

Special Meeting Minutes
Of the Board of Commissioners
Port of Chelan County
Joint Session with Chelan County & Chelan County PUD
Tuesday, September 9th, 2008
1:30 pm
Confluence Technology Center
285 Technology Center Way, Wenatchee, WA

- Present:**
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| <p>Port of Chelan County Michael H. Mackey, Commissioner JC Baldwin, Commissioner Craig Larsen, Commissioner Mark Urdahl, Executive Director Pete Fraley, Legal Counsel Dayle Rushing, Port Staff Judy Bradford, Port Staff Pete Fraley, Legal Counsel</p> <p>Chelan County Buell Hawkins, Commissioner Ron Walter, Commissioner Keith Goehner, Commissioner John Guenther, Community Planning Director</p> | <p>Chelan County PUD Norm Gutzwiler, Commissioner Werner Janssen, Commissioner Ann Congdon, Commissioner Randy Smith, Commissioner Dennis Bolz, Commissioner Rich Riazzi, General Manager Wayne Wright/Executive Manager-District Services Group Carol Wardell/Executive Manager-Legal Services Group Jeff Smith/Chelan County PUD Sheila Salmon/Chelan County PUD-Recording Secretary Kimberly Craig/Chelan County PUD</p> |
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- GUESTS:**
- WA State**
Senator Linda Parlette
Representative Mike Armstrong
Kurt Hammond/Legislative Ass' t for
Representative Cary Condotta
- Others:**
- | | |
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| <p>Allison Williams, City of Wenatchee Carnan Bergren, PUD Commission Candidate Becky Heath, USFS-Okanogan- Wenatchee Teri Cleeland, USFS- Okanogan- Wenatchee Steve Keene, Peshastin Community Council Kathy Springer, Peshastin Community Council</p> | <p>Jim Baxter/ALCOA-Wenatchee Works Jon Eberle, Development Partners Jim Baxter, ALCOA-The Wenatchee Works Randy Whitehall, USFS Joni Quarnstrom, USFS- Okanogan-Wenatchee</p> |
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Port of Chelan County Commission President JC Baldwin called the Port of Chelan County Commission meeting to order at 1:33 pm.

Chelan County PUD Commission President Norm Gutzwiler reopened the continued meeting of the PUD Board of Commissioners from Monday, September 8th, and Chelan County Commission President Buell Hawkins called the Chelan County Commission meeting to order.

After introductions of state legislators, commissioners and those present, John Guenther briefly reviewed the MOU purpose, process and activities of the MOU working group committee. Commissioner representation in the MOU working group process is Commissioner Baldwin/Port, Commissioner Smith/PUD and Commissioner Goehner/County. Staff meets bi-monthly as staff reps and bi-monthly with Commissioners.

Guenther explained the legislators were sent information on topics prior to the meeting. Brief discussion on MOU process.

Working Group Report

Commissioners Randy Smith and Keith Goehner reported the County and the PUD have entered into dialogue and communication protocol centered on public works' utilities and

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infrastructure improvements and maintenance. The improved communication has already brought clarity to the activities and the relationship between the two entities.

Jeff Smith reported an Interlocal Agreement, in its final stages of legal review, to ultimately be rolled into the franchise agreement between Chelan County and Chelan County PUD to memorialize the communication protocols.

Feasibility Study Update-Wenatchee Watershed

Guenther provided an update on the regional sewer/water treatment facility feasibility study in the absence of Ron Slabaugh of the PUD. This study was launched in conjunction with Dept of Ecology to study the Wenatchee River watershed area and the potential contamination impacts from sewage especially but other sources as well along the Wenatchee River watershed. The focus is from Leavenworth down to the Columbia River to look at a region wide sewer impact including the whole watershed area with the systems that are currently installed (Peshastin, Dryden, and Cashmere). The final report is due in within the next two weeks. Discussion ensued.

Peshastin Update

The Peshastin Community Council in collaboration with the County has created a possible second stand alone urban growth area in Chelan County: an outcome of grass roots efforts by the Peshastin community. This has implications for sewer expansion, and growth management implications for how to pay for services, and how the land use fits the levels of service. County Commissioners continued this item for consideration at its October 6th meeting.

Discussion ensued on the feasibility of sewer service within the watershed area, sewer service outside the urban growth area, regional economic feasibility, the appropriate agencies, and cost effectiveness.

City of Wenatchee is challenging the rural designations. The City and the County have been collaboratively engaged in expansion of urban growth areas, specifically the Olds Station and Sunnyslope areas. The point of contention is rural designations in unincorporated areas that are in close proximity to the City's urban growth area. The City is asking the question for clarification.

Senator Parlette commented a united front is the only way to get things passed in the legislature on big issues like this (a regional sewer treatment system). Homework really has to be done at the local level. Everybody (all agencies and communities) must be on board at the local level before it is brought to the legislature. The details have to be worked out at the local level first.

Representative Armstrong suggested creating a compelling environmental case on the Wenatchee River. Jay Manning at the Dept of Ecology is interested.

Discussion ensued.

Forest Management Issue

Commissioner Mackey thanked Becky Heath, Supervisor/USFS-Okanogan/Wenatchee Forest and Randy Whitehall/USFS for their assistance with today's topic. The issue is to provide more access to the national forest during the controlled burn period(s). Commissioner Mackey provided background as to the economic impact of wildfires on tourism in Chelan County.

Discussion ensued on the roles of the Dept of Ecology (responsibility for the clean air act-regulatory enforcement) and the Dept of Natural Resources (responsible for the regulation of silva cultural burning-approval/permitting of the burns), the regulatory difficulties that

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exist to obtain and successfully employ permits for silva culture burns and/or multiple day burns and the need to rid the forest floor of dead and downed forest material. Discussion ensued on biomass and other means available to the US Forest Service to reduce forest fuels on public lands including the need to educate others.

Legislators cautioned to seek a legislative cure should be a last step to affect change; and, recommended communicating and working with the department heads of the agencies involved. It was suggested using the technology at the CTC and tie it in with Olympia to facilitate a multi-agency communication.

Discussion ensued on server farms: potential impact on the economic development, impact on the tax base, energy usage in Chelan County relating to energy availability, factors affecting power sales (current and future), power rates and costs, and incentives for data centers.

Commissioner Buell Hawkins provided a brief update for legislators on the Chelan County Regional Jail Facility and the partnership governing the facility, a brief review, handout and explanation of WASAC key elements/findings of a fiscal study of Washington state counties' (particularly Chelan County) fiscal health, and a brief update on the progress on the Stehekin flood control efforts.

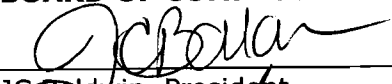
Commissioners suggested items for the next tri-commission meeting: follow-up on forest fuels reduction with Dept of Ecology and Dept of Natural Resources, discussion of economic viability of biomass and co-generation and any federal plans for forest fire suppression.

Next meeting tentative scheduled for the second Tuesday in December, December 9th, at Chelan County in Meeting Room #1. The week after the Horticulture convention.

The tri-commission meeting adjourned at 3:35 pm with no action taken.

Dated and approved this 24th day of September, 2008.

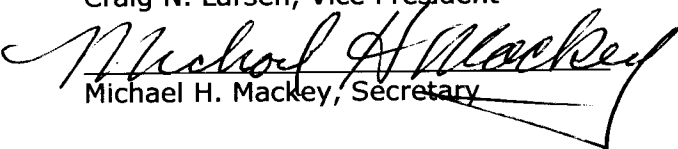
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