

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, February 25, 2010**

The meeting of the Port of Walla Walla was called to order by Commission President Mike Fredrickson at 5:00 p.m. Commissioner Fredrickson conducted a workshop session from 5:00 to 5:50 p.m. at El Sombrero Restaurant, 425 Ash Street, Walla Walla, Washington. At 6:00 p.m. Commissioner Fredrickson convened the regular Commission Meeting at Port of Walla Walla offices, 310 A Street, Walla Walla, Washington.

In attendance for the meeting were:

Mike Fredrickson, Commissioner
Paul Schneidmiller, Commissioner
Ron Dunning, Commissioner
Jim Kuntz, Executive Director
Paul Gerola, Economic Development Director
Becky Hulse, Executive Assistant
Jennifer Skoglund, Airport Manager
Gary Stewart, Operations & Maintenance Supervisor
Anna Christen, Auditor/Treasurer
Richard McFarland, Citizen
John Wells, Anderson Perry & Associates, Inc.
Damien Sinnott, Public Policy Analyst, Walla Walla Valley Chamber of Commerce
Fred Bennett, Retired Commissioner
Thomas K. Baffney, Port Counsel

EXECUTIVE SESSION

Commission President Mike Fredrickson announced the convening of an Executive Session to discuss with legal counsel potential litigation. The Executive Session concluded at 6:35 p.m.

APPROVAL OF MINUTES

Commissioner Dunning moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meeting held on Wednesday, February 10, 2010 be approved as mailed. Motion unanimously carried.

INVESTMENT REPORT

Anna Christian, Auditor/Treasurer, reviewed with Commissioners investments and checking account balances for both the Port and the Airport.

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 Schneidmiller moved and Commissioner Dunning seconded the Board approve for payment those vouchers included in the above mentioned lists and further described as follows:

January 28, 2010 Warrant Approval Document Corrections: the Port of Walla Walla General Fund system number 44836 was typed as \$1,531.56 and is hereby corrected to \$1,561.56. Port General Fund system number 44838 was typed as \$2,707.89 and is hereby corrected to \$2,707.46.

Port of Walla Walla General Fund voucher numbers 7941 through 8003 and system numbers 44854 through 44923 in the amount of \$313,169.91 and ACH/EFT amount of \$12,304.65. Walla Walla Regional Airport General Fund voucher numbers 10520 through 10586 and system numbers 2591 through 2675 in the amount of \$144,097.07 and ACH/EFT amounts of \$14,684.29. Motion unanimously carried.

PUBLIC COMMENTS

There were no public comments.

OLD BUSINESS

A. Port of Walla Walla

1. Odom Lease Agreement

Commissioners were briefed on the latest lease negotiations between the Port and The Odom Corporation regarding Odom's interest in renewing their lease agreement for an additional five years for the Isaacs Warehouse Building. Both parties have presented multiple lease rate proposals. Economic Development Director Paul Gerola recommended a compromise with The Odom Corporation paying \$14,500 per month in rent plus leasehold tax commencing April 1, 2010. The rent would increase each year and during the final year of the lease commencing April 1, 2014 rent would be \$15,500 per month plus state leasehold tax. Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion authorizing the Executive Director to present the lease rate compromise to The Odom Corporation and enter into the lease addendum should they accept. Motion unanimously carried.

2. **Adoption of Declaration of Covenants, Conditions and Restrictions for the Burbank Business Park**

Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion to adopt the Burbank Business Park CC&Rs and authorized the Executive Director to sign and record the document. Motion unanimously carried.

3. **Articles of Incorporation – Burbank Business Park Owners Association**

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to adopt the articles of incorporation for the Burbank Business Park Owners Association. Motion unanimously carried. Commissioners signed the articles of incorporation.

4. **Burbank Business Park Update**

Executive Director Kuntz briefed Commissioners on a host of issues related to the development of the Burbank Business Park.

B. Walla Walla Regional Airport

1. Mead & Hunt Proposal – Passenger Demand Analysis

Commissioners reviewed a proposal by Mead & Hunt to conduct a passenger demand analysis for the Walla Walla market. The report would help identify opportunities to enhance air service. Commissioner Schneidmiller commented that he believed the study was premature. He recommended the study be postponed until the profitability of Horizon's current two flight schedule is known.

Commissioner Dunning and Fredrickson concurred.

NEW BUSINESS

A. Port of Walla Walla

1. 2010 Accounting Service Agreement – LeMaster & Daniels

Executive Director Kuntz reviewed with Commissioners the Port's annual agreement with LeMaster & Daniels to compile the Port's financial statement. Kuntz reported consistent with the Executive Director's Management Authority Resolution he would be executing the agreement. Commissioners requested Kuntz seek to reduce the inflationary adjustment being sought by LeMaster & Daniels.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from February 10, 2010 through February 24, 2010.

B. Airport Restaurant - RFP

Executive Director Kuntz reported the current airport restaurant operator will be closing the restaurant as of Sunday, May 16, 2010. Airport Manager Skoglund reviewed with Commissioners draft terms and conditions to incorporate into a “request for proposal” to find a new airport operator. Commissioners provided input on the RFP.

C. Dodd Road Water System

John Wells, Anderson Perry & Associates, reported the Dodd Road Water pump capacity upgrade is nearing completion. Initial startup of the system commenced on Monday, February 22, 2010.

Commissioners reviewed a proposal by Calvert Technical Services, Inc. to provide a web server connection from the Dodd Road pump house to a remote secured link accessible by the Port. The cost would be \$4,500 plus sales tax. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to proceed with the improvement. Motion unanimously carried.

D. Crown Building – Gas Heating Bills

Commissioners were informed the recent insulation improvements to the Crown Building have resulted in lower gas heating bills.

E. January Income & Expense Statement - Port

Executive Director Kuntz reported the Port’s Income & Expense Statement for January was included in the Commissioners’ agenda packets. Commissioner Fredrickson inquired about a Port tenant that is currently behind in rent.

The meeting was adjourned at 11:15 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

MICHAEL FREDRICKSON, PRESIDENT

PAUL H. SCHNEIDMILLER, VICE PRESIDENT

RONALD W. DUNNING, SECRETARY