

**MINUTES OF THE PORT OF WALLA WALLA  
COMMISSION MEETING  
Tuesday, May 11, 2010**

The meeting of the Port of Walla Walla was called to order by Commission President Mike Fredrickson at 8:00 a.m. Commissioner Fredrickson conducted a workshop session from 8:00 to 8:50 a.m. at Sterling's Restaurant, 1425 W. Pine Street, Walla Walla, Washington. At 9:00 a.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, Maintenance & Operations Supervisor  
Anna Christen, Auditor/Treasurer  
Thomas K. Baffney, Port Counsel  
Richard McFarland, Citizen  
Vicki Hillhouse, Walla Walla Union-Bulletin, Reporter  
Stephanie Grassia, Special Legal Counsel, Cairncross & Hempelmann-Via Conference Phone  
Ryan McFarland, Special Legal Counsel, Cairncross & Hempelmann – Via Conference Phone  
Dr. Raymond Walton, West Consulting, Inc. – Via Conference Phone

**APPROVAL OF MINUTES**

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion that the minutes of the Port Commission meeting held on April 22, 2010 be approved as corrected. Motion unanimously carried.

**PUBLIC COMMENTS**

There were no public comments.

## OLD BUSINESS

### A. Port of Walla Walla

#### 1. Public Hearing Supplemental Budget #1

At 9:05 a.m. Commissioner Fredrickson announced the convening of a public hearing to accept comments regarding the Port's and Airport's proposed supplemental budget #1. There were no public comments. Commissioner Fredrickson closed the public hearing at 9:07 a.m.

#### 2. Adoption of Port and Airport Supplemental Budget #1

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to adopt Resolution 05-11-10 to approve supplemental budget #1 for the Port and Airport.. Motion unanimously carried. The resolution is attached to the minutes.

#### 3. Burbank – Floodplain Mapping Project

Dr. Raymond Walton, Vice President, West Consulting reviewed with Commissioners, via speaker phone, the proposed scope of work associated with updating floodplain maps in Burbank. The goal is to reduce the 100 year floodplain map contours which could negatively impact the Port's development plans for the Burbank Business Park. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion authorizing the floodplain mapping project to proceed. Motion unanimously carried.

#### 4. Burbank Water System Treatment Building Wall - Bids

Commissioners reviewed the three bids submitted to construct a wall separating the chlorinator from the remainder of the building. The low bid was provided by Cornerstone Construction at a cost of \$8,900 plus sales tax. Commissioners

expressed disappointment with the high bids. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion to reject all bids. Motion unanimously carried. Commissioners authorized Port staff to re-bid the project.

**B. Walla Walla Regional Airport**

**1. Adoption of Aviation Fueling System Policy**

Airport Manager Skoglund reviewed with Commissioners a final draft Aviation Fueling System Policy. The purpose of the policy is to establish minimum standards for tenants interested in installing an approved aviation fueling system at the Walla Walla Regional Airport. Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to approve the aviation fueling policy. Motion unanimously carried.

**2. Aviation Fueling System – License Agreement**

Ryan McFarland and Stephanie Grassia, special legal counsel, reviewed with Commissioners the final aviation fueling system license agreement with Walla Walla University. The license agreement authorizes the university to install an above ground fueling system at the Walla Walla Regional Airport.

**3. Reiff Manufacturing Re-Build**

Commissioners reviewed options to replace the airport-owned Reiff Manufacturing building that was damaged by fire on April 12, 2010. Options under consideration are to re-build the building at its existing site or construct a new separate metal building. Port staff reviewed with Commissioners estimated costs of each option. Commissioners expressed a preference to construct a new separate building. Executive Director Kuntz reported he would work with the insurance carrier to determine the settlement amount that could be applied to a new building.

4. **Adoption of City of Walla Walla Wastewater Standards for the Walla Walla Regional Airport – Resolution 05-11-10-A**

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to adopt Resolution 05-11-10-A hereby adopting the City of Walla Walla Waste Water Standards for industrial users at the Walla Walla Regional Airport. Motion unanimously carried.

**NEW BUSINESS**

**A. Port of Walla Walla**

1. **Moody's – Port of Walla Walla GSR Rating**

Commissioners were informed on April 23, 2010 Moody's Investor Service applied its Global Scale Rating of A-1 to all outstanding Port limited tax general obligation bonds. Previously, Moody's issued the Port an A-3 rating. The enhanced rating will allow the Port to obtain lower interest rates should it seek to enter the debt market in the future.

2. **Melrose Property Appraisal**

Commissioners were informed FirstService PGP Valuation has completed its appraisal of the Port's Melrose property. The appraisal established an "as is" fair market value price of \$1.75 per square foot as of April 20, 2010.

3. **Authorization to Surplus Port and Airport Equipment**

Commissioners reviewed a listing of Port and Airport equipment deemed surplus to the needs of the Port and Airport. Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion authorizing the Executive Director to surplus said items. Motion unanimously carried. The list of surplus equipment is hereby attached to the minutes.

4. **Foreign Trade Zone**

Economic Development Director Gerola reviewed with Commissioners the potential benefits of being included within the service area of the Port of Moses Lake's Foreign Trade Zone #203. Commissioner Dunning moved and Commissioner Schneidmiller seconded the motion to send a letter asking the Port of Moses Lake to include Walla Walla County within its Foreign Trade Zone. Motion unanimously carried.

5. **Schnitzer Steel – Burbank Land Lease**

Executive Director Kuntz reported he has provided Schnitzer Steel with two draft land lease agreements for certain properties at the Port's Burbank Industrial Park. The land leases would enable Schnitzer to store additional scrap steel. Commissioner Dunning expressed concern with this type of business occupying more property at the Burbank Industrial Park. He requested staff prepare a plan that would help designate where this type of use within the industrial park would be allowed.

6. **Isaacs Business Park – Site Grading Improvements**

Commissioners reviewed a bid submitted by Royse Hydroseeding to provide site grading improvements, install additional gravel and patch certain asphalt areas. Commissioners directed Port staff to meet with Royse Hydroseeding to identify areas within their bid that would reduce overall costs by at least 10%. Subject to obtaining the cost reductions, the Executive Director was authorized to award the bid to Royse Hydroseeding.

**CORRESPONDENCE & REPORTS**

**A. Leases Entered into by Administrative Staff**

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from April 22 through May 10, 2010.

**EXECUTIVE SESSION**

Commissioner Fredrickson announced the convening of an Executive Session to discuss with Port Legal Counsel the following: Gagnon settlement offer, price upon which land may be offered for sale and a personnel matter.

The meeting was adjourned at 2:30 p.m.

**APPROVED:**

**PORT OF WALLA WALLA COMMISSIONERS**

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MICHAEL FREDRICKSON, PRESIDENT

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PAUL H. SCHNEIDMILLER, VICE PRESIDENT

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RONALD W. DUNNING, SECRETARY