



**Board of Directors
Chelan Douglas Regional Port Authority
Meeting Minutes
October 10th, 2023
9:00 am**

Present:

Directors:

*Donn Etherington, Director (Zoom)
Jim Huffman, Director
JC Baldwin, Director*

*W. Alan Loeb sack, Director
Mark Spurgeon, Director
Richard DeRock, Director*

Staff:

*Jim Kuntz, Chief Executive Officer
Monica Lough, Dir. of Finance & Admin.
Trent Moyers, Director of Airports
Stacie de Mestre, Dir. of Econ. Dev.
Craig Larsen, Community Rel. Mngr.*

*Sarah Deenik, Comm. Coordinator
Brooke Lammert, Executive Assistant
Colby Goodrich, FBO Manager (Zoom)
Tricia Degnan, CTC Manager (Zoom)
Lorena Amador, Acct. Specialist (Zoom)
Laura Camarillo-Reyes, Admin. Asst. (Zoom)*

Legal Counsel:

Quentin Batjer, Davis Arneil Law Firm LLP

Guests:

*Dorry Foster, YMCA
Steve Robinson, YMCA
Dan Frazier, Chelan Co. PUD
Cassandra Divis, Marathon Digital Holdings*

*Jason Taylor, KPQ (Zoom)
Emily Thorton, Wenatchee World (Zoom)
Doug Miller (Zoom)*

The Chelan Douglas Regional Port Authority Board Meeting was called to order at 9:00 a.m.

Introductions were made.

Conflicts of Interest: None

CHELAN DOUGLAS REGIONAL PORT AUTHORITY CONSENT AGENDA:

The Chelan Douglas Regional Port Authority Consent Agenda consisting of the September 26th, 2023 Meeting Minutes, Calendar of Events, and Check Register Pages #2023-38 through #2023-41, including Electronic Transfers was presented.

Motion No.
Moved by:
Seconded by:

10-01-23 CDRPA

JC Baldwin

W. Alan Loeb sack

To approve the Chelan Douglas Regional Port Authority Consent Agenda consisting of September 26th, 2023 Meeting Minutes, Calendar of Events, and Check Register Pages #2023-38 through #2023-41, including Electronic Transfers.

Motion Passed 6-0

PUBLIC COMMENTS: An opportunity for public comment was provided. No public comments were received.

PRESENTATION:

- **YMCA – Dorry Foster and Steve Robinson/Chelan PUD – Dan Frazier:** Dorry Foster, Steven Robinson and Dan Frazier updated the Board on the expansion of the YMCA and the process that led to the Purchase and Sale Agreement on Lot 8 of the 5th Street Property development. Dan explained the differences in process between how the Regional Port surpluses property and how the Chelan PUD does. Kuntz noted the difficult position that this discrepancy has put the Board in and both parties agreed that further discussion is needed to ensure smooth execution on future projects. Discussion ensued on developing a reversion clause or added language within the waiver to ensure that the first right of refusal will revert to the Regional Port in the unlikely event that the current project falls through.

PORT OF CHELAN COUNTY ACTION ITEMS:

Chelan County 5th Street Development

Discussion occurred following the presentation from YMCA and Chelan County PUD officials and the following motion was made:

<i>Motion No.</i>	10-02-23 POCC
<i>Moved by:</i>	<i>JC Baldwin</i>
<i>Seconded by:</i>	<i>Richard DeRock</i>
	<i>To approve Chelan County PUD's request to waive the Port of Chelan County's Option to Purchase lot 8 within the PUD's 5th Street Redevelopment plan, contingent upon the YMCA closing on the sale of said property.</i>

Motion Passed 3-0

PRESENTATION:

- **Marathon Digital Holdings – Cassandra Divis:** Cassandra Divis presented to the Board a project that Marathon Digital Holdings is pursuing that allows heat produced from their bitcoin mining to be used to warm water in shrimp farming. This closed system would be a wonderful alternative to wastewater and creates a new path of revenue for the company. This same use could be applied to the data centers located in Douglas County and being built in Chelan County. Marathon Digital Holdings will need additional space to build out the shrimp farm and options were discussed.

CHELAN DOUGLAS REGIONAL PORT AUTHORITY ITEMS:

Volaire Aviation Consulting Agreement

Kuntz shared that Jack Penning with Volaire Aviation has been a contracted consultant for years and that his current contract is up for renewal. He gave a historical review of the investment made into Volaire Aviation to promote enhanced air service. Kuntz discussed the pilot supply gap continuing to worsen before it gets better and the reality of Volaire Aviation may be unable to help secure additional air service in the next few years. Discussion ensued with the Board choosing to table the decision until additional information could be reviewed.

At 10:12 a.m. Commissioner Spurgeon called for a 10-minute break.

EXECUTIVE SESSION:

Executive Session was announced at 10:22 a.m. for a period of twenty minutes with no action anticipated at the conclusion of the session. The purpose consisted of RCW 42.30.110(1)(i) to discuss with legal counsel litigation, potential litigation and/or legal risks and RCW 42.30.110(1)(b) to consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. The Executive Session was extended for fifteen minutes at 10:42 a.m. Executive Session concluded at 10:57 a.m.

Meeting reconvened in Regular Session at 10:58 a.m.

Commissioner Etherington was excused at 11:00 a.m. for a prior commitment.

Agreement for Executive Director Services – North Central Washington Economic Development District

Kuntz discussed the plan to contract Craig Larsen to the Economic Development District as Executive Director as their current Executive Director, Alyce Brown, steps down. Kuntz reviewed details of the agreement and the following action was taken:

Motion No. 10-03-23 CDRPA
Moved by: Jim Huffman
Seconded by: JC Baldwin
To authorize the CEO to enter into an agreement with North Central Washington Economic Development District to contract Regional Port employee, Craig Larsen, to serve as the EDD Executive Director.

Motion Passed 5-0
*Dir. Etherington Excused

PORT OF CHELAN COUNTY ACTION ITEMS:

Purchase and Sale Agreement – Addendum No. I John Ford III and Patsy Ford Property

Kuntz shared that a portion of the Ford property has been selected as a promising site for a Malaga water reservoir. The Fords have requested \$75,000 per acre and a closing date of January 15th, 2024. Discussion ensued and the following action was taken:

Motion No. 10-04-23 POCC
Moved by: JC Baldwin
Seconded by: Richard DeRock
To authorize the CEO to enter into Addendum No.1 to the Purchase and Sale Agreement for the John Ford III and Patsy Ford property in Malaga.

Motion Passed 2-0
*Dir. Etherington Excused

CHELAN DOUGLAS REGIONAL PORT AUTHORITY ITEMS:

Purchase and Sale Agreement – Addendum No. I John Ford III and Patsy Ford Property

The Addendum No. I was presented for full Board approval.

Motion No. 10-05-23 CDRPA
Moved by: Jim Huffman
Seconded by: Richard DeRock
To concur with POCC action item authorizing the CEO to enter into Addendum No.1 to the Purchase and Sale Agreement for the John Ford III and Patsy Ford property in Malaga.

Motion Passed 5-0
*Dir. Etherington Excused

North Central Educational Service District Lease Renewal

Lough reported that North Central Educational Service District's lease will expire on December 31st, 2023 and that they are seeking to renew it for one year with two one-year extensions. Discussion included arranging a future tour of the facility for the Board.

Motion No. 10-06-23 CDRPA
Moved by: JC Baldwin
Seconded by: Richard DeRock
To authorize the CEO to enter into a Lease Renewal with North Central Educational Service District.

Motion Passed 5-0
*Dir. Etherington Excused

INFORMATIONAL ITEMS:

EPA Brownfields Grant – Closeout Fact Sheet – de Mestre reviewed the history of the three-year grant and shared with the Board the fact sheet that will be shared with the community highlighting the projects the grant covered.

2024 Rates and Charges – Kuntz shared that staff is working to establish the Regional Port 2024 Rates and Charges. Lough reviewed details with the Board regarding potential changes. Staff will bring this back to the Board for potential adoption at the October 24th, 2023 or November 14th Board meeting.

Second Addendum – Microsoft Phase I Water Improvements – de Mestre reviewed the need for the addendum with so many changes in the project occurring over the past 18 months. She noted that Pete Fraley, Ogden Murphy Wallace, has worked on the addendum and the main changes are deadline dates with no change to the budget cap anticipated. de Mestre reviewed the money spent to date and how contingencies have been utilized.

MISCELLANEOUS STAFF REPORTS:

Kuntz provided information and updates including:

- Shared that he and Commissioner Spurgeon hosted the House Local Government Committee for a tour of the Microsoft property in Malaga during a scheduled visit to Wenatchee.
- Updated the Board on needed repairs to the Cashmere Mill District sidewalks will be discussed at the Board Retreat.
- Informed the Board that a conditional use permit will be needed for the Washington State Army National Guard site. The process to obtain a conditional use permit has commenced.

Lough provided information and updates including:

- Reviewed with the Board the 2024 tax levy projections for Chelan and Douglas Counties.
- Shared the Return on Investment for the Executive Flight Building.

Moyers provided information and updates including:

- Updated the Board on the VIRtower landing and takeoff numbers for September 2023 with Pangborn Memorial Airport at 1,659, Chelan Airport at 575, Waterville Airport at 20 and Mansfield Airport at 6. Moyers noted that Waterville was only active for half of the month.
- Shared that Taxiway B pavement is completed, and that Selland Construction is working to pave the access road. The project is scheduled to be completed at the end of November.
- Taxiway A is open and fully operational. There are areas of the runway where staff have found the pavement to not be up to standard. Staff is working with Ardurra to find a solution and work for that may lead in to 2024.
- Shared that the Triennial Aircraft Crash Exercise occurred on October 7th, 2023 and was a successful event.

de Mestre provided information and updates including:

- Updated the Board on the ongoing electrical work needed on the Apron. Additionally, she shared that staff has rejected the Engineer's suggestion to fix a problem with concrete scaling on the apron and that work is ongoing to find suitable solution.
- Shared that BerryDunn will be presenting to the Regional Sports Complex Steering Committee on Feasibility Study Phase I findings on October 26th.
- de Mestre reviewed the recent kick-off meeting for Airlift Northwest's hangar. Shared that staff is working with the Department of Health and University of Washington representatives on design. The project is scheduled to go out to bid in early spring, with an estimated six-month build-out timeline.
- Updated the Board on the status of the "No Further Action" (NFA) letter for the Cashmere Mill District.

Degnan provided information and updates including:

- Degnan shared the CTC's Third Quarter Revenue Report with the Board. She noted that the amounts do not include the \$75,000 coming from the Chelan County PUD.
- Reviewed the Revenue versus Expenses report and the Chelan County PUD Meeting Room Usage report.

Larsen provided information and updates including:

- Shared with the Board that the North Central Washington Economic Development District's 2023 Supernova event was a success with Lupine Medical being the winner out of five finalists.
- Updated the Board on a meeting he had with the Mayor of Chelan who shared that the city is currently working on multiple water infrastructure projects.
- Reminded the Board of the upcoming NCW Life Interview regarding the Unified Tax Levy.

PUBLIC COMMENTS: An opportunity for public comment was provided. No public comments were received.

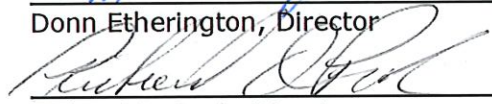
Meeting adjourned at 12:36 p.m.

Signed and dated this 24th day of October 2023.

CHELAN DOUGLAS REGIONAL PORT AUTHORITY



Donn Etherington, Director



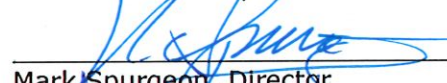
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