

RESOLUTION NO. R- 70 -14

A RESOLUTION AUTHORIZING THE EXECUTION OF A JOINT OPERATING AGREEMENT FOR THE PULLMAN-MOSCOW REGIONAL AIRPORT.

WHEREAS, the City Council for the city of Pullman has before it an agreement entitled "Joint Operating Agreement for the Pullman-Moscow Regional Airport" which is attached hereto and marked as Exhibit "A"; and,

WHEREAS, this Council believes it to be in the best interests of the city of Pullman to adopt said Agreement, pursuant to RCW Chapter 14.08, Municipal Airports - 1945 Act; now, therefore,

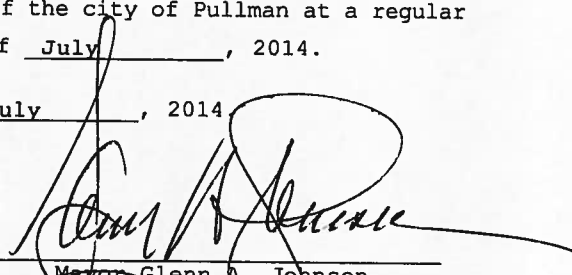
IT IS HEREBY RESOLVED that the Mayor and finance director each are hereby authorized and directed to execute the Agreement attached hereto as Exhibit "A".

IT IS FURTHER RESOLVED that the Mayor and finance director are each hereby authorized and directed to take such further action as may be appropriate in order to effect the purpose of this Resolution and the Joint Operating Agreement authorized thereby.

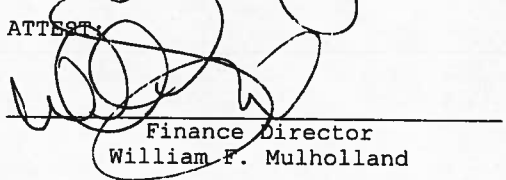
BE IT FURTHER RESOLVED that an executed copy of said Joint Operating Agreement shall be posted on the official Web site of the city of Pullman.

ADOPTED by the City Council of the city of Pullman at a regular meeting held on the 22nd day of July, 2014.

DATED this 22nd day of July, 2014.

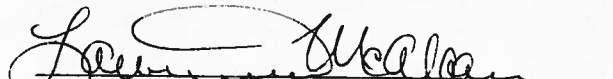


Mayor Glenn A. Johnson

ATTEST:


Finance Director
William F. Mulholland

Approved as to Form:



City Attorney Laura D. McAloon

FILED
JUL 23 2014
CITY CLERK'S OFFICE
PULLMAN WASHINGTON

**JOINT OPERATING AGREEMENT FOR
THE PULLMAN-MOSCOW REGIONAL AIRPORT**

WHEREAS, the City of Pullman, Washington and the City of Moscow, Idaho, on the 22nd day of July, 2014, entered into an Airport Joint Operation Agreement for the purposes of financing, constructing, improving, and operating an airport through the agency of the Pullman-Moscow Regional Airport Board (herein referred to as "Board"), as provided by Chapter 182, Laws of Washington, 1945, codified as RCW 14.08; and

WHEREAS, said airport facilities have been successfully operated under the following Agreements:

1. "Pullman-Moscow Regional Airport Cooperation Agreement" dated December 31, 1970;
2. The "Amended Pullman-Moscow Regional Airport Cooperation Agreement dated December 8, 1971;
3. The "Pullman-Moscow Regional Airport Supplemental Cooperation Agreement for Sharing Costs of New Terminal Facility" dated in June 1987;
4. The "Addendum to Pullman-Moscow Regional Airport Supplemental Cooperation Agreement for Sharing Costs of New Terminal Facility" dated in July 1987; and
5. The "Third Addendum to Pullman-Moscow Regional Airport Cooperation Agreement and Pullman-Moscow Regional Airport Supplemental Cooperation Agreement for Sharing Costs of New Terminal Facility" dated in 2006-2007.

WHEREAS, the City of Pullman, Washington and the City of Moscow, Idaho now desire to replace and supersede the above Agreements and adopt a new Agreement.

WHEREAS this Agreement does not replace or supersede the following which shall continue in full force and effect until expiration under their specific terms:

1. The "Pullman-Moscow Regional Airport Agreement Relating To The Funding Of The Airport Fire Flow Project." (Resolution 28-09.)
2. The "Addendum to Pullman-Moscow Regional Airport Agreement Relating To The Funding Of The Airport Fire Flow Project." (Resolution 29-09.)
3. The Pullman-Moscow Regional Airport Interlocal Contribution Agreement With The Port of Whitman County, a municipal corporation of the State of Washington. (Resolution 77-10.)

NOW, THEREFORE, the City of Pullman, Washington (herein referred to as "Pullman"), and the City of Moscow, Idaho (herein referred to as "Moscow"), and hereafter collectively referred to as "Sponsors," agree as follows:

1. PURPOSE. It is the purpose of the Sponsors to continue their association under Chapter 14.08 RCW and I.C. § 21-401 to provide for joint operation of Pullman-Moscow Regional Airport (herein referred to as "Airport") by entering into this Agreement.

1.1 The Sponsors intend to vest the Board, to the fullest extent permissible by State and Federal law, with complete authority for the management and operation of the Airport for aeronautical purposes, subject to the specific limitations herein contained.

1.2 All existing rules, regulations, contracts, offices, and other actions and circumstances previously adopted or approved by the Board or the Sponsors acting jointly and not in conflict with this Agreement are unaffected and shall remain in full force and effect until terminated or amended in accordance with this Agreement.

2. AIRPORT PROPERTY. The "Airport" consists of Pullman-Moscow Regional Airport, and such other property as may hereafter be acquired for Airport purposes in conformance with this Agreement.

2.1 Subject to Federal Aviation Administration rules and regulations and all Federal Aviation Administration grant assurances, it is agreed that all real property and fixtures, whether presently held or acquired in the future, except as provided by Section 2.2 below, shall be held by Pullman, subject to any valid future interest reserved or excepted by deed.

2.2 Pullman agrees to grant, transfer, and convey an equal, undivided interest as tenants in common, in the real property and fixtures of the Airport to Moscow. Such grant, transfer, and conveyance shall be made by Pullman only upon written request delivered by Moscow to Pullman at a future date. Such grant, transfer, and conveyance shall be made upon consideration of Moscow's current sponsorship of grants and participation in the operating expenses of the Airport, and no additional compensation shall be required.

2.3 Personal property shall be acquired, held and disposed of in the name of the Board subject to Federal Aviation Administration rules and regulations, and all Federal Aviation Administration grant assurances. Upon termination of this Agreement and dissolution of the Board, personal property shall be deemed owned by Pullman and Moscow as tenants in common.

2.4 Pullman shall own and have the control, operation and maintenance of all public utility sewer and water systems within the Airport, including, but not limited to, all present and future utility systems, tangible property, pipes and pumps, storage tanks, and fire hydrants, whether located underground or above ground, and intangible property such as franchises and easements.

3. FEDERAL RULES, REGULATIONS AND REQUIREMENTS.

3.1 It is further recognized that the Sponsors have received grants from the Federal Aviation Administration on behalf of Airport which have imposed restrictions, conditions, and obligations on the use of Airport properties and further require that the revenues received be devoted to aeronautical purposes. The Sponsors hereby expressly ratify and confirm all previous grant agreements in existence at the time of execution of this Agreement and agree to be bound by any conditions or obligations imposed therein. Any future grant or other form of federal financial assistance for the Airport shall require the joint acceptance of the funds by the Sponsors.

3.2 In the event the Sponsors desire to terminate this Agreement, notice shall first be given to the Federal Aviation Administration of the intent to terminate this Agreement and of any change affecting ownership, control, operation, or performance of any conditions or obligations required by the grants or other federal financial assistance programs. It is also recognized that any termination or disposition of the properties of the Airport shall require prior Federal Aviation Administration approval.

4. AIRPORT FINANCES. It is intended that the expenses of operating Pullman-Moscow Regional Airport shall be paid, to the maximum extent possible, from the operating revenues of the Airport.

4.1 The Airport fiscal year shall be the calendar year.

4.2 The Board shall submit a proposed balanced budget for the Pullman-Moscow Regional Airport by October 1st for the ensuing fiscal year.

4.3 The Board shall have no independent authority to issue bonds or to incur other debts with a date of maturity of more than one (1) year from the date of the obligation.

4.4 The acquisition, lease, or sale of real estate shall require the unanimous approval of the Sponsors and all real estate shall be titled in the name of the City of Pullman, a municipal corporation of the state of Washington, subject to the provisions of Section 2 of this Agreement.

5. AIRPORT FUNDS. All Airport funds arising from proportionate contributions of the Sponsors, federal funds, all revenues from the operations of the Airport, and all other funds of whatever nature or source allocable to the Airport or its operations, shall be deposited and maintained in appropriate accounts in the office of the Finance Director of Pullman. All disbursements from said Airport funds shall be made upon approval of the Sponsors by and through their representatives on the Board, in accordance with the annual Airport budgets, this Agreement, and such rules and regulations and for such purposes as the Sponsors acting jointly shall, from time to time, prescribe.

All fees, charges, rents, or other payments received by or accruing to the Airport for activities relating to the Airport shall at all times be received and used in compliance with the Federal Aviation Administration Revenue Use Policy.

5.1 Airport funds shall be administered and accounted for in accordance with the rules, regulations, and principles established and approved by the Auditor of the State of Washington, subject only to contrary federal audit requirements.

5.2 Idle funds may be invested by the Finance Director of Pullman under direction of the Board in accordance with the laws governing investment of Pullman funds. Earnings from investment of Airport funds, less statutory administrative costs, shall be credited to the Airport funds.

6. AIRPORT BOARD. The Board shall consist of not more than eight (8) members serving at the pleasure of their appointive Sponsor. The Mayor of Pullman and the Mayor of Moscow shall each be Members of the Board. Pullman may appoint three (3) Board Members, one (1) of whom shall be a Representative of the President of Washington State University; one (1) of whom shall be designated as a Board Member at Large and shall be a resident of the City of Pullman, Washington; one (1) of whom shall be a resident of Whitman County, Washington and may be a Representative of the Port of Whitman County, Washington. Moscow may appoint three (3) Board Members, one (1) of whom shall be a Representative of the President of the University of Idaho; one (1) of whom shall be a resident of Latah County, Idaho and may be a Representative of the Commissioners of Latah County, Idaho; and one (1) of whom shall be designated as a Board Member at Large and be a resident of the City of Moscow, Idaho.

The duration, termination, and revocation of the appointment of any Board Member by Pullman and by Moscow shall be within the sole discretion and control of the appointing authority, the City of Pullman or the City of Moscow, and each appointing authority may appoint an alternate to serve in the absence or incapacity of a Board Member appointed by it. Each appointing authority shall transmit to the Airport Board the names of the persons appointed by that authority to the Board, and the alternate, if any; provided, however, that if a Board Member who is a Representative of the President of Washington State University or a Representative of the President of the University of Idaho ceases to be employed by that institution, his/her Board Membership shall immediately terminate, and further provided that if the Board Members appointed as residents of Whitman County, Washington, Latah County, Idaho, City of Pullman and/or City of Moscow cease to reside in his/her respective County or City, then his/her Board Membership shall immediately terminate.

All meetings of the Airport Board shall be open, public meetings and shall be conducted pursuant to Ch. 42.56 RCW.

6.1 The Sponsors shall endeavor to ensure that their appointees are qualified by reason of education or experience in matters pertaining to aviation, engineering, maintenance, marketing, business, accounting, political expertise, community involvement, or other relevant and helpful skills.

6.2 In case of vacancy, a person shall be appointed by the appropriate appointing authority to the unexpired term in the same manner as the member whose position is vacant.

6.3 Members of the Board shall serve without compensation. Board Members may receive from Airport funds reimbursement for expenses incurred in the course

of official Airport business, or when travel is necessary, a travel advance or per diem allowance consistent with procedures approved by the Washington State Auditor.

6.4 The Board may purchase liability insurance with such limits as it deems reasonable for the purpose of protecting the Board and Airport employees against liability for personal or bodily injuries and property damages arising from its acts or omissions while performing or in good faith purporting to perform its official duties. In the event that the Board may not purchase insurance at reasonable rates, the Board may adopt resolutions providing for the indemnification, including reasonable costs and attorney's fees, against liability for personal or bodily injuries and property damages arising from its acts or omissions while performing or in good faith purporting to perform its official duties

6.5 The Chair person of the Board shall be the Mayor of Pullman. The Vice-Chair person of the Board shall be the Mayor of Moscow.

7. POWERS OF THE AIRPORT BOARD. The Board shall have the authority to exercise all of the powers granted to municipalities pursuant to the provisions of RCW 14.08 et seq. in the management, operation, and control of the Airport for aviation purposes, subject to final approval of the annual budget by each Sponsor except that:

- (a) Eminent domain power must be exercised by Pullman and then only with the approval of Moscow;
- (b) The acquisition, sale, transfer, or disposal of real property, except the grant of a lease, must be by joint action of the Sponsors;
- (c) Police regulations governing conduct and use of the Airport to be enforced through a judicial proceeding, if not adopted by the joint action of the Sponsors, must be adopted pursuant to the requirements of Pullman ordinances and resolutions. The Airport Board may adopt reasonable rules and regulations not in conflict with grant assurances for the control and management of the Airport, including, but not limited to, minimum standards for aeronautical and non-aeronautical activities;
- (d) Contracts for public works and procurement of goods and services must satisfy the legal and procedural requirements of Pullman;
- (e) The employment, terms of employment, and termination of the Airport Director must be jointly approved by the Sponsors;
- (f) Leases for Airport Property may be negotiated by the Airport Director on behalf of the Sponsors; provided, however that all leases of Airport property must be approved by the Board and a Sponsor with a signature of either the Chair (The Mayor of Pullman) or the Vice-Chair (The Mayor of Moscow).
- (g) Capital improvements of Airport property for aeronautical purposes shall be in accordance with an Airport Master Plan recommended by the Board, the

Sponsors, and approved by the Federal Aviation Administration, and all Federal Aviation Administration rules and regulations.

- (h) All capital improvements and land uses conforming with said Master Plan shall be subject to Pullman zoning regulations.
- (i) Attendance at a Board Meeting by Board Members constituting a majority of the serving members shall constitute a quorum for the conduct of Board business.

8. UTILITIES.

8.1 Pullman has assumed responsibility for the maintenance and operation of the Pullman-Moscow Regional Airport water and sanitary sewage disposal system, excluding any septic tanks, cesspools, or similar onsite sewage disposal systems in existence on Airport property.

8.2 Ownership of lines, wells, pumping stations, and other component parts of the water and sanitary sewage disposal systems within the boundaries of the property owned jointly by Pullman and Moscow for Airport operations, excluding on-site sewage disposal systems, as noted above, have vested in Pullman.

8.3 Pullman shall be responsible for maintenance and operation of all utility lines and component parts. The cost of new water meters, installation costs, the upgrading of existing meters, and any other costs usually related to meter installation will be borne by the user.

8.4 All decisions relating to operation of existing or future lines, including the active nature of substandard or high maintenance lines, will be made by Pullman.

8.5 All future expansion and upgrading of such systems will be done in accordance with Pullman policy in effect at the time and will become the property of Pullman; provided that Pullman may authorize, upon the recommendation of the Airport Board, the construction and installation of sewer lines, water lines, pumping stations, wells and other component parts of the water and sanitary sewage disposal systems within Airport boundaries by private contract.

8.6 Utility service shall be provided to users located on Pullman-Moscow Regional Airport property at Pullman City rates. All rules and regulations which apply to Pullman City users will apply to said Pullman-Moscow Regional Airport users.

8.7 If it becomes necessary, in the expansion of the Airport utilities system, to form a local improvement district to provide for said expansion, then Pullman and Moscow agree to jointly sign petitions as authorized and required by law for the formation of said local improvement district. If utility service is expanded by the formation of a local improvement district or other similar method, then Pullman and Moscow agree that assessments may be placed against any Airport property not being

used for Airport purposes in the proportion that said property specially benefits from the construction, improvement, and/or expansion of the utility service.

9. PERSONNEL. The Board shall employ, subject to Pullman and Moscow approval, the following:

9.1 A Pullman-Moscow Regional Airport Director shall be the chief executive officer and director of the administration of the Pullman-Moscow Regional Airport property in accordance with the Federal Aviation Administration Approved Master Plan.

9.2 The Board may employ or contract for personnel to operate the Airport. Any employees shall be employees of the Board and shall not be considered employees of Pullman or Moscow. The Board, may contract with Pullman for payroll, withholding, unemployment, worker's compensation, and fringe benefits, and accounting and administrative services as the Board, from time to time, shall prescribe.

9.3 The Board may employ, or contract with a private body or political subdivision of the state to furnish law enforcement and firefighting services and personnel in accordance with RCW 14.08.120(2) and Federal Aviation Administration rules and regulations.

9.4 The Board may retain legal counsel other than from the offices of Pullman and of Moscow, subject to the approval of the Sponsors.

10. AMENDMENT. This Agreement may be amended at any time by mutual agreement of the Sponsors. This Agreement is intended to set forth the basic agreement between the Sponsors. Nothing herein prevents Pullman, Moscow, and Board from agreeing to any specific matter consistent with this Agreement.

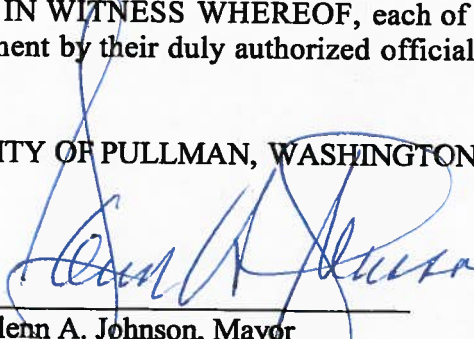
11. TERMINATION. Either Sponsor may terminate this Agreement effective at the end of any calendar year, by serving written notice on the other before the 1st day of October of the previous year. The terminating Sponsor shall also give notice to the Board, the Federal Aviation Administration and to other agencies with jurisdiction over or a financial interest in the Airport.

11.1 Subject to Federal Aviation Administration rules and regulations, after notice of termination has been given, if the Sponsors do not, by the 31st day of December of what will be the last year of joint operation under this Agreement, reach an agreement regarding the takeover by either Sponsor, or other operation of the Airport, or the abandonment and liquidation of the Airport, then Pullman will acquire the assets and assume the liabilities of the Airport. Should it become necessary to engage independent appraisal or arbitration services to determine the amount and nature of payments between the Sponsors to compensate for any difference in the value of assets and liabilities, the Sponsors agree to share the costs equally.

IN WITNESS WHEREOF, each of the representatives of the Sponsors has executed this Agreement by their duly authorized officials.

THE CITY OF PULLMAN, WASHINGTON

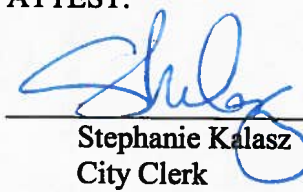
THE CITY OF MOSCOW, IDAHO

By: 
Glenn A. Johnson, Mayor

By: 
Bill Lambert, Mayor

ATTEST:

William F. Mulholland
Finance Director

ATTEST:

Stephanie Kalasz
City Clerk

