



**Special Meeting Minutes  
of the Board of Commissioners  
Port of Chelan County  
Joint Session with Chelan County & Chelan County PUD  
Tuesday, December 13, 2011 at 1:00 pm  
Confluence Technology Center  
285 Technology Center Way, Wenatchee, WA 98801**

**Present: Port of Chelan County**

Michael H. Mackey, Commissioner  
Craig N. Larsen, Commissioner  
Mark Urdahl, Executive Director  
Judy Bradford, Director of Business Operations  
Kathleen Knappert, Staff Assistant

**Chelan County**

Doug England, Commissioner  
Keith Goehner, Commissioner  
Ron Walter, Commissioner

**Mayors**

Bob Goedde, City of Chelan

**Legislative Representatives**

Senator Linda Evans Parlette  
Representative Mike Armstrong (via videoconference)  
Representative Cary Condotta (via videoconference)

**Chelan County PUD**

Randy Smith, Commissioner  
Dennis Bolz, Commissioner  
Ann Congdon, Commissioner  
Carnan Bergren, Commissioner  
Norm Gutzwiler, Commissioner  
John Janney, General Manager  
Jeff Smith, Comm. & Intergov. Relations Manager  
Steve Lachowitz, Communications Director  
Bill Larson, Security Director  
John Stoll, Managing Director, Customer Utilities  
Sally Taylor, Chelan County Clerk  
Shaun Seaman, Director of Fish and Wildlife  
Kelly Boyd, Chief Finance Officer/Chief Risk Officer  
Kimberlee Craig, Public Information Officer  
Sheila Salmon, Board Clerk  
Wayne Wright, Managing Director-District Services  
Chris Church, Managing Director (interim) Fiber Telecommunications

**Others:**

Jim Reinbold, City of Chelan  
Joel Walinski, City of Leavenworth  
Bob, Entiat City Council

Shiloh Shauer, Legislative Assistant  
Christine Pratt, Wenatchee World

PUD Commission President Randy Smith called the Chelan County Tri-Commission meeting to order. Port of Chelan County Commission Vice President Michael H. Mackey called the special meeting of the Port of Chelan County Commission to order at 1:03 pm. Vice President Mackey reported he will be leaving the meeting early and Commission President JC Baldwin has an excused absence. Chelan County Commissioner Ron Walter stated Chelan County remains in session from their meeting yesterday. PUD Commissioner Gutzwiler led the Pledge of Allegiance. Jeff Smith, with Chelan County PUD, acted as facilitator for the Tri-Commission meeting. Self-introductions around the table and around the room were made. Smith announced it is a public meeting and is being recorded.

**Port: Development at Pangborn Airport**

Mark Urdahl reported Pangborn Memorial Airport Director, Greg Phillips, has resigned to take a position in Vail, Colorado. Phillips will continue working at Pangborn until January 25, 2012. Commissioner Larsen stated the runway extension project is ongoing and next step is to complete the environmental assessment, which is currently under final review by the FAA. If approved a public hearing will be held. He stated this project may be completed in 2013 or 2014. Urdahl continued review of the process associated with the runway extension project. He also reported on the Fixed Based Operator (FBO) which for many years was provided by Wings of Wenatchee/Wenatchee Jet Center, which will be going out of business. The service is essential to the airport. Two firms submitted proposals to provide this service, in

response to the airport's request for proposal. Since neither firm was selected, airport staff will assume this function in the interim. Commissioner Larsen reported this September, October, and November were busiest months in terms of traffic in each of those months over the last 5 years.

***PUD: Status of Fiber Strategic Planning***

Chris Church reported the PUD is currently undergoing a strategic planning effort for the fiber line. The PUD is completing an extensive outreach effort. Church reviewed the strategic planning process. He reported the PUD will have special board meeting in March. At the end of the process a recommendation will be given to the board. He stated approximately 1,200 new customers have been connected this year. The PUD averages approximately 100 to 140 connections per month. Brief discussion ensued.

***County: 2012 Legislative Priorities***

Ron Walter reviewed the County's legislative priorities. He reported the County has developed a priority list, not asking for new money, but rather more flexibility with the current revenue sources. He reported on House Bill 1818 which changes the requirement to do legal notices. He also reported on House Bill 1377 which would address binding interest arbitration. Walter continued to review the County's legislative priorities and areas of concern, and discussion ensued.

***1:30 pm – Live Videoconference with the 12<sup>th</sup> District Delegation in Olympia***

Senator Linda Evans Parlette reported on an early action bill in both the House and the Senate. She stated there are a few other bills necessary to get between \$400 and \$500 million. She stated they will not be solving the \$2 billion spread in the special session. Regular session begins January 12<sup>th</sup>. Senator Parlette stated that in regular session she will be focusing on capital and operating budget issues. Discussion ensued.

Representative Mike Armstrong reported there is a meeting on the house floor tonight, which will include a bill containing \$482 million in cuts. He also reported on Initiative 937 regarding the state's Energy Independence statute.

Representative Cary Condotta reported there is a problem with the taxing structure on Initiative 1183 regarding liquor sales. He stated a bill should be introduced soon which will help fix the tax package for liquor distributors. He also reported on the current redistricting process. Brief discussion ensued.

***County: Holden Mine Reclamation Project***

Doug England provided an update of the Holden Mine Reclamation Project. He reported on some difficulties regarding where to barge. The total project is cost is approximately \$130 million. Discussion ensued.

***General Roundtable Discussions***

Joel Walinski reported council member Farivar was elected Mayor of Leavenworth and will be taking office tonight. He also reported the City of Leavenworth is moving closer to an agreement with the Nelson Family trust on the fruit warehouse property. They are working toward a lease with option to purchase.

Chelan Mayor Goedde reported Chelan has approved their budget. He also reported the City recently purchased the masonic temple property and have plans to turn it into a community center and library.

**PUD: Lake Chelan Reservoir Operating Regime Community Outreach**

John Janney reported it has been an unusual snowpack and runoff year in the Chelan basin, which resulted in questions regarding lake level operations for the Lake Chelan project and reservoir. He stated PUD staff will conduct a 5 year review. It has been 5 years since the FERC federal license was granted for the project. The PUD invested \$16 to \$17 million to build fish habitat where the Chelan gorge empties into the Columbia River. Under the license the PUD is also required to have a continuous flow to restore the gorge to a natural state. He reported the PUD conducted a formal public outreach process. Janney continued to review the project and outreach effort.

**Port: Pybus Public Market News**

Mark Urdahl reported the Port is moving slowly toward this project, and is reviewing cost and projected revenues carefully. He stated in evaluating costs, there was some discrepancy between the engineer and architect. He also stated the City of Wenatchee is willing to transfer HUD money by way of a sub-recipient agreement. Commissioner Larsen reported the City has received a TIB grant for Orondo Avenue and Worthen Street improvements. Urdahl reported a meeting has been scheduled with the Department of Revenue to discuss the LRF. He also stated the neighboring private property owner is submitting pre-application for an approximately \$3 million multi-family apartment complex. Discussion ensued.

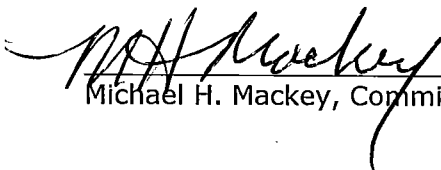
Mark Urdahl reported the purchase and sale agreement with Crunch Pak for the Cashmere Mill site has been extended 90 days. Crunch Pak has reported concerns with wood waste accumulation on the site. Brief discussion ensued.

The next Tri-commission meeting will be held on a date, time and location to be determined.

Meeting was adjourned at 2:45 pm.

Signed and dated this 22<sup>nd</sup> day of February, 2012.

**PORT OF CHELAN COUNTY**

  
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Michael H. Mackey, Commissioner

Excused Absence  
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JC Baldwin, Commissioner

  
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Craig N. Larsen, Commissioner