

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, May 08, 2025**

The meeting of the Port of Walla Walla Commission was called to order at 9:00 a.m. by Commission President Kip Kelly at the Walla Walla Regional Airport, 45 Terminal Loop Rd, Suite 214, Walla Walla, Washington.

In attendance via conference call or in person:

Kip Kelly, Commissioner
Ron Dunning, Commissioner
Amy Schwab, Commissioner
Pat Reay, Executive Director
Jay Hester, Economic Development Director
Paul Gerolá, Economic Development Special Projects
Jennifer Skoglund, Airport Manager
Meagan Blair, Governmental Affairs/Community Outreach
Brian Hurst, Maintenance & Operations Supervisor
Karla Miller, Administrative Assistant
Jared Hawkins, Legal Counsel
Julia Eastham, Walla Walla Union-Bulletin
Griffin Beach, Elkhorn Media
Lauren Prentice, Walla Walla County
R. L. McFarland
Craig Woodard
Coleen Rehn
Michael Moore
Melissa Shumake
Ty Beaver

PLEDGE OF ALLEGIANCE

Commissioner Dunning led all in attendance in reciting the Pledge of Allegiance.

DECLARATIONS REGARDING CONFLICTS OF INTEREST

No conflicts of interest were declared.

ADOPTION OF AGENDA

Commissioner Dunning moved, and Commissioner Schwab seconded, to adopt the agenda as presented. Motion unanimously carried.

PUBLIC COMMENTS

There were no public comments made.

APPROVAL OF MINUTES

Commissioner Schwab requested the minutes of the Thursday, April 24, 2025 Port Commission meeting be amended on page 3 to reflect the Executive Session occurred after the Commissioners Reports. Commissioner Kelly requested the minutes to show Commissioner Dunning reconvened the regular Commission meeting and the time adjourned be changed from 10:02 to 11:02.

Commissioner Schwab moved, and Commissioner Dunning seconded, to approve the minutes of the Port Commission meeting, held on Thursday, April 24, 2025, as amended. Motion passed unanimously.

FINANCIAL REPORTING

Port Auditor/Treasurer Keown provided Commissioners with the Cash Balance Report and Aged Reports for both the Port and the Airport.

PAYMENT OF BILLS

The Port Commission reviewed Port and Airport Check History Report lists as provided by Port Auditor/Treasurer Keown. Said lists were audited, authenticated, and certified as required per RCW 42.24.080 and reimbursement claims were certified as required by RCW 42.24.090. Commissioner Schwab moved, and Commissioner Dunning seconded, to approve for payment the Check History Report lists summarized in the May 08, 2025, Warrant Approval Document, which is incorporated and attached to these minutes. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. **Resolution No. 2025-05 – Port Supplemental Budget #1 Public Hearing**

Executive Director Reay reviewed with Commissioners the Port's 2025 budget summary and the proposed 2025 supplemental budget. At 9:30 a.m. Commissioner Kelly announced the convening of a public hearing on the Port's 2025 supplemental budget. An opportunity was given at the hearing for public testimony; no testimony was given. Commissioner Kelly closed the public hearing at 9:33 a.m. Commissioner Dunning moved, and Commissioner Schwab seconded, to adopt Resolution 2025-05 thereby approving the Port of Walla Walla's 2025 supplemental #1 budget for the Port of Walla Walla. Motion passed unanimously.

2. **Bid Project PWW 2025-001C – Dell Avenue Sidewalk Replacement Project**

Executive Director Reay reviewed the three (3) bids that were submitted for the sidewalk replacement on Dell Avenue. Commissioner Schwab moved, and Commissioner Dunning seconded, to accept and award the base bid for bid project PWW 2025-001C – Dell Avenue sidewalk replacement to Ziegele and Company, Inc. of College Place, WA for \$32,670.00 (base bid + sales tax) and approve a total project budget of \$35,000. Motion passed unanimously.

3. **Resolution No. 2025-06 – US 12 Clinton Interchange Project – Construction Administration with City of Walla Walla**

Executive Director Reay provided an overview of the US 12 Clinton Interchange federal funding process. Commissioner Dunning moved, and Commissioner Schwab seconded, to adopt Resolution 2025-06 of the Port Commission of the Port of Walla Walla, Washington, authorizing the Executive Director to enter into an interlocal agreement with the City of Walla Walla related to the administration of federal funds for the US 12 Clinton Interchange Project. Motion passed unanimously.

B. Walla Walla Regional Airport

1. Consent to Assignment of Lease – Mad Car Wine, Co. to Joe Forest Wines, LLC

Airport Manager Skoglund provided Commissioners with a proposed assignment of lease for the building located at 760 C Street. Commissioner Schwab moved, and Commissioner Dunning seconded, to authorize the Executive Director to enter into a consent to assignment of lease agreement between Mad Car Wine Co. and Joe Forest Wines, LLC for leased premises at 760 C Street, Walla Walla. Motion passed unanimously.

CORRESPONDENCE & REPORTS

A. Review Calendar of Events

Executive Director Reay reviewed the calendar of events

B. Airport Information

1. Air Traffic Control Tower Report (ATCT) – April 2025

C. Executive Director and Staff Report

Executive Director Reay and staff reported on various matters of Port business.

COMMISSIONER REPORTS

The Commissioners reported on meetings they recently attended and other Port-related matters.

NEXT MEETING & LOCATION

Thursday, May 22, 2025, at 9:00 a.m.
Port of Walla Walla Administrative Office
45 Terminal Loop Road, Suite 214, Large Conference Room
Walla Walla, WA 99362

ADJOURNMENT

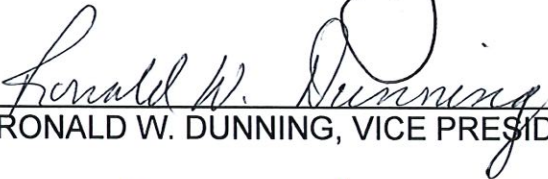
Commissioner Dunning moved, and Commissioner Schwab seconded, to adjourn the Port Commission meeting at 10:47 a.m. Motion passed unanimously.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS



KIP KELLY, PRESIDENT



RONALD W. DUNNING, VICE PRESIDENT



AMY SCHWAB, SECRETARY

Warrant Approval Document

May 08, 2025

We the undersigned Commissioners of the Port of Walla Walla, of Walla Walla County Washington, do hereby certify that the merchandise or services hereinafter specified have been received.

Port of Walla Walla - General Fund


Approved for payment are check numbers 21179 through 21207 and direct deposit numbers PR4.30.25, and ACH/EFT numbers EFT000010 through EFT000011 in the amount of \$380,855.83 to be paid from the Port of Walla Walla General Fund on the above stated date.

Walla Walla Regional Airport - General Fund

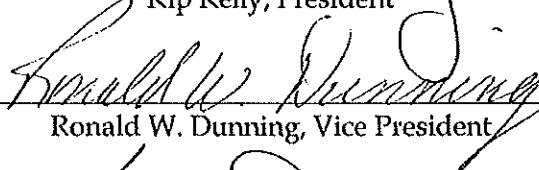
Approved for payment are check numbers 25424 through 25471, and direct deposit numbers PR4/30/2025 and ACH/EFT numbers EFT00002 through EFT00003 in the amount of \$536,426.31 to be paid from the Walla Walla Regional Airport General Fund on the above stated date.

Approved By:

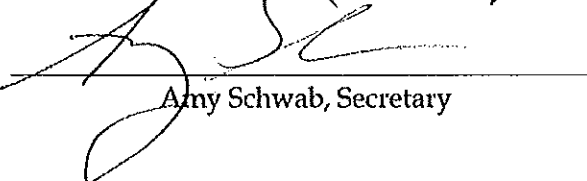
Port of Walla Walla Commissioners



Kip Kelly, President



Ronald W. Dunning, Vice President



Arny Schwab, Secretary

Port of Walla Walla/Walla Walla Regional Airport

Staff Report

TO: Port of Walla Walla Commission

FROM: Patrick H. Reay, Executive Director

SUBJECT: 2025 Supplemental #1 Budget; Public Hearing and Adoption of Supplemental Budget Resolution No. 2025-05

DATE: May 8, 2025

JURISDICTION: Port of Walla Walla

PURPOSE: Action Item

STAFF RECOMMENDED ACTION:

1. Conduct 2025 Supplemental #1 Budget hearing for the Port of Walla Walla 2025 Supplemental Budget #1.
2. Adopt the 2025 Supplemental #1 Budget by adopting Resolution No. 2025-05.

MOTION:

I move that we adopt Resolution 2025-05 thereby approving the Port of Walla Walla's 2025 Supplemental #1 budget for the Port of Walla Walla.

BACKGROUND:

Throughout the fiscal year, the Port Commissioners have authorized many projects and property actions (acquisitions and dispositions) that result in budgetary changes.

- Exhibit 1 is the Port of Walla Walla's 2025 Budget Summary that was adopted by Commissioners on December 17, 2024, and submitted to the county.
- Exhibit 2 is the Port of Walla Walla's 2025 Supplemental #1 Budget.
- Exhibit 3 is Resolution No. 2505 Adopting the Supplemental Budget #1.

Supplemental Budget Items:

Additional Property Acquisition: \$23,250,000 Budget Figure (TIA Eligible)

1. Worden Farms Property Acquisition \$15,150,000.
2. Potential Repurchase of BAS on Dodd Road \$516,880
3. Additional Land Acquisition \$7,500,000

Property Disposition: Non-Operating Revenue: \$33,100,000 Budget Figure

1. CP Holdings/Plastic \$1,072,500
2. Advanced Phase \$32,000,000

Non-Operating Revenue: Miscellaneous: Reduced \$2,000,000
Reduced State Grant \$2,000,000 (Rural Broadband - CERB)

Capital Expense: Miscellaneous: Reduce \$2,500,000
Reduce Broadband Project \$2,500,000

LEGAL REVIEW: N/A

FISCAL IMPACT: See Exhibit 2.

EXHIBIT:

- Exhibit 1: Port of Walla Walla's adopted 2025 Budget Summary
- Exhibit 2: Port of Walla Walla's proposed 2025 Supplemental #1 Budget Summary
- Exhibit 3: Resolution 2025-05 Adopting the Port's Supplemental Budget #1

EXHIBIT 1

PORT OF WALLA WALLA RESOLUTION NO. 2024-05 ADOPTION OF 2025 BUDGET

WHEREAS, the Port of Walla Walla published in the Walla Walla Union-Bulletin Newspaper (November 2 & November 9, 2024) legal advertisements announcing a public hearing on November 14, 2024, at 9:00 a.m. to consider the Port's proposed tax levy for fiscal year 2025 and a public hearing on November 26, 2024 at 2:30 p.m. to consider the adoption of the 2025 Final Budget, and

WHEREAS, said public hearing was held on November 14, 2024, and Resolution No. 2024-04 Adoption of 2025 Tax Levy (RCW 84.55.120) was adopted by the Port Commission, and

WHEREAS, the Port of Walla Walla published in the Walla Walla Union-Bulletin Newspaper (November 19, 2024) legal advertisements announcing a date and time for the public hearing on Tuesday, November 26, 2024, to consider the adoption of the 2025 Final Budget, and

WHEREAS, said public hearing was held on Tuesday, November 26, 2024, to consider the adoption of the 2025 Final Budget and was continued to Tuesday, December 17, 2024, and


WHEREAS, the Port of Walla Walla Commission announced the continuation of the public hearing for Tuesday, December 17, 2023, at 9:00 a.m. to consider the adoption of the 2025 Final Budget, and

WHEREAS, the said public hearing was held on Tuesday, December 17, 2024, to consider the adoption of the 2025 Final Budget, and

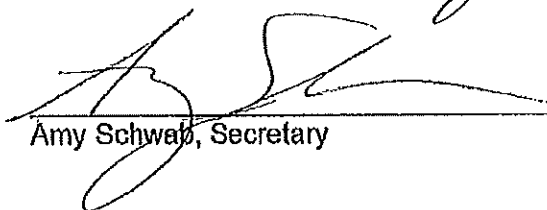
NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED, that the 2025 Port budget is hereby approved, and attached to this resolution.

ADOPTED by the Commissioners of the Port of Walla Walla this 17th day of December 2024.

PORT OF WALLA WALLA COMMISSIONERS


Kip Kelly, President


Ronald W. Dunning, Vice President


Amy Schwab, Secretary

**PORT OF WALLA WALLA
BUDGET SUMMARY
2025**

	Proposed 2025 Budget
Beginning Cash Balance	
Port Beginning Balance	\$29,500,000
Airport Beginning Balance	\$3,748,386
Tax Increment Area	\$0
Total Beginning Cash Balance	\$33,248,386

Receipts

Port

Leases & Utility System Revenues	\$3,346,480
Taxy Levy (\$2,295,846 @ 5.0% Collection Holdback+\$16,000)	\$2,380,069
Non-Operating Revenues	\$13,305,114
	<u>\$19,031,663</u>

Airport

Lease Revenues	\$3,419,251
Non-Operating Revenues - FAA	\$3,971,673
Non-Operating Revenues - Other	\$2,200,000
	<u>\$9,590,924</u>

Tax Increment Area

Revenues	<u>\$50,000</u>
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Total 2025 Receipts \$28,672,587

Expenditures

Port

Industrial Park & Water Utility Expense	\$1,547,375
Administrative & General Expense	\$2,437,436
Non-Operating Expense	\$409,645
Capital Expenditures	\$25,705,500
	<u>\$30,099,956</u>

Airport

Aviation & Industrial Park Expense	\$2,677,013
Administrative & General Expense	\$1,304,996
Non-Operating Expense	\$585,470
Capital Expenditures	\$8,108,666
	<u>\$12,676,145</u>

Tax Increment Area

General/Admin Expenses	<u>\$50,000</u>
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Total 2025 Expenditures \$42,826,100

Ending Cash Balance

Port Ending Balance	\$18,431,707
Airport Ending Balance	\$663,165

Total Ending Cash Balance \$19,094,872

**PORT OF WALLA WALLA
BUDGET SUMMARY
2025**

EXHIBIT 2

	2025 Adopted Budget 12-17-24	2025 Supplemental Budget #1 05-08-25
Beginning Cash Balance		
Port Beginning Balance	\$29,500,000	\$29,307,206
Airport Beginning Balance	\$3,748,386	\$4,743,285
Tax Increment Area	\$0	\$0
Total Beginning Cash Balance	\$33,248,386	\$34,050,491
Receipts		
<u>Port</u>		
Leases & Utility System Revenues	\$3,346,480	\$3,346,480
Taxy Levy (\$2,295,846 @ 5.0% anticipated noncollectible +\$16,000)	\$2,380,069	\$2,380,069
Non-Operating Revenues	\$13,305,114	\$44,405,114
	\$19,031,663	\$50,131,663
<u>Airport</u>		
Lease Revenues	\$3,416,851	\$3,416,851
Non-Operating Revenues - FAA	\$3,971,673	\$3,971,673
Non-Operating Revenues - Other	\$2,200,000	\$2,200,000
	\$9,588,524	\$9,588,524
<u>Tax Increment Area</u>		
Revenues	\$50,000	\$50,000
Total 2025 Receipts	\$28,670,187	\$59,770,187
Expenditures		
<u>Port</u>		
Industrial Park & Water Utility Expense	\$1,547,375	\$1,547,375
Administrative & General Expense	\$2,437,436	\$2,437,436
Non-Operating Expense	\$409,645	\$409,645
Capital Expenditures	\$25,705,500	\$23,205,500
	\$30,099,956	\$27,599,956
<u>Airport</u>		
Aviation & Industrial Park Expense	\$2,677,013	\$2,677,013
Administrative & General Expense	\$1,302,596	\$1,302,596
Non-Operating Expense	\$585,470	\$585,470
Capital Expenditures	\$8,108,666	\$8,108,666
	\$12,673,745	\$12,673,745
<u>Tax Increment Area</u>		
General/Admin Expenses	\$50,000	\$34,050,000
Total 2025 Expenditures	\$42,823,700	\$74,323,701
Ending Cash Balance		
Port Ending Balance	\$18,431,707	\$51,838,913
Airport Ending Balance	\$663,165	\$1,658,064
Tax Increment Area	\$0	-\$34,000,000
Total Ending Cash Balance	\$19,094,872	\$19,496,977

**PORT OF WALLA WALLA
RESOLUTION NO. 2025-05**

**A RESOLUTION OF THE PORT OF WALLA WALLA ADOPTION OF THE
2025 SUPPLEMENTAL BUDGET #1**

WHEREAS, the Port of Walla Walla published in the Walla Walla Union-Bulletin on May 1, 2025, a legal advertisement announcing a public hearing on Thursday, May 8, 2025, at 9:00 a.m. to consider the adoption of a 2025 supplemental budget #1, and

WHEREAS, said public hearing was held on Thursday, May 8, 2025, and

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED, that the 2025 Port supplemental budget #1 is hereby approved, and attached to this resolution.

ADOPTED by the Commissioners of the Port of Walla Walla this 8th day of May 2025.

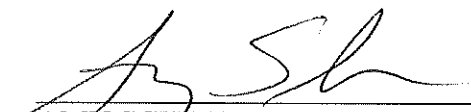
PORT OF WALLA WALLA COMMISSIONERS



KIP KELLY, PRESIDENT



RONALD W. DUNNING, VICE PRESIDENT



AMY SCHWAB, SECRETARY

RESOLUTION 2025-06

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WALLA WALLA, WASHINGTON, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF WALLA WALLA RELATED TO THE ADMINISTRATION OF FEDERAL FUNDS FOR THE US 12 CLINTON INTERCHANGE PROJECT

WHEREAS, the Port of Walla Walla (the "Port") and the City of Walla Walla (the "City") have worked closely with other interested stakeholders to seek funding to construct an interchange at the intersection of US Highway 12 and North Clinton Street (the "US 12 Clinton Interchange Project"); and

WHEREAS, the Port has received a federal aid project grant, administered through the Washington State Department of Transportation (WSDOT) for the US 12 Clinton Interchange Project; and

WHEREAS, the Port is not a "certified agency" (CA) to perform federal aid project administration; and

WHEREAS, the WSDOT local agency guidelines require that a non-CA agency enter into an agreement with a CA agency to administer all aspects of project administration; and

WHEREAS, the City is a CA agency; and

WHEREAS, it would be in the interest of the Port, the City, and the Public to construct the US 12 Clinton Interchange Project; and

WHEREAS, the Port and the City desire to enter into an interlocal agreement (the "Interlocal Agreement") whereby the City will agree to serve as the CA for the US 12 Clinton Interchange Project (attached hereto as **Addendum 1**); and

WHEREAS, this type of agreement is authorized by RCW 39.34, the Interlocal Cooperation Act.

NOW THEREFORE, BE IT RESOLVED by the Port Commissioners of the Port of Walla Walla, Washington, as follows:

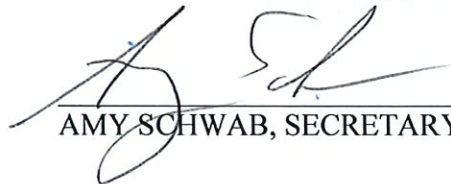
1. That the Executive Director is hereby authorized to execute the Interlocal Agreement; and
2. That the Executive Director is hereby further authorized to act on behalf of the Commission as the Commission's agent for all of the Port's responsibilities under the Interlocal Agreement; and
3. That this Resolution shall be effective upon passage and execution in accordance with law.

ADOPTED by the Port Commission of the Port of Walla Walla this 8TH day of May 2025, and duly authenticated by the signatures of the Commissioners voting in favor thereof.

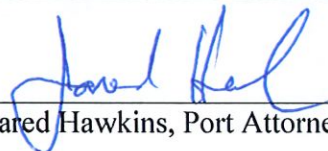
PORT OF WALLA WALLA COMMISSIONERS


KIP KELLY, PRESIDENT


RONALD W. DUNNING, VICE PRESIDENT


AMY SCHWAB, SECRETARY

APPROVED AS TO FORM:


Jared Hawkins, Port Attorney, Port of Walla Walla