



**Special Meeting Minutes
Of the Board of Commissioners
Port of Chelan County
Joint Session with Chelan County & Chelan County PUD
Tuesday, August 25th, 2009 at 1:00 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
Ron Walter, 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
Rich Riazzi, General Manager
Wayne Wright/Executive Manager-District Services Group
Jeff Smith/Community & Intergovernmental Relations Dir
Sheila Salmon/ Recording Secretary
Steve Lachowicz, Corporate Communications
Shaun Seaman, Director of Assets/Natural Resource Div.
Greg Carrington, Hydro Services Director
Ron Slabaugh, Water Resource Manager
Jon Jamey, External Affairs

Others:

Jon Eberle, Development Partners
Christine Pratt, Wenatchee World

Bob Schmidt, City of Cashmere
Mayor Gordon Irle, City of Cashmere

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 1:15 pm. The meeting was recorded and is posted in its entirety on the Chelan County PUD website www.chelanpud.org.

Jeff Smith, Chelan County PUD, was delegated to act as facilitator for the tri-commission meeting. After introductions around the table, Commissioners received reports, updates and/or held discussion on:

- **Community dialogue on future power usage**
Rich Riazzi briefly updated commissioners on the public outreach in preparation for strategic planning post-2012 contracts and what the options are. The plan is to have the PUD board deliberate on the strategic planning information and budgeting process and have concrete direction laid out by the end of the year. PUD would begin taking action outlined in the yet to be determined plans after the first of the year.
- **Recessionary impacts on essential services**
Ron Walter, Dennis Bolz and Craig Larsen

Ron Walter reported the County has completed a mid-year budget adjustment. The result is \$700,000 in budget reductions with no budget increases through 2010. Revenues continue to be depressed. In terms of affect on the public, to this point not much should be noticed by the general public. The County closed down a 40 bed secure facility at the jail. The demand from participating communities for the beds is down. The County is currently retaining the jail personnel due to the costs of training which is right around \$50,000 per trained employee. At the present time, the County is keeping all trained personnel on staff to cover vacations, etc. The County may have layoffs in future.

MHM *[Signature]* JCB *[Signature]* CNL *[Signature]* CM

County building and planning have experienced substantial reductions in personnel which at this point is the County not filling vacancies.

Commissioner Dennis Bolz provided a handout outlining cost cuts at the PUD. Discussion centered on delayed or reduced services and projects and personnel reductions at the PUD.

Commissioner Larsen explained the two main sources of income for the Port are property taxes and leasehold income. The Port is feeling impacts in leasehold income. Two existing tenants have vacated. The sale of the Peshastin property option expired last fall, and the sale was terminated. The sale of the NW Skill Center is scheduled for closing which will provide funds for investment in the Cashmere or Peshastin properties. Pangborn Airport has shortfalls which the two ports cover. More passengers are using the airport; however, the growth would be greater in better economic times. The Ports are trying to hold the airport deficit where it is and work to shorten it. Port of Chelan County has increased funding to county communities to aid with some of their needed projects to increase revenues.

Ports have commissioned a consolidated services study to share employees and resources. Study results are due back later this year.

Discussion ensued on all entities finding different ways to do things with less. Many examples were cited.

- ***Pybus public market concept***

Commissioner Larsen explained the Port's participation in this City of Wenatchee project would be funded in part by the sale of the NW Skill Center, and would be to own the property under the public market building. It was noted the private sector is very active in this project. The development and operation of the proposed public market is outside the expertise of the Port.

Discussion ensued: Senator Murray announced a \$1.5 million appropriation for this project toward infrastructure. This project will house year-round as well as seasonal tenants.

- ***2010 legislative session priority issues***

Stehekin Road Legislation is moving slowly through the process.

Lengthy discussion ensued regarding biomass, possibility of a co-generation plant at Winton, the need for partnership with the US Forest Service for raw material and forest management.

Other items of discussion were funding for the Pangborn Airport runway extension; ferry and barge service on Lake Chelan with regarding to the need for dredging, maintenance/replacement of docks in Lake Chelan, liability of kayaking in the Chelan Gorge, and hydro generation as a renewable energy.

- Mayor Gordon Irl of the City of Cashmere addressed the tri-commission regarding the City of Cashmere's need to build a wastewater facility to address phosphates levels in the Wenatchee River at low water levels.

Cashmere can't supply enough water for new prospective businesses. The City has the ability to deliver the water, but does not have the water to deliver. Cashmere is 2 years out from upgrades to the treatment facility.

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The City needs a water main extension to Cashmere. Cashmere does not have the financial means to tackle the project by itself. If enough entities partner together for a utility corridor, it might be possible. Mayor Irle put the idea of a utility corridor for multi-use (water, natural gas, other utilities) before the commissioners.


Discussion ensued.

The next tri-commission meeting will be scheduled for sometime in October with 12th District legislators, if possible. The working group committee will refine an agenda for the meeting and distribute.

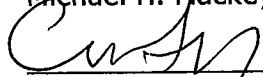
The meeting adjourned at 2:28 pm with no action taken.

Dated and approved this 17 day of December, 2009.

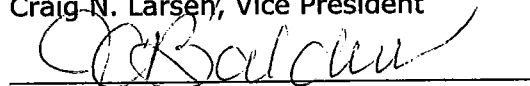
BOARD OF COMMISSIONERS



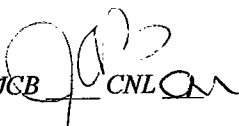
Michael H. Mackey, President



Craig N. Larsen, Vice President



JC Baldwin, Secretary

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