

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, March 11, 2010**

The meeting of the Port of Walla Walla was called to order by Commission President Mike Fredrickson at 12:00 p.m. Commissioner Fredrickson conducted a workshop session from 12:00 to 12:50 p.m. at the El Sombrero Restaurant, 425 Ash Street, Walla Walla, Washington. Commissioner Fredrickson 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:

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
Ken Clayton, Airport Security Coordinator
George Reynolds, Riedesel Engineering, Inc.
Marty Gergen, Riedesel Engineering, Inc.
Richard McFarland, McFarland Farms
Randy Swearingin, Qwest
Will Schimmels, Qwest
John Wells, Anderson Perry & Associates, Inc.

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion that the minutes of the Port Commission meeting held on Thursday, February 25, 2010 be approved as mailed. Motion unanimously carried.

PUBLIC COMMENTS

There were no public comments.

OLD BUSINESS

A. Port of Walla Walla

1. Qwest Easement Request – Burbank Business Park

Commissioners and representatives from Qwest reviewed maps of the Port's Burbank Business Park to determine the best location for the installation of a Qwest fiber utility hut. Commissioners decided south of the Port's entrance road into its water works plant would be the best location. Qwest representatives concurred. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to enter into an easement agreement for Qwest for said location. Motion unanimously carried.

2. Dodd Road Water System – Project Close Out

Executive Director Kuntz and John Wells, Anderson Perry & Associates, Inc. reviewed with Commissioners the final change orders associated with the Dodd Road Water System Improvement Project. Kuntz also reported Pacific Power's energy savings economic incentive contribution will be \$61,525. Kuntz reviewed with Commissioners a revised total project budget. Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to approve the revised project budget totaling \$589,841.96. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Terminal Building Enhanced Security System

Ken Clayton, Airport Security Coordinator and Jennifer Skoglund, Airport Manager gave Commissioners a demonstration on how the airport terminal building's new enhanced security system works. The new system will allow airport employees to view the inside of the airport terminal building and lock the terminal building at night via remote computer.

NEW BUSINESS

A. Port of Walla Walla

1. Use of .09 Sales Tax Funds

Commissioners were informed .09 sales tax funds can now be used to pay for administrative expenses for economic development programs. Previously, sales tax funds were limited for capital expenditures that created new jobs. Although there is additional flexibility for the use of the funds, Commissioners expressed a desire to keep the Port's two-thirds share of the .09 Sales Tax Fund dedicated to capital projects that create new jobs.

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 25, 2010 through March 11, 2010.

B. Part 139 FAA Certification Inspection

Commissioners were informed the Federal Aviation Administration performed its annual certification inspection of the Walla Walla Regional Airport March 8-10, 2010. Airport Manager Jennifer Skoglund and Operations & Maintenance Supervisor Gary Stewart reported on the inspection. The airport should receive a renewal of its Part 139 FAA certificate.

C. Gen-X Clean Up

Executive Director Kuntz reported bid documents have been prepared to obtain bids for the final phase of clean-up for the Gen-X Burbank property. Bids will be opened on April 1st and will be brought to Port Commissioners for approval on April 8th. According to

Port Special Legal Counsel Stephanie Grassia, the Port's insurance carrier, Enduris, should pay for the clean-up expenses.

D. Washington State Penitentiary Update

Commissioners were informed both the House and Senate capital budgets have set aside \$6.8 million that would provide pre-design money for the kitchen, close custody and medium security expansion projects at the Washington State Penitentiary. Executive Director Kuntz reported the capital allocation if approved would position the penitentiary for stability and perhaps growth as the old main institution is phased out for more cost effective units.

E. U.S. Highway 12 Update

Commissioners were informed the Washington State House Transportation Budget has included a provision which would authorize any cost savings from the currently funded U.S. Highway 12 construction projects (Phase 6 and Burbank Interchange Project) to be used for Phase 7-A project costs up to \$2 million in savings. Executive Director Kuntz reported if the provision remains in the final transportation budget, WSDOT would utilize the money to commence with land acquisition. Kuntz recognized County Commissioner Greg Tompkins for his efforts to secure this additional funding on behalf of the U.S. Highway 12 Coalition.

F. L & I Inspection Follow-up

Maintenance & Operations Supervisor Gary Stewart provided Commissioners a handout updating them on follow-up actions taken at the Port and Airport in response to the L & I inspection.

G. February Income & Expense Statements

Executive Director Kuntz reviewed with Commissioners the Port's Income & Expense Statements from January through February. Kuntz also reviewed with Commissioners a draft supplemental budget.

Airport Manager Skoglund reviewed with Commissioners the Airport's Income & Expense Statements from January through February.

H. Fiber Farm Harvest

Executive Director Kuntz reported on a recent tour of the fiber farm with Commissioner Fredrickson. Boise Paper is nearing completion of the tree harvest on the 160 acre isolated parcel owned by the Port. The purpose of the tour was to explore options to grind up and/or remove woody debris to prepare the property for irrigated crops. Doug Strebin, Strebin Farms and Ed Nelson, Braden & Nelson Construction Company were also part of the tour. Boise Paper has recommended a firm that can grind the woody debris that would allow the property to be used for limited types of row crops. A demonstration of the grinding process will be held on March 15th.

I. PNWA Mission to Washington, DC Recap

Commissioner Dunning and Economic Development Director Paul Gerola gave a recap of their recent participation in the Pacific Northwest Waterways Mission to Washington, DC. In addition to participating in PNWA activities, they met with staff representatives from Senator Murray and Senator Cantwell offices on projects important to the Port. They also had a meeting with Representative Cathy McMorris Rodgers.

J. Economic Development Leads

Economic Development Director Paul Gerola reviewed a listing of business leads with the Port Commissioners.

K. **Change Port Commission Meeting Date**

Due to a conflict with the WPPA Spring Meeting, Commissioners decided to move the May 13th Port Commission Meeting to May 11th starting with an 8:00 a.m. workshop session followed at 9:00 a.m. by a regular meeting.

The meeting was adjourned at 4:25 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

MICHAEL FREDRICKSON, PRESIDENT

PAUL H. SCHNEIDMILLER, VICE PRESIDENT

RONALD W. DUNNING, SECRETARY