

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, December 11, 2008**

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 the Modern Restaurant, 2200 E. Melrose Street, 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 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
Ron Johnson, Assistant Airport Manager-Operations
Jennifer Skoglund, Assistant Airport Manager-Administrative Services
Anna Christen, Auditor/Treasurer
Bud Pringle, Citizen
Vicki Hillhouse, Walla Walla Union-Bulletin Reporter
Heidi McAffrey, Tower Manager
Scott Hanson, Enduris Insurance Services
Greg Tompkins, Citizen
Dr. Steve VanAusdle, President, Walla Walla Community College
Jim Peterson, Vice President, Walla Walla Community College
Beth Clark, Landau Associates

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meetings held on Monday, November 24, 2008 and Monday, December 1, 2008 be approved as mailed. Motion unanimously carried.

PAYMENT OF BILLS

Vouchers of the Port of Walla Walla audited and certified by the auditing officer as required by RCW 42.24.808. and those expense reimbursement claims certified as required by RCW 42.24.090. have been recorded on lists, which have been made available to the Board. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the Board approve for payment those vouchers included in the above mentioned lists and further described as follows: Port of Walla Walla General Fund voucher numbers 6917 through 6970 (system numbers 43735-43788) in the amount of \$652,752.66 and ACH/EFT amounts of \$500,490.19. Walla Walla Regional Airport General Fund voucher numbers 9256 through 9304 (system numbers 1101-1149) in the amount of \$471,544.76 and ACH/EFT amount of \$5,810.55. Port of Walla Walla Grain Car Fund voucher number 180 (system number 78) in the amount of \$100,000. May 22, 2008 Port of Walla Walla General Fund ACH/EFT amount of \$148,521.25 Motion unanimously carried.

PUBLIC COMMENTS

Bud Pringle commented that he believes the formula used by the Port to calculate the sale price of the Key Technology facility may be incorrect. Executive Director Kuntz reported staff will review the purchase formula contained in the Key Technology lease. In the event Port staff inadvertently miscalculated the sale price it would work with Key Technology to correct the error. Kuntz informed Mr. Pringle that he would provide him a copy of the lease agreement so that both parties have the same information regarding the purchase formula.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from November 24, 2008 through December 11, 2008.

B. Archeological Update – NWLB Property

Landau Associates provided Commissioners with their findings on the Phase II Archeological investigation. While some artifacts were found, the Key Technology project should be able to proceed without further archeological investigations as long as the building footprint and utility corridors do not change. During the construction phase a cultural resource specialist will need to be on site when native soil is being excavated.

Landau will be submitting their Phase II archeological report to the state office of Archeological & Historic Preservation prior to Christmas. The Port should receive within thirty days the state's comments regarding the Phase II investigative work.

Executive Director Kuntz reported that due to permit requirements from the State Archeological & Historic Preservation Office the costs for phase II archeological work will increase from \$79,578 to \$106,598.

C. U.S. Highway 12 Fundraising Update

Commissioners reviewed a listing of public and private businesses that have made contributions to the U.S. Highway 12 Coalition during fiscal year 2008.

D. Burbank Water System

Assistant Airport Manager Ron Johnson reported the Burbank water system continues to perform well. The vast majority of startup issues have been resolved. The water valves connecting the Columbia School District buildings will be turned on prior to Christmas.

At that time, all Burbank water system customers will be on-line.

E. Columbia View Water System Agreement Recap

Executive Director Kuntz reported Columbia View Water System has recently contacted the Port and would like to revisit the opportunity to connect to the Port's new Burbank Water System. Commissioners reviewed a recap of the wholesale water supply agreement previously negotiated between the parties. Commissioner Fredrickson noted that if Columbia View connects to the Port's new water system, the Port needs to find resources to drill a new shallow aquifer well to alleviate the sand issue with the current well.

F. Burbank-Chevron Update

Commissioners were informed Snake River Ag, LLC should have their molasses tanks removed from their property by the end of January. This will allow the Port's environmental engineering firm, Geo-Engineers to continue their investigation to determine the lateral extend of the petroleum release.

Commissioners also reviewed a letter sent to Chevron by Port special legal counsel Gordon Derr seeking evidence from Chevron that suggests other sources of petroleum are in the area, other than the Chevron pipeline, that could have contributed to the petroleum release.

G. Port Annual Newsletter

Commissioners received a copy of the Port's annual newsletter. Executive Director Kuntz reported the newsletter was being distributed to citizens within Walla Walla County via inserts in the Walla Walla Union-Bulletin and Waitsburg Times. The Port through a mailing service is direct mailing the newsletter to residents in Wallula and Burbank.

H. Walla Walla Trends – Traffic Report

Commissioners reviewed summary reports of October and November's internet traffic using the Port's newly developed Walla Walla Trends website.

I. City of Walla Walla RFP – Enhanced Use Lease Assistance

Commissioners were informed the City of Walla Walla will be issuing a Request for Proposal for consultants to assist local governments in participating in the Veterans Administration’s Enhanced Use Lease process for the Walla Walla VA Medical Center.

J. 2009 Meeting Schedule

Commissioners elected to retain the current meeting schedule for 2009. Port Commission meetings will be held on the second and fourth Thursday of each month. The first meeting of the month will start with a workshop session at 12 noon and a regular session at 1:00 p.m. The second meeting of each month will start with a workshop session at 5:00 p.m. and a regular meeting at 6:00 p.m.

OLD BUSINESS

A. Port of Walla Walla

1. Bid Award – Odom Warehouse Improvements

Commissioners reviewed the four bids submitted to remodel the small warehouse portion of the Isaacs Odom building. Commissioner Fredrickson moved and Commissioners Schneidmiller seconded the motion to accept Thad Sirmon Construction’s low bid at \$37,672.11. Motion unanimously carried.

2. Burbank High Dock Repairs

Executive Director Kuntz reviewed with Commissioners a draft agreement with Reid Middleton to provide design, bid support and construction administration support for the planned 2009 Burbank High Dock repair project. Reid Middleton services are projected to cost \$25,900. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive

Director to enter into the agreement with Reid Middleton. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Airport Operators & Owner Liability Insurance

Scott Hanson, Enduris Insurance Services, reviewed with Commissioners three quotes obtained to provide the Walla Walla Regional Airport with Aviation Liability Insurance. Commissioners debated which insurance coverage would be best for the airport. Commissioner Schneidmiller expressed support for the insurance quote provided by Old Republic Insurance in consideration it has the lowest premium costs. Commissioner Fredrickson expressed support for ACE Property & Casualty Insurance in consideration of the company's financial strength. Commissioners also discussed the advisability of paying additional premiums for terrorism and war coverage. Commissioner Bennett moved and Commissioner Schneidmiller seconded the motion that the Port accepts the insurance quote from ACE Property & Casualty Insurance at an annual premium of \$12,000 and not accepting terrorism or war coverage options. Motion carried.

NEW BUSINESS

A. Port of Walla Walla

1. Public Hearing

At 1:15 p.m. Commissioner Bennett announced the convening of a hearing to accept public comments on the Port's proposed supplemental budget #3 for fiscal year 2008. There were no public comments. Commissioner Bennett closed the public hearing at 1:16 p.m.

2. **Adoption of Supplemental Budget #3**

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to adopt resolution 12-11-08 thereby approving Port of Walla Walla Supplemental Budget #3. Motion unanimously carried.

3. **Team Washington Lead Generation Services**

Commissioners reviewed a proposal from the State of Washington Department of Community Trade & Economic Development concerning the hiring of a firm to help generate new business leads for the State of Washington. The consultant would focus on four targeted industries. Commissioners did not believe the targeted industries were a good fit for Walla Walla. Commissioners elected not to participate in the lead generation services at this time.

4. **Walla Walla Partnership**

Commissioners reviewed a draft concept paper prepared by several organizations interested in forming the “Walla Walla Partnership” to enhance economic opportunities within the greater Walla Walla Valley. The partnership would be comprised of one representative from each organization with that representative having the right to make binding decision for that organization. In addition, members of the organization would need to be willing to commit their staff to a defined course of action once a project is approved by the partnership. Executive Director Kuntz reported good communications already exists among the various agencies working in economic development. If there are specific economic development projects that benefit the valley, the agencies already have the ability to work together to accomplish them. Commissioners commented there are

already a host of working groups and committees in the Walla Walla Valley and did not see the merit of forming an additional organization.

5. Melrose Building Lease Rates

Executive Director Kuntz reported an existing business in the Walla Walla Valley has expressed preliminary interest in leasing and/or purchasing the Port's Melrose buildings. Kuntz reviewed with Commissioners a suggested lease price and purchase price. Commissioners made several changes to the document and authorized Executive Director Kuntz to present the lease and purchase price offer to the potential client.

6. Walla Walla Community College - .09 Sales Tax Application

Dr. Steve VanAusdle, President, Walla Walla Community College, reviewed their request for a \$200,000 economic development sales tax grant to expand the Bill Grant Water & Environmental Center. Greg Tompkins spoke in favor of the application. Jim Peterson, Vice President, Walla Walla Community College reviewed with Commissioners an artist rendering of the expansion. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to approve the Walla Walla Community College' request for a \$200,000 sales tax grant. Motion unanimously carried.

Executive Director Kuntz reported the Port's approval will now be submitted to Walla Walla County for their review and concurrence.

B. Walla Walla Regional Airport

1. Authorization to Sell Remaining Wheat Crop

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing Assistant Airport Manager-Administrative Services Jennifer Skoglund to sell the remaining Airport wheat crop. Motion unanimously carried.

2. **Balloon Stampede “Key Grab” Request to Use Skyview Clear Zone**

Commissioners reviewed a letter submitted by Jerry Cummins requesting the Port authorize the use of the Skyview clear zone property during the Walla Walla Balloon Stampede for a “Key Grab” event. Commissioners expressed support for the event subject to the Balloon Stampede providing the Port with satisfactory insurance coverage, that participants sign a hold harmless agreement protecting the Port and that the Balloon Stampede obtain the appropriate FAA waivers to fly in the airport clear zone.

3. **Lease Renewal – Rocky Jennings Enterprises**

Assistant Airport Manager-Administrative Services, Jennifer Skoglund, reported Rocky Jennings Enterprises lease at the Walla Walla Regional Airport is up for renewal. Commissioners reviewed a proposal that would incrementally increase the lease rate over a five year period. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion to approve the proposed lease rate and further authorized Executive Director Kuntz to enter into a lease extension agreement. Motion unanimously carried.

The meeting was adjourned at 4:40 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

FRED R. BENNETT, PRESIDENT

MICHAEL FREDRICKSON, VICE PRESIDENT

PAUL H. SCHNEIDMILLER, SECRETARY