

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, February 26, 2009**

The meeting of the Port of Walla Walla was called to order by Commission Vice President Mike Fredrickson at 4:00 p.m. Commissioners Fredrickson and Schneidmiller toured the Olson farm house and the Isaacs small building rehabilitation project. Commissioner Bennett conducted a workshop session from 5:00 p.m. to 5:50 p.m. at the Modern Restaurant, 2200 E. Melrose Street, Walla Walla, Washington. At 6:00 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 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
Rocky Jennings, Rocky Jennings Enterprises
Nancy Kessler, Walla Walla Valley Quilt Festival
Cathy Wiese, Walla Walla Valley Quilt Festival
Dean Abrams, City of Walla Walla
Wrandoll Brenes, City of Walla Walla
Richard McFarland, McFarland Farms
Damien Sinnott, Walla Walla Valley Chamber of Commerce

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meeting held on Thursday, February 13, 2009 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 7087 through 7181 and system numbers 43913 through 44016 in the amount of \$885,270.91 and ACH/EFT amount of \$820,686.45. Walla Walla Regional Airport General Fund voucher numbers 9425 through 9522 and system numbers 1288 through 1404 in the amount of \$662,055.35 and ACH/EFT amounts of \$16,556.42. Port of Walla Walla Grain Car Fund voucher number 183 and system number 81 in the amount of \$110,000. WSDOT Grain Car Fund voucher numbers 190 and 191 and system numbers 96 and 97 in the amount of \$55,377.32. Motion unanimously carried.

Warrant approval document dated January 22, 2009 misstated the Port of Walla Walla check numbers 73845 through 43912 and are corrected as follows 43845 through 43912 paid from the Port of Walla Walla General Fund.

PUBLIC COMMENTS

Nancy Kessler representing the Walla Walla Valley Quilt Festival thanked the Port Commissioners for their support of the 2008 quilt festival. Ms. Kessler provided a handout listing where advertisements were placed to highlight the event and a chart depicting the number of out of town participants attending the event. Commissioners complimented Ms. Kessler for the detailed report.

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 14, 2009-February 26, 2009.

B. Walla Walla Trends E-Newsletter

Commissioners reviewed the winter edition of the Walla Walla Trends e-newsletter.

Executive Director Kuntz reported the Walla Walla Trends website is averaging over 200 visits per month.

C. Port Water Projects – Federal Stimulus Funding

Executive Director Kuntz reviewed with Commissioners three water projects that have been submitted to the Washington State Department of Health. Approximately \$36 million in federal stimulus money has been allocated to the Department of Health to improve drinking water systems throughout the state. The majority of the money will be available on a low interest loan basis. Kuntz reported a statewide ranking of water projects that will receive funding and will be available within the next 30 days.

D. Coffee Cart Airport Security Screening Area

Assistant Airport Manager-Administrative Services Jennifer Skoglund reported on public interest in having a coffee/beverage cart available in the airport security screening area.

Commissioners expressed support for the service, however, any airport investment in equipment needs to be paid back through a revised lease agreement with the gift shop operator.

E. Airport Fibre Optics Project

Commissioners reviewed an Airport map showing a draft layout of fibre optic lines that will be installed in the Airport Industrial Park. Funding has been provided from the

Innovative Partnership Zone created several years ago by the Washington State Legislature.

F. Port Income and Expense Statement - January 2009

Executive Director Kuntz provided Commissioners with the January 2009 statement of revenue and expenses for the Port.

G. Airport Income and Expense Statement – January 2009

Executive Director Kuntz provided Commissioners with the January 2009 statement of revenue and expenses for the airport.

H. Washington Public Deposit Protection Commission

Commissioners reviewed a resolution recently passed by the Washington Public Deposit Protection Commission that requires all banks with public deposits to provide 100% collateral for all uninsured deposits no later than June 30, 2009. Banks that cannot meet this new public deposit collateral requirement will be prohibited from accepting new public deposits. Executive Director Kuntz expressed concern that local banks may not have an interest in holding Port and Airport funds.

OLD BUSINESS

A. Port of Walla Walla

1. Columbia View Water Line – Bid Award

Commissioners reviewed the seven bids submitted to extend a Port water line to the Columbia View water system. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to award the low bid to Sharpe & Preszler Construction Company, Inc. at a cost of \$139,649.40 which includes sales tax. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Olson Farm House Roofing Project

Commissioner Schneidmiller commented that after inspecting the Olson farm house earlier in the afternoon he believes the best option would be to repair the roof in-lieu of installing a new roof. Commissioner Fredrickson concurred with the assessment. Commissioners directed Executive Director Kuntz to proceed with having the roof repaired.

NEW BUSINESS

A. Port of Walla Walla

1. Burbank High Dock Repairs – Bid Award

Commissioners reviewed the 15 bids submitted to repair the Port's Burbank High Dock in Burbank. Commissioners also reviewed a letter submitted by Port consultant Reid Middleton stating the low bidder has successfully completed other similar projects. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to award the low bid to Richard Phillips Marine, Inc. at a cost of \$81,227 plus sales tax. Motion unanimously carried.

2. Authorization to Cancel Lease Agreements

Executive Director Kuntz reported with challenging economic conditions, the Port may have tenants seeking early termination of their lease agreements.

Commissioners concurred the Port needs to be sensitive to the recession and downturn in business. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to cancel

lease agreements subject to the following conditions being met: the tenant makes the request; the tenant is current with rent and/or has provided a detailed payment plan; the monthly rental does not exceed \$5,000; and said authorization expires December 31, 2009. Motion unanimously carried.

3. Odom Sublease Agreement

Executive Director Kuntz reported the Odom Corporation has requested permission sublease a portion of their Isaacs Warehouse Building to Southern Wine & Spirits of America, Inc. Kuntz reported he would be approving the sublease agreement as authorized in the Executive Director's managing authority resolution.

4. 13th Avenue Street Improvement Project

Wrandoll Brenes and Dean Abrams representing the City of Walla Walla reported the City has a pending federal stimulus funding grant award of approximately \$2 million to improve 13th Avenue. This includes the portion of 13th Avenue that runs adjacent to the Port's Warehouse District. Commissioners reviewed preliminary street improvement plans which include curbs, gutters, sidewalks lighting and landscaping. In consideration the street improvements will add value to the Port's Warehouse District; the City requested the Port make a \$100,000 contribution. Executive Director Kuntz reviewed with Commissioners an interlocal agreement with the City outlining the terms and conditions of the Port's financial participation. Kuntz reported Port legal counsel has reviewed the interlocal agreement. Commissioner Schneidmiller moved and Commissioner Fredrickson

seconded the motion authorizing the Executive Director to enter into the interlocal agreement. Motion unanimously carried.

5. Tourism Funding Request – Walla Walla Valley Quilt Festival

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to approve a \$750.00 tourism grant to the 2009 Walla Walla Quilt Festival. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Authorization to Enter into Engineering Agreement with Reid Middleton-North Ramp Rehabilitation Project

Assistant Airport Manager-Administrative Services Jennifer Skoglund reviewed with Commissioners contract negotiations with Reid Middleton to provide engineering services for the North Ramp Rehabilitation Project. Skoglund reported Reid Middleton has reduced their proposed engineering fees at the request of the Port. Commissioners reviewed a handout comparing the south ramp rehabilitation engineering fees with the proposed north ramp rehabilitation engineering fees. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion authorizing the Executive Director to enter into an engineering agreement with Reid Middleton for North Ramp Rehabilitation Project. Motion unanimously carried.

2. Lease Renewal – Rocky Jennings Enterprises

Rocky Jennings addressed Commissioners concerning a proposed rental increase for his leased premises at the airport. Due to challenging economic conditions he believes it is unreasonable for the airport to seek a rental increase. Executive

Director Kuntz noted his lease rate is below the rate and charge guidelines established by the Port Commission. The airport has proposed a five year lease term with incremental rate increases each year. In addition, the airport has offered a 60 day out clause in the event his business is no longer viable. Commissioners recommended to staff the lease rate remain unchanged for one year prior to the implementation of the proposed rental rate increases over a five year period.

The meeting was adjourned at 9:45 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

FRED R. BENNETT, PRESIDENT

MICHAEL FREDRICKSON, VICE PRESIDENT

PAUL H. SCHNEIDMILLER, SECRETARY