

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, January 8, 2009**

The meeting of the Port of Walla Walla was called to order by Commission President Fred Bennett at 12:00 p.m. Commissioner Bennett conducted a workshop session from 12:00 to 12:50 p.m. at the Modern Restaurant, 2200 E. Melrose St., Walla Walla, Washington. At 1:00 p.m. Commissioner Bennett convened the regular Commission Meeting at Port of Walla Walla offices, 310 A Street, Walla Walla, Washington.

In attendance for the meeting were:

Commissioner Paul Schneidmiller
Commissioner Fred Bennett
Commissioner Mike Fredrickson
Jim Kuntz, Executive Director
Paul Gerola, Economic Development Director
Becky Hulse, Executive Assistant
Ron Johnson, Assistant Airport Manager-Operations
Jennifer Skoglund, Assistant Airport Manager-Administrative Services
Anna Christen, Auditor/Treasurer
Norm Osterman, Citizen
Thomas K. Baffney, Port Counsel
Denice Trimble, Port Special Legal Counsel (via conference phone)

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meeting held on Tuesday, December 30, 2008 be approved as mailed. Motion unanimously carried.

ELECTION OF OFFICERS

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion nominating Fred Bennett President, Mike Fredrickson Vice President and Paul Schneidmiller Secretary. Motion unanimously carried.

PUBLIC COMMENTS

Norm Osterman read a letter requesting the Port provide him with information on a variety of subject matters. Executive Director Kuntz reported he would write Mr. Osterman a letter containing the information requested.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from December 12, 2008 through January 8, 2009.

B. Port & Airport Fund Balances

Commissioners reviewed the Port and Airport's fund balances as of January 5, 2009.

C. Walla Walla University Flight School Office Lease

Assistant Airport Manager-Administrative Services Jennifer Skoglund reported Walla Walla University has leased office space from Mr. Litzenberger to house their flight school program.

D. 2008 Horizon Air Passenger Enplanements

Commissioners were informed passenger enplanements for 2009 total 29,582 which is a 3.2% increase over last year. For the month of December passenger enplanements totaled 3,149 which represent a 14.2% increase from last December.

E. FAA Certification Inspection

Assistant Airport Manager Ron Johnson reported the FAA has scheduled their annual Certification inspection of the Walla Walla Regional Airport for late January.

F. Draft 2009 Economic Development Plan

Economic Development Director Paul Gerola distributed the Port's draft 2009 Economic Development Plan to Commissioners. The plan has also been distributed to community

members who attend the Port's Economic Development Advisory Committee meetings for their input.

G. U.S. Highway 12 Year End Report

Executive Director Kuntz reviewed with Commissioners the 2008 income and expense report for the U.S. Highway 12 Coalition. The Port obtained \$63,200 in contributions which includes \$10,000 from the Port. Expenses for the Port's contract with Ball Janik were \$62,786.

H. Review of Calendar of Events

Commissioners reviewed a listing of upcoming Port-related events.

MEETING RECESS

At 1:30 p.m. Commissioner Bennett announced the recess of the Port of Walla Walla Commission meeting in order to hold the annual Port of Walla Walla Public Corporation Meeting.

At 1:35 p.m. Commissioner Bennett reconvened the regular Port Commission Meeting.

OLD BUSINESS

A. Port of Walla Walla

1. Burbank/Chevron Update

Denice Trimble, Special Legal Counsel, reviewed with Commissioners a letter recently received from Chevron. Chevron has now agreed to take over the environmental investigation related to petroleum contamination coming from its valve station in Burbank. While Chevron's involvement is a positive first step, Port Commissioners directed Ms. Trimble to make sure the Port retains oversight regarding the scope of work and timelines for the additional contamination investigation needed at the Port's Burbank Industrial Park.

2. Extension Agreement – Port Option to Purchase NWLB Property

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to enter into an agreement granting the Port an extension to its option to purchase the NWLB Property from January 30, 2009 until April 1, 2009. Motion unanimously carried.

3. Travel Agency Concept

At the request of Bud Pringle, the Port Commission discussed the viability of starting a travel agency. The Port Commission decided not to pursue this business venture. Commissioner Schneidmiller abstained from the discussion.

4. Roofing Projects

Executive Director Kuntz reviewed with Commissioners a listing of roofs that were impacted during the recent snowstorms. Kuntz reported he would be retaining Meyer Enterprises to inspect the roofs and make recommendations concerning which roofs need immediate repair and/or replacement.

NEW BUSINESS

A. Port of Walla Walla

1. Managing Authority Resolution 01-08-09

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion to adopt resolution 01-08-09 delegating certain administrative powers and duties to the Executive Director. Motion unanimously carried. The resolution is hereby incorporated into the minutes.

2. Precision Beam & Timber

Commissioners reviewed a letter received by Port tenant Precision Beam & Timber announcing they have ceased operating and have retained a bankruptcy

attorney for guidance. Executive Director Kuntz reported their lease with the Port expired on December 31, 2008.

B. Walla Walla Regional Airport

1. 2009 Capital Projects

Executive Director Kuntz past out a listing of airport capital projects approved by the Port Commission and adopted as part of the 2009 airport budget. During the budget adoption process Commissioners requested staff not proceed with capital projects until additional Port Commission input was obtained due to challenging economic times. Commissioners reviewed airport capital projects and authorized Port staff to commence with FAA related projects, the acquisition of a maintenance truck, subdivision of Building 1101 and engineering services related to the Olson well.

2. GSA/Army Corps of Engineers Lease – Airport Building 725 E Street

Commissioners reviewed a letter from the General Services Administration (GSA) stating the Airport was out of compliance with several lease conditions.

Commissioners reviewed the letter and asked staff to meet with GSA to further discuss the issues.

EXECUTIVE SESSION

Port Commission President Bennett announced the convening of an Executive Session to meet with Port Legal Counsel regarding potential litigation and potential acquisition of real estate.

The meeting was adjourned at 5:40 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

FRED R. BENNETT, PRESIDENT

MICHAEL FREDRICKSON, VICE PRESIDENT

PAUL H. SCHNEIDMILLER, SECRETARY