

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, April 8, 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, 428 Ash Street, Walla Walla, Washington. From 1:00 to 1:30 p.m. Commissioners toured the aviation ramp at the Walla Walla Regional Airport. The tour included meeting with officials from Walla Walla University concerning a location for a university-owned aviation fueling system. Commissioner Fredrickson convened the regular Commission Meeting at 1:45 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
Jennifer Skoglund, Airport Manager
Gary Stewart, Operations & Maintenance Supervisor
Becky Hulse, Executive Assistant
Anna Christen, Auditor/Treasurer
Nancy Bulman, 21st Century-ESD123, Columbia Middle School
Angela Strutz, 21st Century-ESD123, Columbia Middle School
Richard McFarland, Citizen
Marty Zollner, Zollner Landscape Architecture
Lonnie Mettler, U.S. Army Corps of Engineers
Stephanie Grassia, Special Legal Counsel, Cairncross & Hempelmann – By Conference Phone
Greg Skorheim, Special Claims Adjuster, Kibble & Prentice – By Conference Phone

APPROVAL OF MINUTES

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

PUBLIC COMMENTS

There were no public comments.

OLD BUSINESS

A. Port of Walla Walla

1. Burbank Business Park – Unanimous Written Consent for Organizational Meeting of Board of Directors

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion that the Board of Directors of the Burbank Business Park via unanimous written consent approve the minutes of the first organizational meeting of the Board of Directors. Motion unanimously carried. The minutes included the adoption of the By Laws which were signed by Secretary Ron Dunning.

2. Gen-X Insurance Settlement Update

Port Special Legal Council Stephanie Grassia reported Gen-X' insurance company, Penn Millers, does not have sufficient policy limits to satisfy the Port's and Gen-X' claims. Ms. Grassia reported the Port and Gen-X representatives will need to meet within the next 30 days to determine if the parties can find an equitable way to divide the limited insurance proceeds. Ms. Gassia reported it would be important to have the Port's insurance carrier (Enduris) at that settlement meeting since they would pay the balance of the Port's outstanding claim not paid by Penn Millers. Greg Skorheim, Senior Vice President, Kibble & Prentice, reviewed with Commissioners a draft claim allocation chart projecting the Port's claim allocation between Penn Millers and Enduris.

3. Gen-X Final Clean-up – Bid Award

Executive Director Kuntz reported one bid was submitted to undertake the final cleanup of the Port-owned Gen-X building. The low bid was submitted by Wilkerson Welding & Fabrication at a cost of \$107,825 plus tax. Port Special Legal Counsel Stephanie Grassia said the Port's insurance policy with Enduris provides coverage for the cleanup. Greg Skorheim, Kibble & Prentice, reported he would contact Enduris' claims adjuster, Arlan Daniel, to put him on notice the Port is proceeding with the cleanup. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to award the low bid to Wilkerson Welding & Fabrication at a cost of \$107,825 conditioned on proper notice being given to Enduris that the Port is proceeding with the final cleanup. Motion unanimously carried.

B. Walla Walla Regional Airport

1. Aviation Fueling System – Walla Walla University

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion authorizing Walla Walla University to place an above ground fueling tank and dispenser system adjacent to their leased aviation hangar at the Walla Walla Regional Airport subject to meeting all applicable county codes. Motion unanimously carried.

Commissioners requested staff develop a draft policy for their consideration outlining regulations governing future installations of aviation fueling systems at the airport.

2. Airport Terminal Building Second Floor Office Space

Commissioners were informed PocketiNet has agreed to lease the currently vacant 1,765 square foot second floor office space in the airport terminal building. The rental rate will start at \$12.50 per square foot per year. PocketiNet has requested a 15% rent reduction on their existing leased space (917 sq. ft.) in addition to having a door installed from their existing space into their new space.

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion authorizing the Executive Director to proceed with the lease agreement and improvements. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. Cargill Pond – Park Development Concept

Landscape architect Marty Zollner, reviewed with Commissioners a draft park redevelopment plan for the Cargill Pond area. The park is currently managed by the U.S. Army Corps of Engineers. Nancy Bulman, Columbia School District, spoke in favor of the plan and was supportive that an area within the park has been designated for a skate park. She reported a group of parents and students have been working on a design and fundraising for a skate park. Lonnie Mettler, U.S. Army Corps of Engineers, expressed his agency's interest in working with the Port in redeveloping the park. However, due to budget constraints there current yearly operating expenses for the park will need to remain fairly constant.

Commissioners asked a host of questions including the ability of the redevelopment plan to be phased in over time. Mr. Zollner said he would work on a phasing plan.

Commissioners authorized Executive Director Kuntz to organize a public meeting in Burbank to gauge community interest in pursuing this redevelopment plan.

2. Isaacs Office Space Lease - UNIBEST

Commissioners were informed the 2,000 square foot office space immediately behind The Odom Corporation offices at the Port's Isaacs Business Park is going to be leased to UNIBEST International Corporation. The lease is for a period of one year with UNIBEST retaining the option to renew for two additional terms of one year each.

CORRESPONDENCE & REPORTS

A. Olson Farm – Fertilizing & Spraying

Airport Manager Jennifer Skoglund reported The McGregor Company provided the low bid to fertilize and spray the Port-owned wheat on the Olson Farm.

B. Horizon Air March Enplanements

Commissioners were informed March passenger enplanements were off 13.3% as compared to March of last year. Year to date passenger enplanements are off 14.3% as compared to the same period last year.

C. Burbank Water System

Executive Director Jim Kuntz and Operations & Maintenance Supervisor Gary Stewart reported on recent problems with the Burbank water system. Valves in the nitrate removal system continue to fail. The Port is working on finding replacement valves with better performance characteristics.

D. Snow Blower/Plow

Airport Manager Jennifer Skoglund reported bids will be opened for the airport's new snow blower/plow on April 12, 2010. A bid award will be recommended to the Port Commissioners at their next meeting on April 22, 2010.

The meeting was adjourned at 5:10 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

MICHAEL FREDRICKSON, PRESIDENT

PAUL H. SCHNEIDMILLER, VICE PRESIDENT

RONALD W. DUNNING, SECRETARY