm at Chelan County meeting room #1 on January 15th with quarterly meetings scheduled the third Tuesday of January, April, July, and October.

The Commissions will to put the pilot projects on their respective agendas for confirmation. Chelan County PUD has yet to endorse the working group.

John Guenther will make a list of the decisions needing to be formalized by the respective commissions and send each organization.

Commissioner Mackey Meeting adjourned the meeting at 4:08 pm.

Dated and approved this 5th day of December, 2007.

BOARD OF COMMISSIONERS

Michael H. Mackey, President
JC Baldwin, Vice President
Craig N. Larsen, Secretary