

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
WEDNESDAY, NOVEMBER 18, 2009**

REGULAR SESSION

Commission President Bennett convened the Port of Walla Walla Special Commission Meeting at 1:40 p.m. at the office of Gordon Derr, real estate and land use counsel, 2025 First Avenue, Seattle, Washington.

In attendance for the meeting were:

Fred Bennett, Commissioner
Paul Schneidmiller, Commissioner
Mike Fredrickson, Commissioner
Ron Dunning, Commissioner-Elect
Jim Kuntz, Executive Director
John Wells, Anderson Perry & Associates (via telephone)
Denice Trimble, Outside Counsel (GordonDerr)
Tadas Kisielius, Outside Counsel (GordonDerr)
Adam Gravley, Outside Counsel (GordonDerr)
Keith Moxon, Outside Counsel (GordonDerr)

FIBER FARM

Executive Director Kuntz updated the Commissioners that Boise White Paper plans to start harvesting half of the Fiber Farm trees sometime in March 2010. This is earlier than expected. Commissioners and Executive Director Kuntz asked Adam Gravley, Gordon Derr (AG), to review issues relating to the water rights. Executive Director Kuntz asked John Wells, Anderson Perry & Associates, to follow up with Boise for water usage logs. Executive Director Kuntz asked Gordon Derr to review prior litigation against Boise with respect to the Fiber Farm Property and to summarize for the Commissioners.

BURBANK BUSINESS PARK

Executive Director Kuntz provided background information regarding the Burbank Business Park (BBP), including the goals and objectives for its development. Denice Trimble, Gordon Derr, briefly described how each of the various agreements would work to accomplish the Port's goals in seeing the BBP develop into a mixed use business park.

Executive Director Kuntz and Tadas Kisielius, Gordon Derr (TK), summarized the current zoning of the BBP. The Port has an application filed with the County to amend the County's comprehensive plan to allow for greater flexibility with respect to commercial use. Following this change, the Port intends to file an amendment to the County Code. Sometime in December, the County will provide a schedule of when it will consider Code changes. Commissioner Schneidmiller asked whether there were any obstacles to these changes. TK believed there would not be based on our relations with the County, and now that the location of the Highway 12 interchange has been identified. Commissioner-Elect Dunning asked about the

potential for residential use within the BBP. TK indicated that the current County Code would not allow residential use, and that further discussions with the County would need to occur.

With respect to the water system, Executive Director Kuntz indicated that approximately \$1.9 million in capital costs must still be recovered, and the Port will also need to improve the infrastructure at some point. Port staff and consultants are continuing to work up these costs to determine what needs to be recouped. Commissioners asked AG, his thoughts on the best way to proceed with the recoupment from its end users. AG recommended that the Port handle these issues within a utility agreement, and consult with a rate specialist to come up with the best formula for connection charges and rates.

With respect to sewer service at the BBP, Executive Director Kuntz explained that the best option at this time will be the use of a membrane bioreactive system. Port staff will tour two facilities with this type of technology this Friday. The initial unit will handle approximately 50,000 gallons per day, and cost roughly \$1 million. As need increases, additional units can be added. Class A water would be the end product that could potentially be used for irrigation or wetland enhancement. AG recommended that costs be further investigated and that a rate specialist be consulted. Commissioners directed AG to begin work on a utility agreement, in consultation with John Wells, Anderson Perry & Associates.

TK briefed the Commissioners on SEPA requirements. Commissioners directed Port staff to conduct SEPA when the Port is ready to adopt a final set of CCRs for the BBP.

Executive Director Kuntz gave an update on the binding site plan process. TK recommended that the binding site plan be filed after the County approves the proposed changes to the Code regarding zoning.

Denice Trimble, Gordon Derr (DT), walked the Commissioners through the remainder of the CCRs. Commissioners directed her with respect to how the budget should be allocated to lot owners, signage regulations, alteration requirements, and use restrictions. Executive Director Kuntz requested another draft of the CCRs for Commissioners and Port staff to review prior to starting the process of approval.

CHEVRON

DT updated the Commissioners on the status of discussions with Chevron regarding gaining access to the site for Chevron to continue the investigation and remediation work. Keith Moxon, Gordon Derr, provided background information to the Commissioners regarding their rights under the Model Toxics Control Act. Commissioners directed DT to provide their final changes to the access agreement and timeframes of when the access agreement and cost reimbursement issues must be settled.

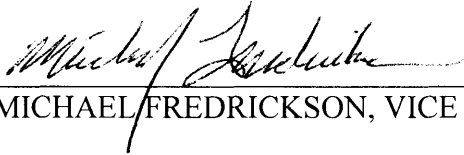
The meeting was adjourned at 5:20 p.m.

APPROVED:

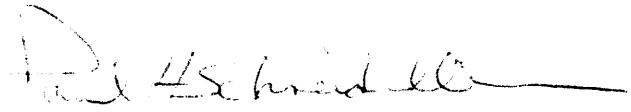
PORT OF WALLA WALLA COMMISSIONERS



FRED R. BENNETT, PRESIDENT



MICHAEL FREDRICKSON, VICE PRESIDENT



PAUL H. SCHNEIDMILLER, SECRETARY