

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

The meeting of the Port of Walla Walla was called to order by Commission President Fred Bennett. Commissioner Bennett conducted a workshop session from 12:00 to 12:50 p.m. at Caravaggio's, 45 Terminal Loop Road, Walla Walla, Washington. From 1:00 to 1:25 p.m. Commissioners toured the aviation ramp rehabilitation project. At 1:30 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 REGULAR MEETING WERE:

Fred Bennett, Commissioner
Paul Schneidmiller, Commissioner
Mike Fredrickson, Commissioner
Jim Kuntz, Executive Director
Paul Gerola, Economic Development Director
Becky Hulse, Executive Assistant
Jennifer Skoglund, Airport Manager
Gary Stewart, Maintenance & Operations Supervisor
Anna Christen, Auditor/Treasurer
Kraig Kushar, Washington State Department of Commerce
Ron Dunning, Touchet Seed & Energy
Clarence Anderson, Blue Mtn. Credit Union
Richard McFarland, McFarland Farms
Jeff Norrbohm, SS Equipment

APPROVAL OF MINUTES

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion that the minutes of the Port Commission meeting held on Thursday, September 24, 2009 be approved as corrected. Motion unanimously carried.

PUBLIC COMMENTS

Kraig Kushar, Regional Manager for the Washington State Department of Commerce, reviewed with Commissioners several reorganization options being considered for the Department of Commerce. Commissioners stated they would like to see the department focused on creating new jobs and funding infrastructure investments.

Jeff Norrbohm, SS Equipment, reported they are looking to relocate their operations from the end of Dell Avenue to a new location in Walla Walla. He inquired as to the availability of property within the Port's Avery Street Business Park. Port staff reported they do not believe an implement equipment dealership located within the industrial park is a good fit with the existing businesses. Port staff reported they would work with Mr. Norrbohm to identify other locations that may be more suitable within the community.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from September 25, 2009 through October 8, 2009.

B. Washington State Penitentiary Taskforce

Executive Director Kuntz reported on recent meetings held in Olympia with legislators. Kuntz also reported on meeting logistics for the upcoming meeting with the Washington State House leadership team in Walla Walla on Saturday, October 10. Excepted to attend the meeting are Speaker Frank Chopp, Majority Leader Lynn Kessler and Majority Whip Sharon Tomiko Santos.

C. U.S. Highway 12 Coalition – Fund Raising Update

Commissioners reviewed a listing of public and private businesses that have made contributions to the U.S. Highway 12 Coalition during fiscal year 2009.

D. WPPA - Legislative Agenda

Commissioners reviewed the proposed Washington Public Ports Association legislative agenda for the 2010 session. Commissioners expressed concern with some of the legislative priorities. Commissioners also concurred with Port staff recommendations that several Port of Walla Walla priorities should be asked to be added to WPPA's legislative list. Commissioners asked Executive Director Kuntz to communicate to WPPA the Port's legislative priorities.

E. Port of Walla Walla Five Year Cash Flow Projection

Executive Director Kuntz reviewed with Commissioners a five year Port cash flow projection of revenues and expenses. While Port revenues exceed expenses in each of the five years, the Port lacks sufficient margins to have an aggressive capital expenditure plan. Kuntz recommended that as the Port develops property in the future, it should look for opportunities to increase annual operating revenues in-lieu of one time revenue gains.

F. Gagnon Farms

Port staff provided Commissioners with a status report on the Gagnon Farms lease at the Walla Walla Regional Airport. Executive Director Kuntz reported he met with the Gagnon's and gave them until the end of the year to bring their account current.

G. Horizon Enplanement Report

Airport Manager Jennifer Skoglund reported passenger enplanements from January through September are up 9.9% as compared to the same period last year. For the month of September passenger boardings are up 14.1% as compared to September of last year. Commissioner Schneidmiller reported he is optimistic total passenger enplanements for fiscal year 2009 could reach 31,000.

OLD BUSINESS

A. Port of Walla Walla

1. Authorization to Sell Dirt – WSDOT Burbank Interchange Project

Executive Director Kuntz reported the Port could provide up to 200,000 cubic yards of dirt from its Burbank Business Park as fill dirt for the interchange project. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Port to make the dirt available for the project conditioned on contractor paying \$1 (one dollar) per cubic yard for the dirt. Motion unanimously carried.

2. Final Audit Report

Commissioner Fredrickson reported he attended the Exit Conference concerning the State Auditor's Office audit on the Port/Airport for fiscal year 2008.

Commissioner Fredrickson reported there were no findings and thanked Port staff for its efforts resulting in a successful fiscal year 2008 audit.

NEW BUSINESS

A. Port of Walla Walla

1. Crown Building - Insulation

Port staff recommended the Port Commissioners consider insulating portions of the upper warehouse of the Crown Cork & Seal Building in order to save on large winter heating bills. Port staff estimated the cost to insulate at approximately \$7,900 plus tax. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing Port staff to obtain insulation bids

and to proceed with the project conditioned on total costs not to exceed \$10,000 including tax. Motion unanimously carried.

2. Burbank Business Park – Protective Covenants

Commissioners reviewed draft protective covenants for the Burbank Business Park. Commissioners provided staff with input that will be incorporated into the next revised draft.

The meeting was adjourned at 5:30 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

FRED R. BENNETT, PRESIDENT

MICHAEL FREDRICKSON, VICE PRESIDENT

PAUL H. SCHNEIDMILLER, SECRETARY