

**MINUTES OF THE PORT OF WALLA WALLA  
COMMISSION MEETING  
Thursday, June 11, 2009**

The meeting of the Port of Walla Walla was called to order by Commission President Fred Bennett. Commissioner Bennett conducted a workshop session from 12:00 to 12:50 p.m. at, El Sombrero Restaurant, 428 Ash Street, Walla Walla, Washington.

At 1:00 p.m. Commissioner Bennett convened the regular Commission Meeting at Port of Walla Walla offices, 310 A Street, Walla Walla Regional Airport, Walla Walla, Washington.

**In attendance for the meeting were:**

Paul Schneidmiller, Commissioner  
Fred Bennett, Commissioner  
Mike Fredrickson, Commissioner  
Jim Kuntz, Executive Director  
Becky Hulse, Executive Assistant  
Jennifer Skoglund, Airport Manager  
Gary Stewart, Maintenance & Operations Supervisor  
Anna Christen, Auditor/Treasurer  
Clarence Anderson, Walla Walla University  
Ronald Dunning, Touchet – DIS/TS&E  
R.L. McFarland, McFarland Farms  
Gary James, CTUIR – Fisheries  
Chris Marks, CTUIR – EPRP  
Margie McGill, Corps of Engineers-Walla Walla District  
Bob Rugar, Citizen  
John Wells, Anderson Perry & Associates, Inc.  
Denice Trimble, Special Port Counsel via Conference Phone  
Tom Baffney, Port Counsel, Reese, Baffney, Frol & Grossman, P.S.  
David Grossman, Port Special Counsel, Reese, Baffney, Frol & Grossman, P.S.

**APPROVAL OF MINUTES**

Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion that the minutes of the Port Commission meeting held on Thursday, May 27, 2009 be approved as corrected. Motion unanimously carried.

**PUBLIC COMMENTS**

There were no public comments.

## **CORRESPONDENCE & REPORTS**

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

Commissioners reviewed a listing of leases entered into and/or renewed by administrative staff from May 28, 2009 through June 11, 2009.

### **B. 2008 Annual Financial Statement**

Executive Director Kuntz reviewed several highlights of the Port's 2008 Annual Financial Statement. The assets of the Port's exceeded its liabilities at the close of calendar year 2008 by \$57,540,037. Kuntz thanked Port Auditor/Treasurer Anna Christen for her work on the Annual Financial Statement.

### **C. Aviation Fuel Supply – Western Petroleum**

Executive Director Kuntz reported the airport's wholesale aviation fuel supply agreement with Western Petroleum was in the process of being renewed for an additional term of three years. Western Petroleum supplies both Jet A and 100 LL aviation fuels to the airport.

### **D. Community Bus Tour Recap**

Commissioners reviewed a listing of 48 citizens who attended the Port community bus tour on June 4, 2009. Executive Director Kuntz thanked Commissioner Schneidmiller for providing the opening remarks and thanked Executive Assistant Becky Hulse for developing briefing notebooks for participants.

### **E. Aviation Ramp Rehabilitation Update**

Commissioners reviewed the engineering drawings for the north aviation ramp rehabilitation project. Airport Manager Skoglund reported bids will be open June 1, 2009

at 1:00 p.m. The engineer's cost estimate for the project is \$1.9 million. The airport has \$1.6 million in FAA funding secured for the project.

**F. Passenger Boarding Report**

Commissioners were informed Horizon Air passenger enplanements remain strong at the Walla Walla Regional Airport. Passenger enplanements are up 8.7% through the month of May as compared to the same period last year.

**G. Roofing Repairs**

Commissioners were informed roof repairs are underway at the Port's Melrose building to replace sections of the membrane roof which has pulled away from the roofing edges over the years. Roofing repairs are also ongoing at the Port's Crown Cork & Seal building, with repairs to the flashing around the skylights in the lower warehouse portion of the building.

**H. ADO Funding Allocations 2009-2011**

Executive Director Kuntz reported that as the result of state budget cuts, the Port would be receiving less money from the state during the next biennium to serve as Walla Walla County's Associate Development organization. Funding will be reduced from \$72,182 to \$65,837 per year.

**I. Review Calendar of Events**

Commissioners reviewed the calendar of events and decided to cancel the Port Commission meeting scheduled for Thursday, July 9.

**J. Refinancing Fibre Farm Payment**

Executive Director Kuntz reviewed with Commissioners the option of obtaining long term financing for the fiber farm bond anticipation note in the amount of \$2,230,443 which is

due September 1, 2009. Commissioners elected to pay off the bond anticipation note in lieu of obtaining long term financing. Commissioners noted the Port's 2009 budget has already set aside funding to pay off the note.

**K. Project Columbus – Wallula Gap Business Park**

Commissioners were informed the Port's Wallula Gap Business Park was not short listed for Project Columbus. Despite not being short listed, Project Columbus was very complimentary of the Port's professionalism and timely response to numerous information requests during the site selection process.

**L. Wilson Promotions**

Executive Director Kuntz reported the Airport on a trial basis was going to authorize an outside music event in the park area adjacent to the airport wine incubator buildings.

Commissioners reviewed an event checklist prepared by staff to ensure the event organizer considers a host of preplanning issues important to the Airport.

**M. Port Investments**

Commissioners reviewed a listing of all Port and Airport investments as of May 29, 2009. Port Auditor/Treasurer Christen reviewed with Commissioners an investment tool called CEDARS which could allow local banks to meet their collateral requirements for holding public deposits.

**OLD BUSINESS**

**A. Port of Walla Walla**

- 1. Remediation, Reimbursement & Indemnity Agreement Burbank Oil Contamination - Chevron**

Denice Trimble from the law firm of Gordon Derr reviewed with Commissioners a draft Remediation, Reimbursement and Indemnity Agreement between the Port and Chevron related to Burbank oil contamination. Commissioners asked a host of questions regarding the draft agreement. Ms. Trimble reported she would redraft the agreement to reflect Commissioners input. Commissioners requested that once the agreement is in final form and acceptable to Chevron, they would like an additional opportunity to review the agreement prior to its approval.

**2. Burbank Sewer Update**

Commissioners reviewed a listing of potential businesses and their projected sewer flows associated with the Port's development of the Burbank Business Park. The projected sewer flows suggest the Port may want to consider a traditional mechanical sewer system as the wastewater solution for Burbank. Executive Director Kuntz reported Anderson Perry & Associates, Inc. continues to look at all alternatives. Additional information will be presented in upcoming Commission meetings.

**NEW BUSINESS**

**B. Walla Walla Regional Airport**

**1. Lease Agreement – Former Marsh Aviation Hangar**

Executive Director Kuntz reviewed with Commissioners the status of negotiations regarding Investco's interest in leasing the former Marsh Hangar at the Walla Walla Regional Airport. The majority of lease terms and conditions have been agreed to with the exception of future rental increases. Investco would like to use a CPI formula with an annual cap rate not to exceed 2.5%. Commissioners

suggested a fixed annual rental increase of 2%. Commissioner Fredrickson moved and Commissioner Schneidmiller seconded the motion authorizing the Executive Director to enter into a lease agreement with Investco for the former Marsh Hangar subject to previous terms and conditions remaining unchanged and conditioned on annual rental increase of 2%. Motion unanimously carried.

**B. Port of Walla Walla**

**1. Walla Walla Basin Feasibility Study – Columbia River Exchange**

Gary James a fisheries program manager for the Confederated Tribes of the Umatilla Indian Reservation gave a detailed PowerPoint presentation regarding the proposed Columbia River Exchange Project. Commissioners asked a host of questions related to the project's proposed benefits, capital costs and yearly maintenance and operations costs.

**2. Inland Ports & Navigation Group**

Commissioner Bennett and Executive Director Kuntz expressed concern with the current direction of the Inland Ports & Navigation Group. The Port has invested approximately \$9,000 per year with other Ports and interested groups to fund legal efforts to oppose dam breaching. Commissioner Bennett commented he would like to see the Inland Ports & Navigation Group maintain this focus, in lieu of negotiating under which conditions dams could be breached if fish recovery efforts are unsuccessful.

**EXECUTIVE SESSION**

Commission President Dr. Fred Bennett announced the convening of an Executive Session at 3:00 p.m. to meet with Port Legal Counsel Tom Baffney and Special Legal Counsel David Grossman regarding a potential litigation issue.

The meeting was adjourned at 5:45 p.m.

**APPROVED:**

**PORT OF WALLA WALLA COMMISSIONERS**

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FRED R. BENNETT, PRESIDENT

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MICHAEL FREDRICKSON, VICE PRESIDENT

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PAUL H. SCHNEIDMILLER, SECRETARY