

**PORT OF BENTON
COMMISSION MEETING MINUTES
JULY 14, 2021**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 a.m. at Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

PRESENT: Commissioner Jane F. Hagarty; Commissioner Robert D. Larson; Commissioner Roy D. Keck; Executive Director, Diahann Howard, PPM®, Director of Economic Development and Governmental Affairs, Miles Thomas; Port Attorney, David Billetdeaux; Executive Administrator, Summers Miya; Director of Real Estate, Teresa Hancock; Director of Marketing, Wally Williams; Contract Specialist, Sheri Collins (via remote communications); Senior Accountant, Veronica Serna (via remote communications); Director of Facilities & Operations, Ron Branine; Director of Special Projects, John Haakenson; Director of Airports, Joe Walker; Director of Finance/CPA, Danielle Connor; Rochelle Olson (via remote communications); Bryan Condon, Century West

The Commission Meeting was conducted as a hybrid meeting with Commissioners meeting in-person; public attending both remotely and in-person, and Port staff members participating in-person and remotely, and said meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Director of Airports, Joe Walker led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the June 16, 2021 Commission Meeting Minutes, and approval of vouchers and certifications, including payroll, for the month of June totaling \$10,419,081.65 and approval of Resolutions 21-23 – 21-26, to cancel warrants No. 078250 – 078253 in the amounts of \$49.41, \$866.62, \$152.62, \$272.66 and Resolutions 21-27 – 21-30, which were not printed.

D. PUBLIC COMMENT:

There were no comments from the public.

E. ITEMS OF BUSINESS:

1. Resolution 21-31, A Resolution of the Port of Benton Commission Relating to Contract Indebtedness, Authorizing the Issuance of a Not to Exceed \$1,500,000 Principal Amount Tax-Exempt Limited Tax General Obligation Note of the Port to Evidence a Revolving Line of Credit to Be Used to provide funds for certain infrastructure projects of the Port.

Director of Finance/CPA, Danielle Connor stated that an RFP for a Line of Credit (LOC) went out in mid-June, with the intention to be to help with available liquidity for projects, flexibility of cash flow and project timing, specifically grant related projects where the reimbursements will come at a later

time.

Connor added that six proposals were received for the LOC and NW Municipal assisted with the review and the Port selected the best offer, which was from Cashmere Valley Bank, with a \$1.5M tax-exempt, maturity in December 2023 and with flexible draws and repayments. Connor thanked NW Municipal and Foster Garvey for their assistance.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 21-31, related to contract indebtedness.

2. Resolution 21-32, A Resolution of the Port of Benton Establishing June 19 of each year, Juneteenth, as a paid holiday for Port of Benton employees eligible for leave benefits, and amending the current Port employee handbook to reflect the same.

Port Attorney David Billetdeaux noted that Governor Inslee officially declared June 19 (Juneteenth) a paid, state holiday for the State of Washington, which was quickly followed by President Biden also declaring Juneteenth a federal holiday recognizing the day as a national day to commemorate the end of slavery in the United States.

Billetdeaux stated that the Port is not legally obligated to follow suit, but that it is in line with the direction the country should be going and it is a positive move to make for the Port of Benton as a show of support.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 21-32, establishing June 19 (Juneteenth) as a paid holiday for the Port of Benton employees.

G. INFORMATION REPORTS:

1. Grants Update:

Executive Director Diahann Howard announced that the Tri-Cities Research District and the Port of Benton is moving forward on the Department of Commerce Cluster grant application, as there is up to \$500k available.

Howard added that she has discovered a second piece to this opportunity involving funding for the entrepreneurial side and she is working with WSU-TC and PNNL.

Howard noted that a project focused on applying for DOE Moonshot is a hydrogen fueling demonstration, and may use Port of Benton property. Howard reminded the commission that the City of Richland is leading the 1,341 sewer extension.

Director of Economic Development & Governmental Affairs, Miles Thomas added that the hydrogen grant is leveraged with the Port of Chehalis project.

2. Triton Sail Report:

Marketing & Communications Consultant, Rochelle Olson provided an update on the Triton Sail Exhibit & Tours.

Olson stated that the Port team is working to provide broader access for the public to learn about the USS Triton's story in several ways: Online, at the USS Triton Sail Park and eventually at the STEM Tourism Welcome Center. Olson added that some of the Port's incredible partners who have, or will help, with aspects of this initiative include the Department of Energy, National Park Service,

Washington State University Tri-Cities, Visit Tri-Cities and others. Olson stated that as part of this effort, the team recently finished conducting research and writing content for new print, video and online materials with an intent to produce these materials in phases. Olson added that some of these items may change and more may be added, depending on the final plans for the Triton exhibit.

Via PowerPoint, Olson highlighted planned materials for the Triton Exhibit & Tours, including a hope for a brochure resembling an original booklet (pictured on slide) found in Port archives. Olson stated that the booklet will include many historic visuals and tell the story of the Triton's record around the world undersea voyage, along with information about the sub, the crew, quotes and Triton's later deployments and information about the Sail Park.

Olson added that the brochure will contain high-level details, as it is intended to build awareness and drive interest in the Sail Park, and the Welcome Center in the future, among all age groups and encourage people to visit the Port's website for more information. Olson said that the brochure will be displayed in the Port's lobby and at other tourism and hospitality locations like the B Reactor National Historic Landmark Visitor Center and the Visit Tri-Cities offices.

Olson continued, stating that there will also be some online and exhibit touchscreen materials the Port team will create, which include:

- **Tour Videos** – visitors can virtually “go inside” the sail and conning tower from wherever they may be. The videos will have an on-camera tour guide and will be uploaded to the Port's website and YouTube channel, that the team can share on social media and in the future, include on a monitor in the Triton exhibit. The virtual tour will also provide a 360-degree view, thanks to the Port's partners at Visit Tri-Cities;
- **Online & Touchscreen Photos** – will feature many 360-degree images that people can click on and move around in the space virtually. These images will have information beacons the viewer can click on to learn more about the instrument or area they are in. These images are intended to be included on a touchscreen in the Triton exhibit and possibly on the Port's website, as well as part of the new SkyNAV tour app from Visit Tri-Cities.

Olson continued, stating that in addition to completing the content writing for the print and online/touchscreen exhibit materials, additional resources were also recently completed, which will help with future tours, including: Tour guide script, photo/films archives requests, Triton interesting facts listings, historic films footage logs, crew interviews footage logs, exhibit notes and starter ideas.

Olson stated that the Marketing team will meet with WSU-TC this summer to discuss next steps and review the films and photos archives request lists the team has developed. Olson added that the Port will rely on the WSU team's expertise and work with them to make the requests to the various government and other entities to obtain copies of the historic images and films about Triton, as well as to gather the necessary permissions, as applicable, to being able to utilize the imagery in the future Triton exhibit and in the print, video and online materials.

3. 2021 Budget Update

Director of Finance/CPA, Danielle Connor provided the following updates regarding the 2021 Budget to Actual Report:

Revenues

- Lease revenues 4% under budget. As expected with tenant changes, we are currently projecting a lease revenue shortfall for 2021;
- Tax revenues – forecasted to collect full budgeted amount for 2021;
- Misc. revenue – we’ve received approximately \$127k in unbudgeted insurance recoveries, a portion of these are earmarked to be passed along to insurance companies;
- Real estate note receivable payments are due in Q3 and Q4;
- 5% over budget overall for revenues;
- Unbudgeted \$1M sale of the Dufresne-Redding property in the RIC;

Expenditures

- O&M – currently 5% under budget;
- CB – currently 42% over budget;
- G&A – currently 45% under budget – annual expenditures in Q3 and Q4;
- Debt – HAEFIC and CERB will be paid in July;
- Capital Projects Grant Funded – will be picking up in Q3 and Q4;
- Capital Projects Port Funded – timing, delays;
- 29% under budget overall for expenditures.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Keck stated that he continues to attend the TRIDEC Board Meetings and also attended the Benton-Franklin Council of Government’s Budget Review, which he will have more information to share at a later date. Commissioner Keck added that he also attended the PNWA Summer Conference, where the Snake River Dam controversy received quite a bit of attention and he is disappointed in the dynamic of the conversation and feels concerned, adding that there are four states represented on this issue, but not a clear representation towards the issue.

Executive Director Howard stated that the Port will be sending a Letter of Support regarding the Columbia Basin Collaborative for a Utility Representative this week, which will recommend that Mr. Rick Dunn, General Manager of the Benton Public Utility District (PUD), be appointed as a utility stakeholder representative to the Integration/Recommendations Group within the Columbia Basin Collaborative.

Commissioner Larson announced that he has family in town for the week for the first time in a year and a half.

Commissioner Larson stated that he has attended regular Richland Rotary meetings, as well as the PNWA Summer Conference Zoom meetings. Commissioner Larson added that he was able to attend the first in-person Rotary meeting recently at the recently renovated Holiday Inn, which was very nice. Commissioner Larson added that he was very proud of the incoming President Roy Keck, as he does a very good job.

Commissioner Larson added that he is looking forward to the first in-person Port of Benton conferences later in the year and has signed up for the WAMA Annual Meeting, as well as AAPA Commissioners’ Seminar in October.

Commissioner Hagarty stated that the Prosser Rotary club is also starting back up with in-person small group meetings, which she plans to attend.

Commissioner Hagarty stated that PEDa and HDPa have been discussing the wayfinding and signage in Prosser, as they are working to match colors with existing branding.

Commissioner Hagarty added that the PEDa Leadership Group completed their community project and will graduated after a few more classes are completed.

Commissioner Hagarty added that the PEDa group continues to look at their strategic plan and identifies what needs changed or altered, adding that the new Executive Director Neal Ripplinger has not experienced PEDa without COVID. Commissioner Hagarty stated that Ripplinger works well with the public and brought their membership up by \$4k.

Commissioner Keck asked for an update on the Prosser Police Station move into the Milne building, which Director of Real Estate, Teresa Hancock announced that a lease has been implemented with an August 1, 2021 rent commencement and the back warehouse will not be leased. Director of Economic Development & Governmental Affairs, Miles Thomas added that he has been working on fiber/internet issues and the Port provided surplus furniture to the station and looks forward to getting them back up and running.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS:

Director of Airports, Joe Walker announced that the Richland Airport (RAP) recently received the Airport Rescue Act grant of \$59k and the Prosser Airport (PAP) received \$32k. Walker explained that these are recovery funds with no match required.

Walker stated that the RAP Lighting Design Project will begin in August, working with Century West Engineering.

Walker informed that 6-7 letters/emails were received regarding the closing of the PAP "campground" area and the removal of the trees. Walker added that the trees remain a safety hazard, with rotting and decaying branches that fall regularly. Walker added that the "campground" has never officially been recognized as a campground and is not in compliance in FAA.

Walker stated that four new trees were planted last week in an area with irrigation. Walker explained that the trees were selected based on size, safety and would not present a hazard as they grow. Walker added that the picnic tables were also relocated to this area.

Bryan Condon of Century West Engineering was acknowledged and thanked for all his work and commitment to the airports.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine announced that the 2345 Lighting Project is going well and expects they are 4-6 weeks out from completion.

Branine stated that the 2345 Phase 1 carpet replacement has been completed, but the tenant that is currently in the space has been moving offices and during their moving, loosened some of the carpet tiles. Branine added that the installers will be back to repair the damaged tiles and going forward, sheets of a thin Masonite will be provided to the tenants so they are not rolling heavy furniture across the new carpet.

Branine added that the carpet looks great and with normal traffic, there should be no issues, but they plan to come back to glue the carpet in the offices down.

Branine provided an update on the Pavement Maintenance Project, stating that the communication has been ahead this year. Branine thanked Miles, Wally and Teresa for their help in getting the communications out ahead of time, so the affected tenants, other businesses and emergency services were aware of the road closures, so they could plan accordingly around the work. Branine stated that the press release for the upcoming work around the TBC area has already been sent out and more notices will be posted on the website, through emails and on social media. Branine announced that the smaller task order has been completed in preparation for the larger project that will occur in late July and early August.

Branine updated that the 2579 Stevens Roofing Project has not ETA, as the lead time on materials is at least 12-16 weeks out.

Branine added that the Facilities team continues to re-stripe parking lots and paint curbs that will not be part of this year's pavement maintenance.

Branine stated that there are presently two HVAC units down at the 3250 building and a scope of work for replacement is out. Branine stated that the lead times on the units is 8-12 weeks and are hopeful these units are warehoused and will be a quick replacement. Branine stated that the HVAC maintenance has been extremely busy and parts and equipment are difficult to procure.

Branine added that a large tree limb fall between the old firehouse and the new salon building in Benton City, which took out a powerline. Branine stated that because of the obvious safety hazards and degradation of the two trees in question, the trees were removed to prevent future damage and to help limit further liability.

3. SPECIAL PROJECTS:

Director of Special Projects, John Haakenson informed that contractor NW Aquatic will treat the milfoil at Crow Butte tomorrow, July 15, which will close the swimming area for one day and proper permitting has been submitted and the Department of Ecology has been notified.

Haakenson added that Facilities Supervisor, John Alley has been handling the Park as he prepares for retirement. Haakenson stated that the park currently has a good team of Camp Hosts and the concessionaire has been doing really well.

Haakenson stated that there have been a few issues with BBQs and/or open flames, per the current state ban on open flame, but they are handling when needed.

Haakenson announced that he has hired a camp host to take care of the repairs needed at the residence under a Caretaker's Agreement.

Haakenson announced that the US Army Corps of Engineers is scheduled to inspect the residence in 2021, hence the Agreement.

Haakenson stated that the Park is doing really well and is booked solid every weekend through the summer. Haakenson added that a lot of positive feedback has been received regarding the condition of the park.

4. REAL ESTATE:

Director of Real Estate, Teresa Hancock complimented Ron Branine and the entire Facilities team for keeping tenants cool and the lights on, as there is never a dull moment!

Hancock stated that there have been a lot of leads received and the leads are all over the board

as far as needs and requirements.

Hancock reminded the group that WIT Cellars will be transitioning out of the Prosser Wine & Food Park (PWFP), as they have purchased the space formerly occupied by Gamache at Vintners Village, Phase I. Hancock stated that the necessary liquor permits are taking some time, which is why they are still in Suite B at PWFP. Hancock added that she has two tenants lined up for Suite A, as she wishes to backfill the space as quickly as possible.

Hancock stated that there has been recent interest in land at Vintners Village Phase II, which she finds it helpful to have options open with land.

Hancock added that a counteroffer for the Weston-Mountain Onion will be presented at next month's Commission Meeting.

Executive Director Howard added that a hangar space RFP will be going out soon.

5. MARKETING:

Director of Marketing, Wally Williams complimented the earlier presentation given by Rochelle Olson and added that he has started giving tours again at the USS Triton and is working with the Navy on the updates that need to be addressed with the exterior and interior paint. Williams added that the rules for tours and the number of people that can be in a confined space are being updated per COVID guidelines and regulations.

Williams stated that he is also working on wayfinding signs for the riverfront trail, which will be placed in locations along the path for information on restrooms, parking areas, picnic areas and boat launch. Williams added that a similar map will also be developed for Crow Butte Park to be placed along the walking path.

Williams reminded the group that the Port-sponsored Art Walk and Wine Gala will be held the upcoming Saturday, July 17th.

6. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Director of Economic Development & Governmental Affairs, Miles Thomas greeted the group whilst working remotely from St. Louis, MO, noting that he will be back in the office next week.

Thomas stated that he has been participating in recently AWB forums on transportation funding, with many projects based on the west side of the state. Thomas added that there is a 4% reduction on transportation revenue expected in the next five years.

Thomas added that the City of Richland quarterly meeting was held in June, which discussed an aeronautical overlay and zoning updates and site-specific rail-planning.

Thomas announced that Crow Butte now has a new internet provider, PocketiNet, which will provide 4x better speed. Thomas stated that this is scheduled for installation on July 19th and this will also provide internet service to the future payment gate. Thomas clarified that this service is not yet robust enough for the campers, but will provide service to the ranger station, office and gate. Thomas added that at last check, AT&T was not planning any mobile upgrades in the area and Verizon did have one planned, but it was delayed. Thomas reminded the group that the PocketiNet upgrade was vitally important in lieu of an emergency at the park. Thomas added that Crow Butte also received a new phone with a wireline connection that provides long-range service and is reliable throughout the park.

Thomas stated that he is outlining a plan to switch Port fiber to tenants.

Thomas added that he has a visit next Wednesday with a possible new business from Northern California involved in laser technology and microscopic surgical procedure technology as well as a third party chip manufacturing business.

Thomas reminded the group that the Port is sponsoring the upcoming travel writers' conference, TBEX, brought to the area by Visit Tri-Cities, which is being held in October and there will be a Post-BEX event in Prosser.

7. FINANCE DIRECTOR:

Director of Finance/CPA, Danielle Connor stated that she continues to work with contractor, Teresa Hanford to get revised 2020 financial statements filed with the SAO and she will also be coordinating with the SAO soon to set up timing for the 2019 and 2020 audit.

Connor stated that continued progress is being made on the Yardi implementation, with the Chart of Accounts being successfully uploaded to the system and selected users have also received access into the system. Connor added that the team continues to build the foundation of the master files. Connor noted that Tiffany, from Teresa Hanford's office, will be onsite starting next week to assist with the data compilation. Connor added that the timeline has been revised and is something that she continues to monitor, while still aiming for a go-live goal in the fall, with the Facilities Manager and GASB pieces to follow.

Connor stated that the 2022 budget season is underway and she continues to define the budget schedule, which will be distributed when finalized. Connor stated that she plans to bring the initial budget for review and discussion at the September 8th Commission Meeting, as she would like to provide the Commission with ample time to review and provide feedback. Connor added that the Budget Workshop will likely be scheduled for early October and then a revised budget for review and available for public meeting will be presented for the regular October Commission Meeting, with the plan to formally adopt the budget at the regular November meeting, in order to meet the County deadline.

Connor provided an update on Long-Term Care, stating that open enrollment for the Port-sponsored Long-Term care group plan, LifeSecure, is currently going through the month of July. Connor stated that this option will allow employees an alternative choice to the state tax coming in 2022.

Connor provided an updated financial status, stating that general expenditures for June were approximately \$647k less than what was forecasted due to project timing. Connor reminded the group that June included debt payments as well as the refinance closing. Connor added that project expenditures are beginning to pick up and an additional \$93k of debt payments forecasted in July along with some legal expenditures. Connor noted that project expenditures are still forecasted to get heavier in the fall for both Port and grant-funded projects and a draw from the LOC is expected in September.

Connor noted that Accounts Payable currently is sitting at \$190k, (\$168k), all current, with the only exception being the holding of the \$22k, May City of Richland utility bills per their request, as they convert the Port of Benton account, which will ultimately result in streamlined billing. Connor added that the payment will be processed once they confirm.

Connor stated that the current cash balance, including reserved cash, is \$4.4M and tenant AR is currently sitting at \$260k outstanding, with about 36%, or \$92k, aged greater than 90 days. Connor reminded the group that at last month's meeting, AR was \$134k greater than 90 days, so about \$40k has been collected on past due amounts.

8. PORT ATTORNEY:

Port Attorney, David Billetdeaux stated that he is reviewing the Naval agreement on the Triton Sail for guidelines on specifications for sail maintenance and paint. Billetdeaux reminded the group that

the sail is on (permanent) loan from the Navy, with the Port being obligated to maintain the sail, but as to what level of maintenance is a bit unclear.

Billetdeaux noted that he is working with WPPA and has been in contact with the Port of Seattle as he drafts an updated Sign Policy, which will provide a better understanding of where all tenants and members of the public can and cannot place signage.

9. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard announced that she recently participated in the virtual WPPA Executive Director's Legislative Retreat, as well as the PNWA Summer Conference and has also recently joined the Tri-Cities Energy Council.

Howard informed that a Rail Tour is being planned for the State Rail Caucus, which will be held September 16-17 and will include North Richland stops on Thursday, a reception and then followed with tours through the Port of Pasco on Friday, the 17th.

Howard noted that the Pasco Chamber will be holding RiverFest on Saturday, October 9th from 10 a.m. – 3 p.m., and the Port is a sponsor of this event.

Howard stated that she recently met with Jon Amundson, the Interim City Manager for the City of Richland and also met with Randy Hayden, Port of Pasco and Jay Hester, Port of Sunnyside.

Howard announced that all Start, Stop, Continue meetings have been completed with staff and she will be compiling all notes from the meetings and will provide to Commission. Howard stated that the goal of these meetings is to create a united vision and there was a strong consensus towards continued training and team growth. Howard added that there will no longer be Facilities team meetings on Fridays with hope that they can be blended with all staff meetings on Mondays.

Howard added that she recently participated in Rob Ellsworth's Radio Show, Hometown.

Howard recognized Executive Administrator, Summers Miya for her kindness and professionalism.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 10:48 a.m. and an Executive Session was convened at 10:58 a.m. to discuss ongoing litigation. It was announced that Executive Session would take 10 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time.

J. ADJOURNMENT: With no further business, the meeting was adjourned at 11:08 a.m.


Roy D. Keck
Commission Secretary