



**Board of Directors
Chelan Douglas Regional Port Authority
Special Meeting Minutes
October 12th, 2021
12:00 pm**

Present:

Directors

JC Baldwin, Director
W. Alan Loeb sack, Director
Rory Turner, Director

Jim Huffman, Director
Donn Etherington, Director
Mark Spurgeon, Director

Staff

Jim Kuntz, Chief Executive Officer
Trent Moyers, Director of Airports
Stacie de Mestre, Capital Projects Mgr.
Ron Russ, Property Mgr.
Pete Fraley, Legal Counsel
Cami Harris, Executive Assistant
Bealinda Tidd, Accounting Spec. (Zoom)
Laura Camarillo Reyes, CTC Asst. (Zoom)

Monica Lough, Dir. of Finance & Admin.
Ron Cridlebaugh, Econ. Dev. Director
Tricia Degnan, CTC Manager (Zoom)
Craig Larsen, Business Dev. Mgr.
Jennifer Sands, Legal Counsel
Quentin Batjer, Legal Counsel
Esther McKivor, Accounting Spec. (Zoom)

Guests

Erik Howe, RH2 (Zoom)

Ron Nielsen, SBDC

The Chelan Douglas Regional Port Authority (CDRPA) Special Meeting was called to order at 12:00 pm.

Introductions were made.

Conflict of Interest: None

CDRPA CONSENT AGENDA:

The Chelan Douglas Regional Port Authority Consent Agenda consisting of Minutes of September 28th, 2021 Commission Meeting; and Check Register Pages #2021-32-#2021-34, including Electronic Transfers, was presented and the following action was taken:

Motion No.

Moved by:

Seconded by:

10-01-21 CDRPA

Mark Spurgeon

JC Baldwin

To approve the Chelan Douglas Regional Port Authority Consent Agenda consisting of Minutes of September 28th, 2021 Commission Meeting; and Check Register Pages #2021-32-#2021-34, including Electronic Transfers, as presented.

Motion passed 6-0.

PRESENTATION:

Small Business Development Center – Ron Nielsen from the SBDC provided a Third Quarter 2021 review of the organization’s work and activities. Nielsen reported that John Morosco retired and new hire Sarah Trujillo will begin November 1st. The SBDC will continue to provide quarterly reports to the Regional Port Board.

CDRPA ACTION ITEMS:

CTC Core & Shell Building Remodel – Authorization to Award Low Bidder – de Mestre reported on October 6th two bids were received for the CTC Core & Shell Building Remodel Project. The low bidder subsequently withdrew their bid claiming an error. Discussion ensued whether to award the remaining bidder, Halme Builders, the project. Commissioner Baldwin provided a motion to authorize the CEO to award the CTC Core & Shell Building Remodel Project to Halme Builders, in the amount of \$3,545,000, including Washington State Sales Tax, upon receipt and acceptance of all necessary deliverables required by the contract documents from the contractor. Commissioner Spurgeon seconded the motion. Upon further discussion, the motion and second were withdrawn and no action was taken. More information will be brought back at the upcoming Board retreat on October 12th.

Due to the above Action Item being tabled, no action was taken on the following two items:

CTC Core & Shell Building Remodel – Establishing Overall Project Budget – No action taken.

CTC Surplus Equipment Bid – Authorization to Award to Highest Bidder – de Mestre provided information on the high bidder for the CTC Surplus Equipment. Discussions ensued, but no action was taken.

Professional Services Agreement – South End Utilities Working Group – Kuntz reviewed the RH2 Engineers proposed Scope of Work for South End Utilities Planning. Discussions ensued and the following action was taken:

Motion No.	10-02-21 CDRPA
Moved by:	Donn Etherington
Seconded by:	Jim Huffman
	To authorize the CEO to enter into a Professional Services Agreement with RH2 Engineers for the South End Utilities Planning Project in an amount not to exceed \$100,000.00.

Motion passed 6-0.

Regional Port Office/Aviation Center Building – Trench Drain Sewer Project– de Mestre provided information on the Trench Drain Sewer Project at the Regional Port/Aviation Center Building. Discussion ensued and the following actions were taken:

Motion No.	10-03-21 CDRPA
Moved by:	Jim Huffman
Seconded by:	JC Baldwin
	To authorize the CEO to award a construction contract for the Trench Drain Sewer Connection Project at Executive Flight subject to the cost, including tax, not exceeding \$70,000.

Motion passed 6-0.

Revised Covenants – Pangborn Airport Business Park – Kuntz thanked Quentin Batjer for updating the Pangborn Airport Business Park Covenants. The current Covenants are over 23 years old. The redrafted Covenants establish some minimal rules while not being overly burdensome. Staff recommended the Board approve the revised Covenants. The following action was taken:

Motion No.	10-04-21 CDRPA
Moved by:	JC Baldwin
Seconded by:	Mark Spurgeon
	To approve the revised Covenants for Pangborn Airport Business Park, as presented.

Motion passed 6-0.

CDRPA Resolution No. 2021-18 Clarifying Commissioner Per Diem – CDRPA Resolution No. 2021-18 Clarifying Commissioner Per Diem was presented. Two minor revisions were suggested by the Board, and the following action was taken:

Motion No.	10-05-21 CDRPA
Moved by:	Jim Huffman
Seconded by:	Rory Turner
	To approve CDRPA Resolution No. 2021-18 clarifying Commissioner Per Diem, as amended.

Motion passed 6-0.

Approval of Unit Price Contract with Schmitt Electric – Lineage Lighting Project

Russ provided information on the Lineage Lighting Project which will replace all existing fixtures in Buildings G & I with LED fixtures or LED Retrofits. The Regional Port will be submitting an application to Chelan County PUD for the ResourceSmart Program which provides monetary incentive for energy efficient upgrades. The following action was taken:

Motion No.	10-06-21 CDRPA
Moved by:	Rory Turner
Seconded by:	Mark Spurgeon
	To authorize the Unit Price Contract Work Request with Schmitt Electric for the Lineage Lighting Project in the amount of \$57,055.00, including Washington State Sales Tax.

Motion passed 6-0.

INFORMATIONAL ITEMS:

Lake Chelan Airport – Joint City/Regional Port Meeting – Kuntz reminded Commissioners the Joint City/Regional Port Meeting begins at 6:00 pm tonight.

Prospective New Tenant – 3306 Building - Kuntz & Cridlebaugh reviewed the space a prospective new tenant may occupy in the 3306 Building at Pangborn Airport Business Park.

Director Loeb sack called for a 10-minute break at 2:10 pm. Meeting reconvened in Executive Session at 2:20 pm for 10-minutes to consider the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price (RCW 42.30.110(1)(b)). Executive Session was extended 10-minutes and meeting reconvened in Regular Session at 2:30 pm, with no action taken.

MISC. STAFF REPORTS:

Kuntz provided information and updates including:

- Update on meeting with Jack Penning, Volaire Aviation; and meeting with Horizon Airlines CEO, Joe Sprague.
- Reported on several prospective tenants for the 1.49 acre parcel north of Sunset Highway in Cashmere.
- Reported on a bank interested in property in Olds Station.
- Various Malaga updates.
- Announced that Laura Camarillo Reyes will be re-assigned to an Administrative Assistant position helping with Capital Projects & Property Management beginning November 1st.
- Kuntz & Fraley provided a brief update on the BNSF Access Easement for Lineage on Kittitas Street.

Lough provided information and updates including:

- 2022 Health Insurance recommendations will be presented at the October 26th Board Meeting.

Moyers provided information and updates including:

- Update on potential new air service to Reno.
- Hired new Line Service Technician.

de Mestre provided information and updates including:

- Continue to provide tours of the PUD 5th Street campus.

Russ provided information and updates including:

- Update on the new TSA Explosive Detection System for the Terminal Building. Discussion ensued on where to locate the machine.

PUBLIC COMMENT – An opportunity for public comment was provided; however, no public comments were received.

REVIEW CALENDAR OF EVENTS: Did not review.

ITEMS FROM BOARD OF DIRECTORS: None.

Meeting was recessed at 4:10 pm and reconvened at 6:00 pm at Chelan City Hall for a Joint Regional Port/City of Chelan meeting.

Topics discussed at the Joint Meeting were:

- Financial & Operational Status of the Airport
- Status of FAA Approval of Airport Master Plan
- Review of Capital Investment Schedule
- 2021 Budget Needs at the Airport
- Update on Water Line Extension Project


Meeting was adjourned at 6:45 pm.

Signed and dated this 26th day of October, 2021.

CHELAN DOUGLAS REGIONAL PORT AUTHORITY



JC Baldwin, Director



Jim Huffman, Director



Donn Etherington, Director



Mark Spurgeon, Director



Rory Turner, Director



W. Alan Loeb sack, Director

**CHELAN DOUGLAS REGIONAL PORT AUTHORITY
RESOLUTION NO. 2021-18**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHELAN
DOUGLAS REGIONAL PORT AUTHORITY ADDRESSING THE
APPARENT LEGISLATIVE DRAFTING MISTAKE IN THE 2020
AMENDMENT TO RCW 53.12.260 BY MAINTAINING THE STATUS QUO
FOR COMMISSIONER COMPENSATION FOR CURRENT AND FUTURE
DIRECTORS.**

WHEREAS, enacted in 1975, RCW 53.12.260 provides for port commissioner compensation. Today, this compensation consists of (a) \$128 per diem compensation for each day or portion thereof spent in actual attendance at official meetings of the port district commission, or in performance of other official services or duties on behalf of the district; and (b) since the 1992 amendment to RCW 53.12.260, monthly compensation of either \$200 or \$500 per month depending on the gross operating income of the port district in the preceding calendar year; and

WHEREAS, in 2007 the Legislature amended RCW 53.12.260 increasing the per diem portion of commissioner compensation from \$75 to \$90 and providing for an inflationary adjustment to both per diem and monthly compensation every five years beginning July 1, 2008, as determined by the Washington State Office of Financial Management (the "OFM"). Adjustments on July 1, 2008, July 1, 2013, and July 1, 2018, resulted in current commissioner per diem of \$128 per day and the current monthly compensation of either \$278 or \$711 depending on the gross operating income of the port district in the preceding calendar year. The next adjustment was scheduled for July 1, 2023; and

WHEREAS, in 2020 the Legislature sought, in House Bill 2449 (Chapter 83, Laws of 2020), to move the adjustment date for twelve special purpose governments, including port districts, from July 1st to January 1st to align with these twelve special purpose governments fiscal calendar year. The bill passed both the House and the Senate unanimously. The Legislature's *Final Bill Report* notes that the per diem compensation for these special purpose governments had risen to with adjustments to the current numbers and noted that the purpose of HB 2449 was merely to move the date. In the "summary" section the Final Bill Report notes that:

The calendar date on which the compensation limit for commissioners, board members, supervisors, and directors of special purpose districts must be adjusted for inflation every five years is changed from July 1 to January 1. The date of the next scheduled adjustment is delayed from July 1, 2023, to January 1, 2024; and

WHEREAS, the HB 2449 change to RCW 53.12.260 was accomplished by making a simple change to the statute as follows (deletion in strikethrough and addition in underline):

The dollar thresholds for salaries and per diem compensation established in this section must be adjusted for inflation by the office of financial management every five years, beginning ~~July 1, 2008~~ January 1, 2024; and

Unfortunately, the adjustment date was changed but the reference to \$90 per diem and the \$200/\$700 monthly payments set in the 2007 version of RCW 53.12.260 were not updated. The “plain reading” of the RCW 53.12.260 is now \$90 per diem and the \$200 or \$500 monthly payments adjusted for inflation on January 1, 2024. It is clear the effect of “rolling back” commissioner compensation to 2007 levels was unintended and a clear legislative drafting mistake.

WHEREAS, Article XI, Section 8 of the Washington State Constitution prohibits an increase or decrease in commissioner compensation during a term of office. Therefore, the 2020 amendment to RCW 53.12.260 would only apply as commissioners are elected or re-elected with the first application occurring for commissioners taking office on January 1, 2022; and

WHEREAS, the Washington Public Ports Association has contacted the OFM and the Washington State Auditor’s Office (the “SAO”) about this issue. While acknowledging the issue, the OFM and SAO indicated that the current compensation should be left in place because the legislative intent was merely to change the date from July 1st to January 1st. The SAO has indicated that it will not be an audit issue. However, these views, while helpful, are not legally binding; and

WHEREAS, RCW 53.12.260(3) allows a port commission to set both per diem and monthly compensation for commissioners in lieu of the amounts specified in the statute; and

WHEREAS, pursuant to RCW 53.12.260(3), the Chelan Douglas Regional Port Authority Board of Directors previously approved Resolution 2019-08, which set a monthly salary schedule for Regional Port Authority directors following an election to a new term in office. Resolution 2019-08 did not adjust per diem compensation, which remains at the \$128 statutory level; and

WHEREAS, it is in the best interest of the Regional Port Authority to maintain current levels of commissioner compensation and ensure that commissioners newly elected or re-elected in 2021 are provided the same per diem compensation as the other commissioners when the newly elected or re-elected commissioners take office on January 1, 2022; and


WHEREAS, until this unintended drafting mistake is (a) corrected by the Legislature, (b) a definitive legal interpretation from the Washington Attorney General’s Office is issued, or (c) Washington courts issue a binding decision it is in the best interest of the Port to adopt a resolution pursuant to RCW 53.12.260(3) to maintain the *status quo* for commissioner compensation subject to the January 1, 2024 change per RCW 53.12.260.

NOW THEREFORE, based upon the foregoing it is resolved by the Chelan Douglas Regional Port Authority, by and through its Board of Directors, to maintain the *status quo* as follows:

1. The monthly compensation for a Director of the Chelan Douglas Regional Port Authority shall remain as set out in Resolution 2019-08 and any Director may elect to waive all or any portion of their monthly salary.
2. Pursuant to RCW 53.12.260(3), the per diem compensation of \$128/day shall be maintained for all current Directors of the Chelan Douglas Regional Port Authority and shall apply to all Directors hereinafter elected or appointed.
3. The per diem compensation will be adjusted for inflation on January 1, 2024, and each five years thereafter, as set forth in RCW 53.12.260(4).
4. The Chelan Douglas Regional Port Authority legal counsel and the Chief Executive Officer will inform the Board of Directors if and when the drafting issue in RCW 53.12.260 (a) has been the subject of Legislature action, (b) a definitive legal interpretation from the Washington Attorney General's Office is issued, or (c) Washington courts issue a binding decision so that the Board of Directors may consider an appropriate resolution.

ADOPTED in open session at a regular meeting of the Board of Directors of the Chelan Douglas Regional Port Authority on the 12th day of October 2021.

CHELAN DOUGLAS REGIONAL PORT AUTHORITY



JC Baldwin, Director



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