

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Wednesday, July 7, 2010**

The meeting of the Port of Walla Walla was called to order by Commission President Mike Fredrickson. Commissioner Fredrickson 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 Fredrickson 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:

Mike Fredrickson, Commissioner
Paul Schneidmiller, Commissioner
Ron Dunning, Commissioner
Jim Kuntz, Executive Director
Paul Gerola, Economic Development Director
Jennifer Skoglund, Airport Manager
Gary Stewart, Maintenance & Operations Supervisor
Dr. Fred Bennett, Retired Port Commissioner
Richard McFarland, Citizen
Vicki Hillhouse, Walla Walla Union-Bulletin Reporter
Jennifer Jorgenson, Walla Walla Union-Bulletin
Jean Elson, Contract Accountant, LeMaster Daniels

APPROVAL OF MINUTES

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion that the minutes of the Port Commission meeting held on Thursday, June 24, 2010 be approved as corrected. Motion unanimously carried.

PUBLIC COMMENTS

There were no public comments.

OLD BUSINESS

A. Walla Walla Regional Airport

1. Gagnon Settlement Agreement

Commissioners reviewed the terms and conditions of entering into a settlement agreement with Justin and Joe Gagnon regarding their past farm lease agreement at the Walla Walla Regional Airport. Commissioner Schneidmiller moved and Commissioner Fredrickson seconded the motion to approve the settlement agreement and authorizing the Executive Director to execute the agreement on behalf of the Port. Motion carried. Commissioner Dunning voted no.

2. Restaurant Update

Airport Manager Skoglund reported the final lease agreement for the airport restaurant has been given to Ripanidon, LLC (Dominick's on the Runway) for their review and approval. Once executed, the airport will order the needed restaurant equipment. Skoglund also reported the kitchen floor repairs will be completed by the end of the week.

NEW BUSINESS

A. Port of Walla Walla

1. Insurance Updates

Commissioners were informed no progress has been made in the Port's attempt to get a fair insurance settlement from the Port's insurance carrier Enduris, for three roofing claims related to the Crown Building. As a result, the Port will need to present an appeal to the Enduris Board of Directors on August 19th in Spokane.

Executive Director Kuntz reported the Gen-X fire claim is nearing resolution. The Port should receive the Penn Millers (Gen-X Insurance Company) portion of the insurance settlement totaling \$732,476 next week. The remainder of the claim of approximately \$446,324 will be paid by Enduris. It is not clear when this portion of the claim will be paid.

Executive Director Kuntz reported due to the Port's recent property loss history, Enduris will be increasing the Port's property insurance premium by 25% which equates to a \$16,850 increase. The increase will be for a five year period commencing September 1, 2010.

2. **Authorization to Continue Participation in Inland Ports & Navigation Group**

Commissioner Schneidmiller and Commissioner Dunning briefed Commissioners on a recent Inland Ports & Navigation Group Meeting. The focus of the Inland Ports & Navigation Group is to maintain the 14 foot navigational channel on the Columbia & Snake Rivers as litigation continues regarding the operation of the river system. The Port's annual contribution is \$9,000 per year. Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to authorize the Port's continued participation in the group. Motion unanimously carried.

B. Walla Walla Regional Airport

1. **Tenant Input Hearing – Revised Airport Lease Rates**

Airport Manager Skoglund reviewed with Commissioners the proposed revised rental rate schedules for certain properties at the Walla Walla Regional Airport. A

memo was mailed to tenants that would be affected by the revised lease rates inviting them to provide comments at today's Port Commission meeting. Richard McFarland was the only airport tenant present at the meeting.

2. Adoption of Revised Airport Lease Rates

Commissioner Schneidmiller moved and Commissioner Dunning seconded the motion to approve the revised lease rates as proposed by Port staff. Motion unanimously carried.

CORRESPONDENCE & REPORTS

A. Leases Entered into by Administrative Staff

Staff reported there were no leases entered into and/or renewed by administrative staff since the last Port Commission meeting on June 24, 2010.

B. Horizon June Enplanements

Commissioners were informed passenger enplanements for the first six months of 2010 totaled 14,298 which is a reduction of 11.7% from the same period last year.

Commissioner Schneidmiller commented with the reduction from three flights per day last year to the current two flights per day schedule, passenger boardings have not substantially decreased.

C. Airport Security Screening Issue

Commissioners were informed 15 Horizon Air passengers did not make it through security screening in time to board their flight on Saturday, June 26, 2010. Commissioners and staff discussed actions that could be taken to help avoid such an event from happening again.

D. U.S. Highway 12 Phase 6 Event

Executive Director Kuntz briefed Commissioners on the U.S. Highway 12 dedication event to be held on Thursday, July 8, 2010.

E. Accounting Department Update

Executive Director Kuntz announced Tricia Butler has been hired as the Port's new Auditor/Treasurer. Tricia is a graduate of Boise State University and is a Certified Public Accountant. Her first day on the job will be Monday, July 19th.

Jean Elson, Contract Accountant from LeMaster Daniel, briefed Commissioners on her activities filling in as the Port Auditor/Treasurer until a replacement could be found.

F. PNWA Meeting

Commissioner Schneidmiller and Commissioner Dunning gave a report on their recent attendance at the Pacific Northwest Waterways Association mid-year meeting.

G. 2010 Port Newsletter

Commissioners reviewed a draft listing of potential articles to include in this year's Port newsletter.

H. July 22, 2010 Port Commission Meeting Change

Due to scheduling conflicts Commissioners elected to change the Thursday, July 22 meeting date to Thursday, July 29.

The meeting was adjourned at 4:10 p.m.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS

MICHAEL FREDRICKSON, PRESIDENT

PAUL H. SCHNEIDMILLER, VICE PRESIDENT

RONALD W. DUNNING, SECRETARY