



Port provides leadership in supporting penitentiary payroll, promoting improvements

“The Taskforce has worked effectively for us in the past...our best hope is that it will continue with some success down the road.”

John Christy, WSP Correctional Officer

In the face of imminent job cuts - the loss of more than 170 positions - at the beginning of 2012, Walla Walla’s Washington State Penitentiary Taskforce is again called to meet the challenge of competing interests.

Because of state budget reductions, the Department of Corrections is seeking ways to significantly cut prison operating costs...at the same time Walla Walla is concerned about the “fairness” of a significant reduction in jobs.

Port Commissioner Paul Schneidmiller says the cuts will reach far beyond prison walls. “For every 100 corrections jobs, another 67 community jobs will be indirectly impacted.”

The Port and Taskforce are expected to appeal to the governor and DOC for more time to allow the legislature an opportunity to look at the reduction in forces and other cost reducing alternatives.

“It will be great if we can come up with an initiative that will solve the expense challenges without eliminating jobs,” Schneidmiller said.

“In 2009 I approached the Port of Walla Walla with concern that the Washington State Penitentiary was vulnerable to job reductions and restructuring...the community needed to pay attention and rally behind one of the largest employers in the Walla Walla Valley.”

“Before long the Washington State Penitentiary Community Taskforce was formed. The Port has been and continues to be its leader.”

“The accomplishments of this Community Taskforce have been nothing short of impressive during these challenging economic times.”

Dick Morgan

Retired
 Director of Washington State Prisons

TASKFORCE TIMELINE

July, 2009 Taskforce kickoff meeting to study Washington State Legislative proposal to eliminate 1,580 prison beds statewide.

September, 2009 Taskforce meets to review updated economic impact analysis and unique characteristics of WSP documents. Taskforce findings submitted to Office of Financial Management. No other community has provided this kind of detail.

October, 2009 Taskforce (Port and City of Walla Walla) retains former Washington State Representative Dave Mastin to lobby the 2010 legislature to commit funds for design of two new medium security units and expand west kitchen complex at WSP.

June, 2010 \$6.8 million secured for pre-design efforts for MSU and kitchen.

June 2011 State capital budget includes \$42 million to construct new medium security units and expansion of west kitchen complex.

September, 2011 Construction contract for new units awarded to Lydig Construction.

October, 2011 Governor Chris Gregoire endorses plan developed by the Department of Corrections that will reconfigure WSP operations, saving an estimated \$10 million a year, but cutting more than 170 jobs at the Walla Walla prison.

New SR 124 / US 12 interchange on schedule, completion set for July, 2012



US 12 four-laning update

The new **Burbank interchange** and **Humorist Road overpass** were not among plans for the original US 12 widening project, but due to the number and severity of collisions in Burbank, DOT officials accessed 2005 gas tax funds for the design and construction of this safety project. **Construction began in March, 2011 and is scheduled for completion in July, 2012.** The new \$21.3 million interchange will mean safer traffic flow between US 12 and SR 124, eliminate dangerous traffic lights and enhance economic vitality for the area.

While right-of-way plans and preliminary design decisions for four-laning US 12 between **Nine Mile Hill and Woodward Canyon** are complete, there is only partial funding for land acquisition and no funding for construction. The estimated cost of this project (Phase 7-A) is \$74 million.

PHOTOS: Top right - Aerial view of the Humorist Road bridge project taken in late October, 2011. Middle - Artist's concept of Burbank interchange and Humorist Road overpass in Burbank. Lower left - Aerial view of the Burbank interchange taken in late October, 2011. Photos courtesy Washington Department of Transportation

Port works with City of Pasco to develop sewer treatment plans for Burbank park

In a unique regional partnership, the Port of Walla Walla and City of Pasco are finalizing an agreement for the City of Pasco to become the sewer treatment provider for the Port's Burbank Business Park.

The Port of Walla Walla is currently preparing to develop a 120 acre business park zoned for commercial and light industrial uses adjacent to the new US Highway 12 interchanges accessing Burbank. The Port hopes to have the binding site plan completed in the 1st quarter of 2012.

While the Port could install traditional septic systems throughout the business park, the Port Commission believes the more ecologically prudent solution is to have off-site sewer treatment services provided.

Under the proposal with Pasco, the Port will access Pasco's excess capacity by installing a pipeline under the Snake River to connect to a city-owned sewer trunk. The Port estimates the cost at \$2.1 million. The Port would also pay the city a one-time connection fee of \$900,000 for the first 100,000 gallons per day of sewer capacity along with monthly sewer treatment fees.

"This is the most cost-effective option," says Port Commission President Mike Fredrickson. "Building a stand alone treatment plant in Burbank would cost in excess of \$6 million."

In its negotiation with Pasco, Fredrickson emphasized that the Port is also making sure the sewer service delivery area encompasses the majority of the Burbank community. "This way, if requested, the sewer service can be extended beyond the boundaries of the Burbank Business Park," he explained.

Port Commissioner named to transportation task force

Walla Walla Port Commissioner Mike Fredrickson is one of 30 Washington state residents named to a new transportation task force, "Connecting Washington."

Governor Chris Gregoire said the committee is charged with developing a 10-year transportation investment and funding plan to "improve and maintain our transportation system and help keep our communities and businesses moving."

The group mission:

- Review statewide transportation needs
- Recommend the most promising projects for investment
- Identify potential revenue sources
- Develop a 10-year investing and funding plan for the state transportation system
- Present the plan in January 2012 to the state Legislature for consideration

In addition to Fredrickson, membership includes persons from local governments, transits, business and labor, state lawmakers, the Washington DOT, environmentalists, and bicycle-pedestrian interests.

Local manufacturer prospers with expanded Port site, builds number of family-wage jobs

When the Port of Walla Walla added a new 7,680 square foot building to Reiff Manufacturing's airport complex it set the stage for new efficiency and continued growth for the fiberglass fabricator.

David Reiff, President and General Manager of the firm, explains that the \$540,000 Port investment allowed consolidation of all manufacturing processes to a single site instead of operating from two locations a "block and a half" apart.

According to Reiff, having its multiple building complex in one location added needed efficiencies in the manufacture of a variety of custom-built products. The mix includes fiberglass shelters, antenna covers, cisterns and fish rearing troughs and tanks.

Even though annual sales to worldwide markets have grown to an estimated \$3 million, Reiff insists his is a "small business."

Reiff Fiberglass operates with a staff of 20 people. The total annual payroll is some \$700,000.

David Reiff says his family-owned business is staffed by family-oriented people. "I'd say most all of our employees are here to earn a salary that meets a Walla Walla family's needs."

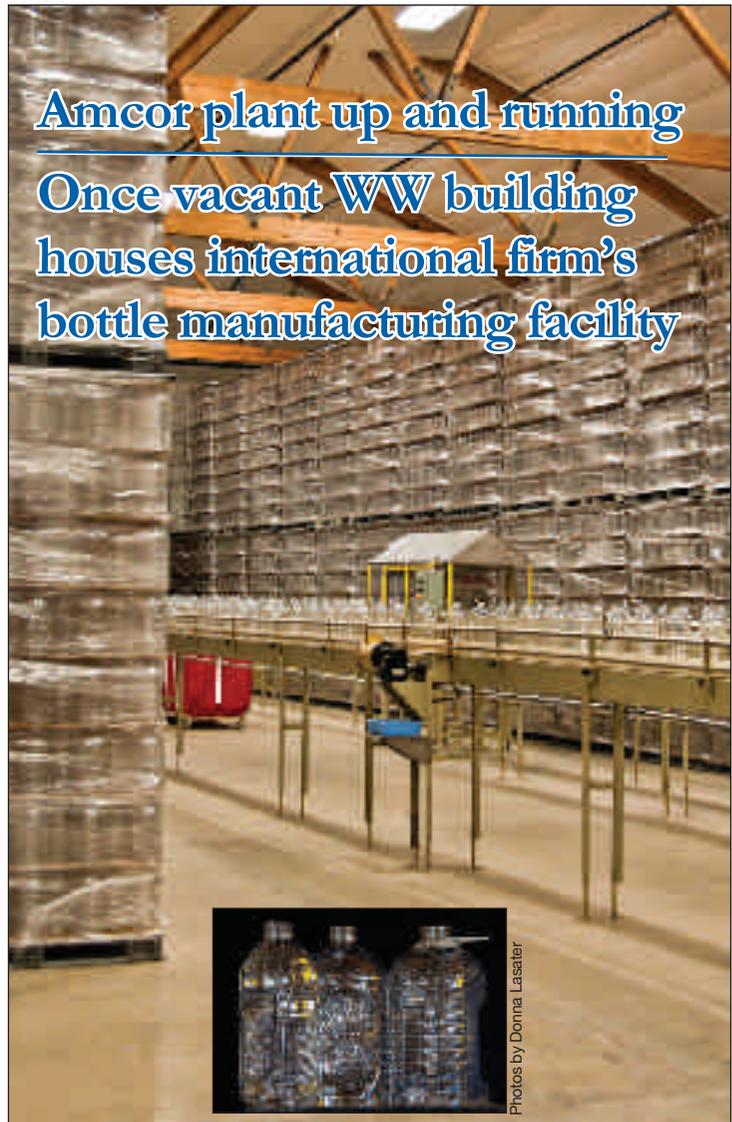
It's not just the individuals who work for the manufacturer who benefit. Reiff is particularly committed to other local businesses to help make his a success.

"We rely on as many as 100 vendors on a regular basis - suppliers, electricians, welders - craftsmen who help us build quality products that are competitive on an international scale," Reiff explains. "And as many as 50 or more of those are Walla Walla based. It's just important that we help each other grow together."

Reiff Manufacturing was started in 1963 by David's grandfather, Norwood. Later, his father Steve Reiff took over the reins. David and his wife, Michelle, assumed ownership and management of the company in March, 2011.



PHOTOS: Left: Fiberglass radomes ready for shipment. Center: New 7,680 square foot building occupied in mid-2011. Right: David Reiff, President and General Manager of Reiff Manufacturing, with custom-made fiberglass shelter. Photos by Donna Lasater



Amcor plant up and running Once vacant WW building houses international firm's bottle manufacturing facility

Photos: Automated production line manufacturers as many as 6,600 bottles an hour at Amcor's new Walla Walla plant. Inset: Products include 64 oz, 96 oz and gallon sizes.

A once vacant warehouse in the Port's Dell Avenue Industrial Park is now home to a state-of-the-art bottle maker operated by an international packaging company.

Since February, 2011 the Amcor plant has been manufacturing PET (polyethylene terephthalate) bottles for juices produced by Cott in the next-door plant formerly owned by Cliffstar.

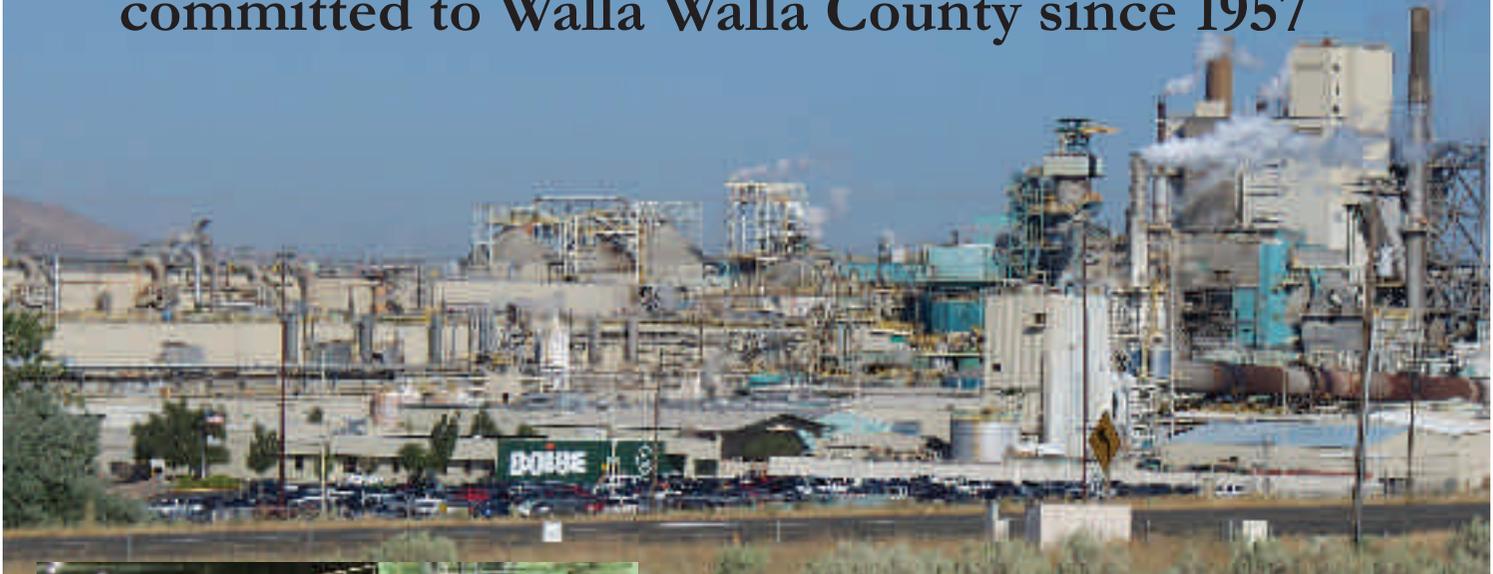
According to Jeremy Larson, site manager for Amcor, the highly automated plant produces as many as 6,600 bottles an hour in 64-ounce, 96-ounce and gallon-sizes.

From start to finish, bottles are seldom, if ever touched by human hands. The sophisticated system is operated by a two-person crew per shift, with each keeping a close eye on equipment that's fine-tuned to maintain high speed output with uncompromising quality. Once wrapped and stacked, the bottles are stored by the thousands awaiting use by Cott.

Larson says the Walla Walla plant is one of 78 similar Amcor operations in 13 countries around the world. "We're counting on growing our service base beyond Cott's Walla Walla plant to other users in nearby Northwest sites," Larson said.

Improvements costing an estimated \$100,000 were completed to ready the building for Amcor. The renovations were funded through an Economic Development Sales Tax Grant via an agreement between the Port, Walla Walla County and the City of Walla Walla.

Boise Inc... committed to Walla Walla County since 1957



“Boise appreciates our partnership with the Port of Walla Walla and Port Commissioners for the past half century. Their support and assistance has been, and continues to be, extremely valuable to our mill, our employees and our county.”

Terry Ward
Wallula Mill Manager and
Vice President, Boise Inc.

For more than a half-century, Boise Inc.’s Wallula pulp and paper mill has been one of Walla Walla County’s top-ten largest employers.

Altogether, Boise’s Wallula operations - paper mill, packaging plant, fiber farm, trucking terminal and research and development program - provide jobs for as many as 600 people.

Boise is the largest taxpayer in Walla Walla County and also supports the Fort Walla Walla Museum, Walla Walla Fair & Frontier Days and the Highway 12 Coalition.

In addition to its community commitment, Boise is committed to sustainable forestry and responsible fiber procurement practices. “We rely on natural resources - air, water, energy, and especially fiber from trees - to make the paper and packaging products people use every day. It only makes sense we operate in ways that sustain these natural resources and protect the environment today and for generations to come.” said Terry Ward, Wallula mill manager and Boise Inc. vice president.

The Wallula mill participates in several independent, third-party forest certification programs, including the Sustainable Forestry Initiative® (SFI®), the Forest Stewardship Council™ (FSC®), and Programme for Endorsement of Forest Certification (PEFC™).

Boise Wallula products include pulp, corrugated medium (the fluted part of the middle of a corrugated box) and specialty paper, such as release liner for the backing of adhesive labels.

PHOTOS: A: In addition to the pulp and paper mill along Highway 12, Boise Inc.’s Wallula operation encompasses a container plant, trucking operation, fiber farm and chipping operation in Umatilla, Oregon. **B:** Originally built in 1977 to produce uncoated paper like office paper and envelopes, W3 was rebuilt in 2007 to allow it to produce specialty paper, like coated paper used for the backing of address labels and food packaging labels. **C:** Nicknamed “Princess Sacajawea” as a tribute to our area’s Lewis and Clark heritage, W2 produces corrugated medium – the “wavy” part of the inside of a corrugated box. Corrugated medium off W2 supplies the Boise container plant in Wallula and Boise’s five other container plants around the country. **D:** Mechanic Sergey Akpov is installing a jack under a truck drive line at Boise’s Wallula truck terminal. Boise trucks dispatched from the terminal primarily haul raw products to the mill. Contractor-operated trucks typically haul finished goods from the mill. Photos courtesy Boise.

Boise Inc. Wallula Highlights: 50 Years Plus

■ **1957** Boise Cascade - created by a merger of Boise Payette and Cascade Lumber - begins construction of its Wallula pulp and paper mill on a 500 acre site on the Columbia River in Walla Walla County. It was in the midst of resources vital to the firm's entry into the pulp and paper business. The area provided access to a nearby natural gas line, cheap electric power and transportation. The site was at the junction of two major railway lines and was centrally located among the company's seven sawmills.

■ **1959** The Wallula mill began full scale operation - with crews working around the clock to produce 170 tons of paper a day. Its product mix included corrugated containers used to ship fruits and vegetables raised by nearby growers.

■ **1961** Added capacity included the historically named "Princess Sacajawea" paper machine to provide paper required for corrugated containers for the company's container plant in Wallula.

■ **1971** Construction begins on a 6,000 square foot addition to the #2 paper machine building to house equipment to produce dried pulp from the mill's linerboard machine. The dried pulp was shipped as "market pulp."

■ **1977** Boise announced a new \$260 million expansion at Wallula with nearly \$6 million dedicated to building a new paper machine, W3.

■ **1979** W1 was converted to producing baled market pulp, and by Christmas, W3 produced the first rolls of white paper.

■ **1991** With wood fiber supplies dwindling, the company developed its own fiber farm using fast-growing cottonwood trees developed by Washington State University and the University of Washington.

■ **1994** Boise sells its paper, forest products and timberland assets to Madison Dearborn for \$3.7 billion. As a result, Boise combined its own office product distribution business with OfficeMax, a super store chain acquired a year earlier. The company went private and the Wallula mill began operating under the divisional name Boise Paper.

■ **2007** Boise funded an \$80 million overhaul of W3, enabling it to make uncoated and specialty coated papers. The makeover was a key element in Boise's effort to become a leader in the flexible packaging industry.

■ **2008** A new public company, Boise Inc., was formed following the Aldabra 2 Acquisition Corporation's purchase of the paper and packaging assets of Boise Cascade, L.L.C. Boise Inc. is traded on the NYSE: BZ

■ **2011** W3 transitions to producing 100% specialty paper.

BOISE BY THE NUMBERS

600 employees
\$42.8 million total payroll 2010
\$76,000 average annual salary 2010
\$1.9 million WW County property taxes 2011

WW County ag industry grows economy, creates 3,900 jobs annually...

The value of Washington State's 2010 agricultural production reached the second highest value in record - second only to 2007. According to the USDA's National Agricultural Statistics Service, crop values reached \$8.25 billion, 13 percent higher than 2009 and topped only by 2007's \$8.35 billion.

While production values for Walla Walla County were reported as part of the NASA summary, it did suggest that three of the county's major crops - apples, wheat and grapes - were among the top 10 commodities listed.

Totals revealed by Pat McConnell, general manager of retail operations for The McGregor Company, suggest that Walla Walla County produces some \$344 million in marketed crops annually. Farms in the county, McConnell says, average 734 acres, about twice the state average.

Port of Walla Walla Commissioner Ron Dunning says the county's growing farm production values contribute significantly to the health of the local economy.

Among other things, an analysis of farm labor for 2010 showed that nearly 3,900 workers found full-time and seasonal jobs in Walla Walla County in 2010. That represents an estimated 13.5% of the county's total employment.

In addition, Dunning points to the Port's long time commitment to the ag industry as a measure of its overall contribution to the area's economic well being. He cites as examples an historic involvement in the development and protection of river navigation, the ongoing support of four-laning of US 12 and the successful completion of the Railex terminal to facilitate speedy shipment of produce to the East Coast. In addition, the Port has provided direct assistance to Broetje Orchards, Tyson Fresh Meats and the Walla Walla Valley wine industry.

Most recent commodity acreages for Walla Walla County, as compiled by the Washington State Department of Agriculture and reported by McConnell are:

| | |
|-----------------|---------------|
| Wheat | 220,000 acres |
| CRP | 155,000 acres |
| Hay | 18,000 acres |
| Potatoes | 9,500 acres |
| Processing Peas | 7,000 acres |
| Barley | 7,000 acres |
| Corn | 7,000 acres |
| Fruit | 6,000 acres |
| Concord Grapes | 2,380 acres |
| Wine Grapes | 1,800 acres |



Photos by Donna Lasater



New artists/artisans colony comes alive on Walla Walla's Dell Avenue...

PHOTOS: An October sunset view of the Port of WW's Dell Avenue Artists' Colony. Inset: Furniture maker Craig Keister at work in his new Colony workshop. Photos by Donna Lasater

Craig Keister likens what's happening at the old Walla Walla Cannery site to the wine incubator buildings at the Walla Walla Regional Airport.

Keister, owner of a downtown Walla Walla antique store and a builder of custom-made furniture, envisioned the creation of an "art colony" with affordable space for artists and artisans who've outgrown their kitchen and garage shops. He shared his enthusiasm for the concept with Port of Walla Walla commissioners and they turned him loose.

After major cleanup that included updated electrical service and new windows that welcomed natural light...the original six 1,000 square foot buildings were ready.

And practically before the paint dried, tenants were ready to move in. Occupants include a metal artisan, a maker of fishing lures, a woodworker...and before long, Keister predicts there will be a waiting list. In fact, he's already studying plans for the construction of six additional look-alike buildings on the spacious site. And he's talking to wine and music enthusiasts about staging joint events that will bring the public to a landscaped community of creativity.

"We've wanted to develop affordable production and studio space for our art community," said Port Commissioner Ron Dunning. "We're pleased with the outcome of this project."



Photo by Donna Lasater

Columbia REA buys WW Melrose complex

Columbia REA has purchased the Port of Walla Walla's Melrose Building Complex.

Port Commission President Mike Fredrickson announced in mid-year that the Port and CREA had agreed on the transaction. The sales price for the 10.16 acre site, including the central warehouse, Quonset building and offices was \$5.33 million.

Les Teel, CEO of Columbia REA, says the utility company had outgrown its Walla Walla location on Rees Avenue and that the Melrose property will meet the company's "long term strategic needs."

The Port built the Melrose complex for \$4.1 million in 1988 for Strauser manufacturing. That firm filed bankruptcy and vacated the building in 1990.

Key Technology leased the facility for 10 years - from 1995 to 2005 - a period that saw Key make a host of improvements.

"The Port commission is pleased Columbia REA can bring the property back to a productive use," Fredrickson said. "We also believe they will be an excellent anchor business for the Port's vision of developing the remainder of the 31-acre Melrose business park."

YOU'RE INVITED Economic Development Advisory Committee meetings

If you're interested in learning more about the Port's economic development strategies and the latest economic trends in the greater Walla Walla Valley, then attending an EDC meeting is for you.

These informative public sessions are held six times a year in the Walla Walla Regional Airport Community Conference Room starting 11:45 a.m. and conclude at 1:30 p.m.

A typical meeting includes a briefing on the current economic conditions in the Walla Walla Valley by Port Staff, a regional labor economist perspective on the economy, a guest speaker - usually a local business person speaking about their operations - and a review of the Port's business retention and recruitment activities.

To become involved all you need do is call the Port at 509-525-3100 and ask to be put on the EDC mailing list. Every other month you will receive a meeting notice in the mail.

It's that easy to become involved.



Web site tracks economic, social and environmental happenings in the valley

Looking for the largest taxpayers in Walla Walla County? Want to know whether more people have jobs in the private or public sectors of the valley? Is tourism spending really increasing and by how much? Does Walla Walla County spend more, or less per student on public education than elsewhere?

Answers to these questions and a host of others are easily accessible at www.wallawallatrends.com.

The one-stop-shop for current, reliable, and meaningful data covering a broad range of subject matter was developed by the Port of Walla Walla in 2008. It is available free of charge to anyone at any time with no passwords or login information required.

Eastern Washington University, under an \$18,000 annual contract with the Port, regularly updates the site and produces a quarterly e-mail newsletter summarizing the most recent trends. The electronic publication is available by calling the Port at 509-525-3100.

WW Small Business Development Center gets fresh start, Port adds to new funding

After an absence of more than a year, the Walla Walla Area Small Business Development Center is “back in business.”

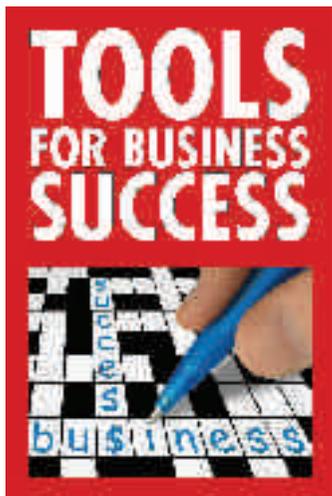
The SBDC was closed in April, 2010 after 17 years when state budget cutbacks took money away from supporting agencies who were forced to withdraw financial aid.

Now, with pledges from Walla Walla area businesses and financial institutions and assistance from Brett Rogers, director for Washington’s Small Business Development Center network, in finding federal matching funds, the new local office will be in full operation by 2012.

Among supporters, initial funding includes \$5,000 from the Port of Walla Walla for 2011 and another \$10,000 for the next year.

Elio Agostini, Downtown Walla Walla Foundation Executive Director, whose agency will serve as fiscal agent for the business center, said that as many as seven locations, including the WW Regional Airport, have offered office space as an “in kind” contribution to the SBDC. “That counts,” he said, “and will make the difference in meeting local share funding needs.”

Agostini says decisions relating to staffing and location for the SBDC office are pending, but should be announced before 2011 ends.



Another small business initiative is the Port’s special web site entitled “**Tools for Business Success.**” This site provides an array of information on loan and financing programs, operations manuals, business plans, employee relations tips, marketing ideas, laws and regulations and much more.

Visit www.portwallawalla.com and click on Walla Walla Small Business Tools.

Port becomes air travel “myth-buster,” promotion helps build local boardings

Port Commissioner Paul Schneidmiller is enthused about the response to the “cumulative effort” to build passenger counts on Alaska Airlines flights between Walla Walla and Seattle.

As operators of the Walla Walla Regional Airport, the Port is taking the lead with a newspaper/web site advertising campaign based on a “fly Walla Walla...it works” theme that addresses advantages of choosing to depart from Walla Walla as opposed to Pasco.

Among other things, the “mythbusters” message addresses competitive fares and free services including parking, wi-fi and coffee.

The goal, according to Airport Manager

“It works great to catch the early morning flight out of Walla Walla to zip over to Seattle for the meetings,” Sharon Shaver wrote in her Facebook post. “It only takes a few minutes to get to the airport, check-in goes quickly, and the parking is free. The rates are very reasonable too. In fact, it costs my school more than twice as much to pay for my car mileage to drive to Seattle than it does to fly me to Seattle -- and they also don't have to pay for a hotel when I fly!...” One of two ticket winners in WW Airport Facebook contest.



Jennifer Skoglund, is to build Alaska emplanements at WW Regional Airport to a 70% load factor. At mid-year, that meant an additional six passengers per flight per day.

Schneidmiller, who owns World Wide

Travel Service, says that counts have increased to record highs every month this year.

“We still have a bit to grow to meet Alaska’s objective,” said Schneidmiller, “but I’m really optimistic about achieving that.”

He emphasized that Alaska isn’t suggesting plans to change Walla Walla service. “They just want to achieve a level of use that generates a necessary return on investment.”

Historic planes and cars highlight Wings & Wheels celebration



“Maid in the Shade,” WW II vintage B-25 over WW. Photo by Dennis Debroeck

The Port and its WW Regional Airport hosted hundreds of participants during a mid-year 2011 celebration of aircraft history and ground transportation.

The June 25th and 26th event included an appearance by “Maid in the Shade,” a restored WWII B-25 Mitchell from the Commemorative Air Force Arizona Wing

Aviation Museum. In addition rides were available in Captain Mac’s 1929 TravelAir Biplane and the Mercedes Car and Mooney Aircraft Club added flying and driving excitement for visitors.

In addition, the B-25 extended its stay to give more people an opportunity to tour the plane and, for some, to purchase rides.



Photo by Ian Gleadle

Port Responsibilities

Public port districts are authorized by state law to undertake many activities to enhance the economic welfare of local communities. These regulations authorize the Port of Walla Walla to:

- Develop waterfronts, airports and other facilities for handling cargo and passengers.
- Provide capital improvements needed for industrial and manufacturing facilities within the Port District.
- Improve Port District lands so they can be sold or leased for industrial and commercial use.
- Acquire, construct, install, improve and operate sewer and water utilities to serve its own properties and that of other property owners.
- Execute business recruitment strategies.
- Levy taxes and sell bonds to develop properties and manufacturing facilities.

Port Leadership

The Port of Walla Walla has three elected commissioners who represent you...the shareholders. The commissioners are Mike Fredrickson, President; Ron Dunning, Secretary; and Paul Schneidmiller, Vice President.

While all commissioners are elected on a county-wide basis, each must live in a specific commissioner district within Walla Walla County. The districts are the same as Walla Walla county commissioner districts.

Dunning is owner of Dunning Irrigation in Touchet and is co-owner of Touchet Seed & Energy, an oil-seed crusher for biofuels. He represents District 3, including College Place, Touchet, Lowden, Burbank, Eureka, Clyde and the western part of the county.

Fredrickson, managing member of Associated Appraisers of Walla Walla LLC, represents District 2, which includes the eastern third of the City of Walla Walla, Dixie, Waitsburg and Prescott.

Schneidmiller, president of World Wide Travel Service, Inc., represents District 1, which encompasses more than half the City of Walla Walla and the Stateline area.

Each commissioner serves a six-year term. Terms are staggered so that one position is up for election every two years.



Port of Walla Walla Commission President Mike Fredrickson, Secretary Ron Dunning and Vice President Paul Schneidmiller in the lobby at Walla Walla Regional Airport. (Photo by Brian Gaines)

Commissioners decide each year who will hold the offices of President, Vice President and Secretary.

Port of Walla Walla Commissioners, and those at other Ports with similar business volume, are entitled to \$104 per day compensation for each day or portion of a day spent attending meetings or performing other services on behalf of the Port District.

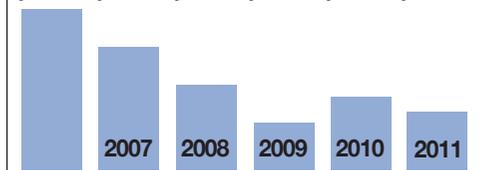
The law prohibits commissioners from receiving more than \$9,984 per year in such compensation. In addition, Port Commissioners receive a salary of up to \$750 per month.

Port Finances

Ports may levy, without a public vote, a property tax of no more than 45-cents per \$1,000 of assessed property valuation for general Port purposes.

Careful management of resources has resulted in a reduction of property taxes needed for Port of Walla Walla operations...with actual assessments well below authorized levels.

| Authorized property tax limit | Actual 2007 levy | Actual 2008 levy | Actual 2009 levy | Actual 2010 levy | Actual 2011 levy |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$0.45 per \$1,000 | \$0.42 per \$1,000 | \$0.39 per \$1,000 | \$0.36 per \$1,000 | \$0.38 per \$1,000 | \$0.37 per \$1,000 |



The Port District receives only 20 percent of its revenues from property taxes.

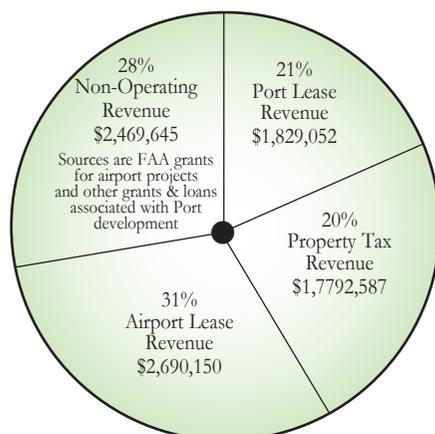
Washington State law provides for Port Commissioners to designate administrative powers and duties to the managing official of the Port District. This is done with a Port Commission resolution establishing guidelines and procedures for the managing official to follow.

In that manner, the Executive Director and his or her staff can perform their duties in a timely and efficient manner. Still, as policy makers, Port Commissioners remain responsible for district operations.

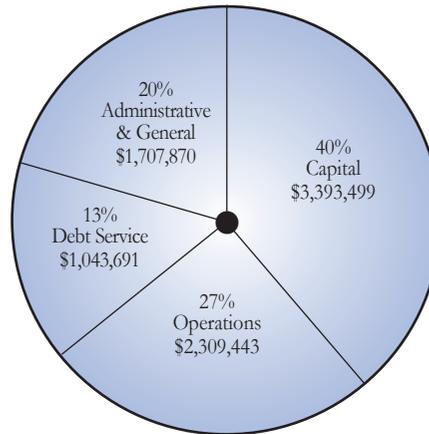
Regular Port of Walla Walla Commission meetings are at 6:00 p.m. on the second Thursday and 1:00 p.m. on the fourth Thursday of each month at the Port office.

Port of Walla Walla Budget

2011 Projected Revenues • \$8,781,434



2011 Projected Expenses • \$8,454,503



The Port has established reserve funds for the Port and Airport. The Port utilizes these reserves to assist with financing capital improvements.

Port of Walla Walla Staff

| | |
|--------------------|-------------------------------------|
| Jim Kuntz | Executive Director |
| Paul Gerola | Economic Development Director |
| Jennifer Skoglund | Airport Manager |
| Gary Stewart | Maintenance & Operations Supervisor |
| Ken Clayton | Airport Security Coordinator |
| Tricia Butler, CPA | Auditor/Treasurer |
| Becky Hulse | Executive Assistant |
| June Meiners | Receptionist |
| Darren Brinson | Maintenance |
| Louis Gagnon | Maintenance |
| Terry Dickerson | Maintenance |
| Brian Hurst | Maintenance |
| Neil Henze | Maintenance |
| Ron Beach | Summer Crew |
| Marcello Sotello | Summer Crew |

Port of Walla Walla Watch

Carl Tyler Editor

Port of Walla Walla

310 A Street • WW Regional Airport, Walla Walla, WA 99362
Phone: 509-525-3100 Fax: 509-525-3101
www.portwallawalla.com / www.wallawallaairport.com