

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, December 10, 2009**

The meeting of the Port of Walla Walla was called to order by Commission Vice President Mike Fredrickson. Commissioner Fredrickson conducted a workshop session from 12:00 to 12:50 p.m. at Caravaggio's, 45 Terminal Loop Rd., Walla Walla, Washington.

At 1:00 p.m. Commission President 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:

Paul Schneidmiller, Commissioner
Fred Bennett, 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
Ron Dunning, Commissioner-Elect
Richard McFarland, McFarland Farms
Wayne Turner, Fort Walla Walla Muzzle Loaders, Inc.
Kurt Addicott, Reid Middleton
Greg Skorheim, Kibble & Prentice Claims Preparation Services
Stephanie Grassia, Special Counsel-Insurance

APPROVAL OF MINUTES

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

meetings held on Tuesday, December 1, 2009 and Monday, December 7, 2009 be approved as mailed. Motion unanimously carried.

PUBLIC COMMENTS

Wayne Turner, Fort Walla Walla Muzzle Loaders, expressed concern with the scheduled rental increase from \$21.00 to \$100.00 per month for the ammo closets effective January 1, 2010. Mr. Turner reported his organization has already prepaid rent through August 2010 at the lower rental amount and requested the Port Commissioners honor this prepayment of rent.

CORRESPONDENCE & REPORTS

A. Washington State Penitentiary Taskforce

Commissioners were informed the Governor's budget has proposed closing one wing at the old main institution at the Washington State Penitentiary. This would eliminate approximately 29 jobs when the closure takes place in November of 2010. The Governor's capital budget includes \$6.8 million to begin design for new medium security units at the Washington State Penitentiary. The new units would be more cost effective to staff and would eventually replace prison beds in the old main institution which will eventually be closed.

B. Economic Incentive Comparison

Commissioners reviewed a state-to-state ranking of economic incentives offered to businesses. The state of Washington was listed as being noncompetitive for incentives according to the ranking prepared by CB Richard Ellis.

C. Port – November Income & Expense Report

Executive Director Kuntz reviewed with Commissioners the Port's statement of income and expenses for November.

D. U.S. Highway 12 Coalition – Fundraising Update

Commissioners reviewed a listing of public and private businesses that have made contributions to the U.S. Highway 12 Coalition in fiscal year 2009. Executive Director Kuntz reported that unless additional contributions are made by year end the Port's 2009 contribution will exceed \$21,000.

E. Personal Service Contracts

Executive Director Kuntz reported a new state law requires Port Districts to develop policies for personal service contracts by January 2010. Commissioners reviewed a handout listing the type of personal service contracts and dollar amounts that will need to be included in a Port policy. Executive Director Kuntz reported a policy will be prepared for Port Commission approval on January 14, 2010.

OLD BUSINESS

A. Port of Walla Walla

1. Gen-X Building Insurance Claim

Executive Director Kuntz reviewed with Commissioners the overall status of the insurance fire claim related to the Port-owned Gen-X building. Port Special Counsel Stephanie Grassia reviewed the insurance policies and coverage limits of the two insurance companies (Penn Millers and Enduris) that the Port will submit "proof of loss" claims too. Greg Skorheim, Kibble & Prentice Claims Preparation Services, reviewed with Commissioners the types of claims the Port will be able to

submit which includes a building claim, business income claim, and extra expense claim.

Commissioners expressed a preference to utilize the proceeds of the insurance settlements to build in another location in Burbank. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to submit “proof of loss” claims to both insurance companies with input from Mr. Skorheim and Ms. Grassia to ensure the Port obtains fair insurance settlements. Motion unanimously carried.

2. Westborne Acres Water Study

Executive Director Kuntz reported Westborne Acres has asked the Port to become the local sponsor for a Washington State Department of Health funded study that would look at options to supply Westborne Acres with a more reliable source of potable water. The study would include the feasibility of hooking up to the Ports Burbank Water System. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Port to become the local sponsor conditioned on the Port’s administrative expenses being covered by the grant and further conditioned on there being no local match required. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Revised Terminal Building Advertising Rates

Airport Manager Skoglund reviewed with Commissioners a proposed revision to the terminal building advertising rate schedule. The proposal would reduce advertising rates by 10%. Commissioner Schneidmiller commented that due to the

challenging economy and reduced commercial flight schedule, the proposed revised rates seem reasonable. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to adopt the new advertising rate schedule as proposed. Motion unanimously carried.

2. Authorization to Sell Remaining Wheat

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the airport manager to sell the remaining 2009 wheat crop. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. Burbank FEMA Flood Map

Commissioners reviewed a FEMA flood plain map for the Burbank area that was completed in 1983. The flood plain covers all of the Port's heavy industrial zoned property and a small portion of the Port's new mixed use business park property. Executive Director Kuntz reported the Port needs to obtain information on the "base flood elevation" (BFE) in the area. The Port may need to hire a hydraulic consultant to obtain this information.

2. 2010 Tradeshow Recommendations/Calendar of Events

Commissioners reviewed staff recommendations to attend three tradeshows in 2010 all related to the solar and wind industry. Commissioners also reviewed the Port's 2010 master calendar of events and made assignments for Commissioner participation.

3. Authorization to Purchase Property – Isaacs Avenue (Klicker Sisters)

Executive Director Kuntz reviewed the terms and conditions of purchasing approximately 1.35 acres from the Klicker Sisters at a sale price of \$15,000 plus closing costs. A portion of the property borders the Port's Isaacs Avenue business park. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to proceed with purchasing the property. Motion unanimously carried.

4. **Authorization to Enter into a Government Services Agreement with Ball**

Janik – U.S. Highway 12

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to enter into a governmental services agreement with Ball Janik for fiscal year 2010 related to the U.S. Highway 12 Coalition at a cost of \$5,000 per month plus expenses. Motion unanimously carried.

5. **Authorization to Enter into a Government Services Agreement with Ball**

Janik – Port Projects

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to enter into a governmental services agreement with Ball Janik for fiscal year 2010 for federal support of Port infrastructure projects at a cost of \$2,000 per month plus expenses. Motion unanimously carried.

6. **Authorization to Enter into Wastewater Study for Burbank Business Park**

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to enter into an agreement with

Anderson Perry & Associates to prepare an engineering report and associated environmental studies for the planned Burbank wastewater treatment system in an amount not to exceed \$160,000. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Renaming of the Airport Terminal Building Community Meeting Room

In recognition of Commissioner Bennett's legacy of service on the Port Commission, Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to rename the airport terminal building community meeting room the "Bennett Community Meeting Room". Motion carried.

2. Litz, LLC - Request to Reduce Parcel Size

Airport Manager Skoglund reviewed with Commissioners the three parcels of property leased by Litz, LLC. Commissioners were informed Litz, LLC would like to return undeveloped parcel #3 (11,591 square feet) due to challenging economic conditions. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to accept the return of parcel #3 subject to all past rents first being paid in full and with the understanding the Port will not grant any rights of first refusal for said parcel. Motion unanimously carried.

3. Fort Walla Walla Muzzle Loaders – Ammo Closet Lease

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion to honor the pre-paid rent of Fort Walla Walla Muzzle Loaders for ammo closet #3 with the understanding that once the prepaid rent has been used up Fort

Walla Walla Muzzle Loaders will move out of the ammo closet and/or pay the new revised rate of \$100 per month plus tax. Motion unanimously carried.

The meeting was adjourned at 4:35 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

FRED R. BENNETT, PRESIDENT

MICHAEL FREDRICKSON, VICE PRESIDENT

PAUL H. SCHNEIDMILLER, SECRETARY