



**Special Meeting Minutes
Of the Board of Commissioners
Port of Chelan County
Joint Session with Chelan County & Chelan County PUD
Tuesday, October 13th, 2009 at 2:00 pm
Chelan County Commission Chambers
327 N Wenatchee Ave, Wenatchee, WA**

Present:

Port of Chelan County

Michael H. Mackey, Commissioner
JC Baldwin, Commissioner
Craig Larsen, Commissioner
Mark Urdahl, Executive Director
Judy Bradford, Business Manager

Chelan County

Dave England, Commissioner
Keith Goehner, Commissioner
David Grimes, Community Planning
Mike Kaputa, Director Natural Resource

Chelan County PUD

Norm Gutzwiler, Commissioner
Carnan Bergren, Commissioner
Randy Smith, Commissioner
Dennis Bolz, Commissioner
Ann Congdon, Commissioner
Joe Jarvis, Executive Manager/Operations Group
Wayne Wright/Executive Manager-District Services Group
Jon Jamey, Executive Manager-Finance, CFO & CRO
Jeff Smith/Community & Intergovernmental Relations Dir
Ron Slabaugh, Water Resource Manager
Sheila Salmon/ Recording Secretary
Suzanne Grassell, Government Affairs Manager
Carol Wardell, Executive Manager-Legal Group
Kirk Hudson, Staff
John Stoll, Staff

Legislators:

Senator Linda Parlette

Representative Mike Armstrong
Representative Cary Condotta

Others:

Donna Lee Moore
Christine Pratt, Wenatchee World

Babba Moussa, Employment Security

Each public agency called its meeting to order in succession. Port of Chelan County Commission President Mike Mackey called the special meeting of the Port of Chelan County commission to order at 2:05 pm.



Jeff Smith, Chelan County PUD, was delegated to act as facilitator for the tri-commission meeting. He announced Representative Cary Condotta would be arriving a little late; and that the meeting was being recorded.

Commissioner Norm Gutzwiler led the Pledge of Allegiance.

After introductions around the table, Legislators provided an overview of what they anticipate the major issues of the 2010 legislative session to be. Going into the sixty day session, the state budget is currently at a deficit of \$1,200,000,000 and could be as much as \$1,700,000,000 going into session. Legislators emphasized the need to improve on current government policies and revise those that are not working. Government operations and development of a policy to establish an appropriate budget is a main concern for the legislators.

County Commissioner Goehner expressed concerned about the growth of state government with the addition of numerous agencies and the jurisdiction given to those agencies. He suggested that as Legislators spend time on government policy they review and consider rescinding policies that have been put in place that do not work.

Presentation and discussion of the following items ensued:

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- **Recreational Use Statute Amendment:** PUD Governmental Affairs Manager Suzanne Grassell reported that the District would be requesting an amendment to the Recreational Use Statute again this year for liability protection for white water boating. Senator Parlette noted she has a meeting schedule with the trial attorneys this week. Senator Parlette expects that the bill is ready to go as it stood at the end of the last session.
- **Energy Independence Act:** PUD Director of External Affairs Jeff Smith asked Legislators if there is any potential for action during the session to modify the Energy Independence Act. Legislators expect the momentum from last year to continue. Representative Armstrong said new ideas particularly related to portfolio standards would be welcomed. Commissioner Smith stated that the District is comfortable with provisions of the current law and does not see the need to amend in 2010. It would be the District's goal in 2011 to include a provision that protects utilities from having to construct new generation resources until needed to serve load.
- **Biomass/Forest Practices:** Port Commissioner Mike Mackey reported that the Port is in the process of working with the EED to apply for a grant through the Department of Energy for a study to develop an inventory of biomass fuel available in the national forests and facilities available to process it. The Port's motivation for this project is the reduction of forest fuel for wildland fires that negatively impact recreational areas in the valley. County Commissioner Keith Goehner stated the County supports the process. Representative Condotta interjected that the value of the project is the preservation of the National Forest.
- **Lake Chelan Dredging:** Port Commissioner Mike Mackey reported that the Port is working with Pacific Northwest Waterways to submit a proposal to the Army Corps of Engineers to consider dredging the Stehekin landing, Lucerne landing, Fields Point landing and/or Manson Bay. The purpose of dredging is a) to prevent flooding at the Stehekin landing area cause by a buildup of silt at the main mouth of the river, and B) to provide large water craft access into each of the landings.

Senator Parlette reported a meeting has been scheduled for Monday, October 19, 2009 at 7:00 p.m. at Chelan City Hall. The purpose of the meeting is to look at the current regulated rate structure used by the Lady of the Lake. The rate structure is regulated by the Washington Utilities and Transportation Commission (WUTC). The meeting is a result of an amendment on a bill passed last year to allow WUTC to hold public meetings to evaluate the rate structure in relationship to business economy.

- **Wenatchee River Water Quality Study:** Water Resources Manager Ron Slabaugh reported that the State Department of Ecology (DOE) conducted a total maximum daily load (tmdl) study of the water in the Wenatchee River and has found that it does not meet water quality standards required by the Clean Water Act. The study indicated phosphorus levels exceed regulatory limits. High phosphorus levels promote algae growth changes the pH of the water. Mr. Slabaugh stated that the District is working with a consulting firm to develop a plan to reduce phosphorous discharge from the Dryden and Peshastin wastewater plants by 2019. He noted that the District, Chelan County and the cities of Leavenworth and Cashmere will be applying for funding and asked for legislative support. Senator Parlette recommended when applying for the grants, to provide each legislator a drafted letter to be reviewed and signed.

Commissioner Congdon excused herself from the remainder of the meeting at 3:00 p.m.

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Commissioner Gutzwiler explained to Legislators that the Washington Public Utility District Association (WPUDA) will most likely bring back to the 2010 session the issue of fiber retail authority. He reported the District would prefer to continue to sell fiber at wholesale to local ISP providers in the valley and is not requesting action on Chelan PUD's behalf. However, if a bill does start to move through the legislature and there is retail authority granted, the District would like to have the option of having retail authority as well.

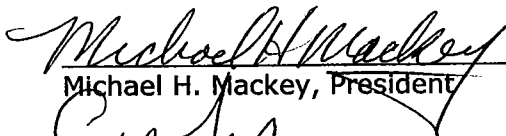
Other topics touched on included Jay Manning's move from the Department of Ecology to Chief of Staff for the Governor, democratic staff changes within the Senate, Department of Commerce organizational changes, Growth Management appeals and reorganization of the Department of Natural Resources.

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

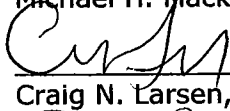
The meeting adjourned at 3:44 pm with no action taken.

Dated and approved this 17 day of December, 2009.

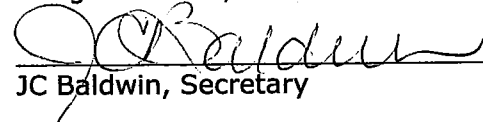
BOARD OF COMMISSIONERS



Michael H. Mackey, President



Craig N. Larsen, Vice President



JC Baldwin, Secretary

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