

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Friday, February 13, 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 Street, Walla Walla, Washington.

Commissioner Bennett convened the regular Commission Meeting at 1:00 p.m. 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
Ron Johnson, Assistant Airport Manager-Operations
Jennifer Skoglund, Assistant Airport Manager-Administrative Services
Anna Christen, Auditor/Treasurer
John Wells, Anderson Perry & Associates, Inc.
Alan Schroeder, Anderson Perry & Associates, Inc.
Vicki Hillhouse, Walla Walla Union-Bulletin
Douglas Eadie, Meier Architects & Engineers
Richard McFarland, McFarland Farms
Dan Andrews, Columbia REA
Mark Hess, Baker Boyer Bank

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meeting held on Thursday, January 22, 2009 be approved as mailed. Motion unanimously carried.

PUBLIC COMMENTS

Richard McFarland expressed concern with the lack of adequate pavement markings and roadway reflectors on U.S. Highway 12 leading up to the new Myra Road roundabout. As a

result, visibility especially at night is difficult. Executive Director Kuntz said he would contact WSDOT with his concerns.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from January 23 through February 13, 2009.

B. U.S. Highway 12 Coalition – Washington, DC Visit Recap

Commissioner Schneidmiller and Executive Director Kuntz reported on meetings held in Washington, DC with Senator Murray, Senator Cantwell and Congresswoman McMorris Rodgers seeking federal support for the four laning of U.S. Highway 12.

C. FAA Contract Tower Program

Commissioner Schneidmiller and Executive Director Kuntz reported on a meeting held in Washington, DC with the FAA contract tower program manager. The purpose of the meeting was to seek FAA input on the Port's recently completed cost/benefit analysis of the Walla Walla Regional Airport control tower. The FAA did not believe the information provided by the Port will substantially change the Port's local cost requirement.

D. Airport – Part 139 Inspection Report

Assistant Airport Manager-Operations Ron Johnson reported the FAA has conducted its annual Part 139 inspection of the Walla Walla Regional Airport. Johnson reported the inspection was earlier than usual to allow the FAA to observe the airport's preparation for winter operations. The airport successfully passed the inspection and anticipates receiving a confirmation letter from the FAA within the next few weeks.

E. Key Technology – Archeological Report Update

Commissioners were informed the Washington State Department of Archeological & Historic Preservation has written a “Letter of Concurrence” with the archeological report prepared by Port consultant Landau Associates. The letter will allow the Key Technology expansion project to move forward without further archeological investigations.

Executive Director Kuntz reported economic conditions have changed since Key Technology first envisioned this expansion project. The Port will be meeting with Key concerning their interest in proceeding with the project.

F. Water System Updates – Burbank & Dodd Road

Assistant Airport Manager-Operations Ron Johnson reported the new Burbank water system is operating as designed. The Columbia School District continues to have challenges hooking up the Port’s water line to their internal water lines that serve their middle and grade schools.

Johnson also reported the Washington State Department of Ecology has granted Tyson Fresh Meats, Inc. a seasonal point of withdrawal transferring their water right to the Port’s Dodd Road well. The Port has started providing Tyson with water as of January 30, 2009.

G. Columbia View Water System

Executive Director Kuntz reported Columbia View Water System paid the Port \$215,959 on February 5, 2009. This payment reflects a capacity system charge to connect to the Port’s Burbank water system along with the estimated cost to extend a Port water line along Jantz Road. The Port will proceed with obtaining bids to extend the water line.

H. Service Transport Lease

Commissioners were informed Service Transport has elected not to renew their lease with the Port for property at the Burbank Industrial Park. The lease agreement will expire as of

February 28, 2009. Consistent with the lease agreement, a 4,000 square foot metal building installed by Service Transport will now become the property of the Port.

I. Burbank – Chevron Update

Commissioners were informed Chevron has agreed to pay for the next round of site investigation work in Burbank. Chevron will retain GeoEngineers to perform the work.

J. Horizon Air January Passenger Report

Assistant Airport Manager-Administrative Services Jennifer Skoglund reported January passenger enplanements totaled 2,554 which represent a 4.5% increase from January 2008. Commissioner Schneidmiller commented this was the best January on record for enplanements.

K. Property Sale to NWH Properties (Walter E. Nelson)

Executive Director Kuntz reported Walter E. Nelson Company has exercised their option to purchase Port property located at 100 North Avery Street. The transaction closed on February 2, 2009 with Walter E. Nelson Company paying \$807,688.62. Kuntz reviewed with Commissioners reservations the Port placed on the property including the right to repurchase the property and the right to use the concrete tower in the future for a Port video security camera.

L. Railex Rail Car Activity Report

Commissioners reviewed monthly Railex rail car activity reports from April 2007 through January 2009. Executive Director Kuntz reported Railex has commenced with two trains per week service resulting in approximately 338 rail cars being loaded and shipped to the East Coast.

M. EDA Presentation – Warehouse District

Commissioner Fredrickson reported the Port made a presentation to the Seattle Economic Development Administration Investment Committee on January 28, 2009 seeking a grant for the Warehouse District Project. Executive Director Kuntz, Economic Development Director Gerola, a representative from the City of Walla Walla and a representative from Maritime Trust were part of the presentation team. The Port plans on submitting a formal grant application request within the next few weeks.

N. Project Columbus

Economic Development Director Paul Gerola reported the Port's Wallula Gap Business Park has been short listed by a company interested in building a manufacturing plant that produces raw materials used for solar power generation devices. The Port anticipates the company will make a site visit in April.

O. Introduction of Part-Time Accounting Assistant

Port Auditor/Treasurer Anna Christen introduced Jackie Lancaster who will be working on a part-time basis at the Port to assist with accounting functions. Jackie is currently an accounting student at Walla Walla Community College.

OLD BUSINESS

A. Port of Walla Walla

1. Roof Inspection Report – Doug Eadie, Meier Enterprises

Doug Eadie reviewed with Commissioners his recent assessment of several roofs at the Port and Airport. Mr. Eadie recommended the Melrose Quonset building roof as well as the Crown Building lower warehouse roof be scheduled for replacement. The Melrose manufacturing building roof while nearing its useful life could be repaired to extend its life by several years.

Mr. Eadie recommended the old airport terminal building roof be repaired by applying a modified Bitumen roofing material. The building is not in a condition that warrants a new roof. Mr. Eadie also recommended the Airport-owned Olson Farm House roof be repaired at an estimated cost of \$4,200 and/or a new roof be installed at a cost of \$14,000. Commissioners requested an opportunity to tour the Olson Farm House prior to making a decision.

2. Establishment of Rental Rate – Isaacs Small Building

Executive Director Kuntz reported improvements to the Small Isaacs Building are nearing completion and Commissioners need to establish a lease rate for the facility. Executive Director Kuntz handed out a listing of investments made to the building and a suggested rental rate return of 10% per year. Commissioners concurred with the proposed rental rate.

3. Authorization to Proceed – Burbank Sewer Plan

Anderson Perry & Associates, Inc. representatives Alan Schroeder and John Wells reviewed with Commissioners a two phased plan to establish a regional sewer system for the Port's new Burbank Business Park. The first phase would be to complete a sewer study that projects flow rates, discharge standards and looks at alternative treatment systems. The second phase would be to complete an engineering report detailing the sewer treatment system to be used. The first phase is projected to cost \$20,000 and the second phase \$28,000. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the sewer study phase. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. **Adoption of 2009 Economic Development Plan**

Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion to adopt the 2009 Economic Development Plan. Motion carried.

2. **Isaacs Office Building – Insulation Bids**

Executive Director Kuntz reported two bids were received to reinsulate the Isaacs office building to reach an R-38 insulation value. The low bid was provided by Energy Insulation, LLC at a cost of \$1,400.00. Executive Director Kuntz reported he would be awarding the bid under his executive authority resolution.

3. **Washington State Banks – Public Deposit Issue**

Mark Hess, Baker Boyer Bank, reviewed with Commissioners a recent challenge for banks that hold public deposits. State law requires that if a bank fails and has public deposits, the remainder of banks in the state with public deposits must pay a prorated assessment to cover public deposits of the failed bank. This recently happened with the failure of The Bank of Clark County. Legislation is currently being proposed to limit a banks exposure to public deposits to that amount of money contained in their own bank.

4. **Fishing Recording Devise – Burbank Industrial Park**

Commissioners were informed the National Marine Fisheries Agency would be installing a fish counting device at the Port's Burbank Industrial Park. The devise would be installed in early March and removed at the end of July.

5. **Request to Install a Communication Tower at Wallula Gap Business Park**

Commissioners were informed a telecommunications company has expressed an interest in installing a communication tower at the Port's Wallula Gap Business Park. Executive Director Kuntz reported a lease rate was quoted to them

consistent with rates charged at the Walla Walla Regional Airport. It appears the communication company is unwilling to pay these lease rates.

B. Walla Walla Regional Airport

1. Bid Award Airport Well Pump Replacement & Electrical Improvements

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to approve the Olson Farm well pump and electric improvement bid to Current Electric Solutions, LLC at a cost of \$96,742 plus sales tax. Motion unanimously carried.

2. Engineering Agreement with Reid Middleton – North Ramp Rehabilitation Project

Executive Director Kuntz reported the Port has been negotiating an engineering agreement with Reid Middleton to provide engineering services for the North ramp rehabilitation project. Port staff believes Reid Middleton's initial proposal is unacceptable and negotiations are ongoing.

3. Personnel Announcements

Executive Director Kuntz reported Ron Johnson, Assistant Airport Manager-Operations has announced his plans to retire effective April 30, 2009. Executive Director Kuntz reported he would promote Jennifer Skoglund to the position of Airport Manager as of May 1. In addition, Ron Johnson's current position as Assistant Airport Manager-Operations will be re-named Maintenance & Operations Supervisor. This new position title will be filled by current maintenance employee Gary Stewart effective May 1, 2009.

4. Authorization to Acquire Airport Clear Zone Property from JRS Partners, LLC

Executive Director Kuntz reviewed with Commissioners the terms and conditions of purchasing 263.28 acres from JRS Partners, LLC at a sales price of \$824,250. A portion of the property is in the airport's clear zone and would be eligible to receive FAA funding. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to enter into a purchase and sale agreement with JRS Partners, LLC. Motion unanimously carried.

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