

**PORT OF BENTON
COMMISSION MEETING MINUTES
NOVEMBER 10, 2021**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:32 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

PRESENT: Commissioner Jane F. Hagarty; Executive Director, Diahann Howard, PPM®; Director of Economic Development & Governmental Affairs, Miles Thomas

The following attendees attended via remote communications: Commissioner Roy D. Keck; Port Attorney, David Billetdeaux; Danielle Connor, Director of Finance/CPA; Executive Administrator, Summers Miya; Director of Real Estate, Teresa Hancock; Director of Marketing, Wally Williams; Contract Specialist, Sheri Collins; Senior Accountant, Veronica Serna; Director of Facilities & Operations, Ron Branine; Facilities Manager, Joe Pisca; Bryan Condon, Century West Engineering; Roger Wright, RGW Enterprises; Justin Raffa, Mid-Columbia Mastersingers; Robert Larson, Community Member; Scott Keller, Community Member; Clif Dyer, Sun Dance Aviation; Neal Fraser, JUB Engineering; Christine Roemeling, JUB Engineering; Ben Hoppe, JUB Engineering; Lori Stevens, Airfield Estates Winery; Cara Hernandez, Community Member; Obie Amacker, Community Member; Alex Pappas, Community Member; Gareth Nisbett, Community Member

The Commission Meeting was conducted using the CDC (Centers for Disease Control) recommended social distancing protocols for COVID-19 with Commissioners meeting in-person and remotely; public attending remotely and Port staff members participating in-person or remotely, and said meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Commissioner Jane Hagarty led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving the October 12, 2021 Special Commission Budget Workshop Meeting Minutes, October 13, 2021 Commission Meeting Minutes, and approval of vouchers and certifications, including payroll, for the month of October totaling \$616,973.34.

D. PUBLIC HEARING:

1. Resolution 21-49, A Resolution to Adopt the 2022 Budget

The regular Commission Meeting was recessed at 8:37 a.m. and Public Hearing was convened by Commissioner Hagarty for the purpose of adoption of the 2022 Port Budget.

Director of Finance/CPA, Danielle Connor stated that the Public Hearing notice has been filed and available on file. Connor explained that there have only been minimal changes to the budget since last presented, noting that the final assessed valuation from the County and added a few additional capital projects, adding that several capital projects are still on hold and will be reevaluated throughout Commission Meeting
November 10, 2021

the year given revenues. Connor added that an additional addendum has been added with revenue by site by tenant.

Commissioner Hagarty noted that there were no comments from the public and closed the public hearing at 8:39 a.m.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving Resolution 21-49 and adopting the 2022 Port Budget.

Commissioner Keck complimented the staff on providing total transparency on the 2022 budget.

E. PUBLIC COMMENT:

Community member, Scott Keller stated his appreciation for Commissioners Hagarty and Larson.

Keller proceeded to read a statement of concern on the replacement process of recently retired Commissioner Robert Larson. Keller noted that he felt the process was rushed and the final decision should be made in 90-days, stating that he felt that would be the most fair and transparent process. Keller proceeded to read the following letter and list of names to the Commission.

"Statement of Concern

Replacement Process for Retiring Commissioner Robert Larson

Joint Statement for Commission Meeting 11/10/2021

We want to express our appreciation and tremendous respect for the many years of service from both Bob Larson and Jane Hagarty.

Given the significance of choosing an interim commissioner to replace the retiring Bob Larson, we feel that the process should not be rushed. The RCW 42.12.070 allows 90 days to choose an interim commissioner, which would give this commission until Jan 28 to accomplish that task. It seems reasonable to ask that the Port of Benton have the solicitation and review of applicants take place the months of November and December. Making the final decision on Commissioner Larson's replacement during the month of January. This would be the most fair, impartial, and transparent approach for all concerned.

*Endorsed by: George Schaeffer, Carl Cadwell, Mark Gehlen, Herb Brayton, Cannon Hill, Jim Fish, James Leedy, Bill O'Neil, Scott Urban, Scott Keller, Jerry Williams, Ryan Hone, Dennis Collins, Dennis Nichols, Kevin Lane, Paul Seipt, Richard Frye, George Abbot, Bruce Rawlins, Glenn Whitcomb, Bob Fogelson, John Carpenter, Bruce Marboe, Robert Wade, Bob Tubens, Mark Jager, George Stanley, Al Colburn, Greg Shaw, Tom Rhodes, Terry Klute, Dwane Thompson, Doug Cole, Lori Stevens"**

***See attached**

Commissioner Elect Lori Stevens questioned the Commissioner replacement process, asking why there was a rush, stating that there should be concern about the perception from the public by rushing the appointment.

Executive Director Diahann Howard announced that the Washington Public Ports Association is offering new Commissioner training November 30 – December 1 and said that she would like to offer Commissioner Elect Stevens to attend.

Port Attorney David Billetdeaux added that he would like to email information and documents to Commissioner Elect Stevens in advance of her taking her oath of office.

F. ITEMS OF BUSINESS

1. Resolution 21-50, A Resolution of the Commission of the Port of Benton Certifying the Port's 2021 Levy for 2022 Collection

Director of Finance/CPA, Danielle Connor that the third preliminary assessed values received from the County and the assessed valuation is up over 4% from last year and new construction is down almost 37% from last year. Connor added that overall, the budgeted levy is up 2% from prior year, while the levy rate is down almost 0.01 per thousand.

Connor explained that because the rate of inflation posted by the Department of Revenue for 2022 is greater than 1%, no resolution for substantial need is necessary.

Connor stated that she will be working to submit the budget and key levy worksheet to the County by the deadline of November 30, 2021.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving Resolution 21-50, and certifying the Port's 2021 levy for 2022 collection.

2. Richland Airport Master Plan Update

Port Engineer, Roger Wright stated that the Master Plan has been out to the airport users for the past three weeks in addition to briefing the BFCOG and City of Richland on the Master Plan. Wright stated that several good comments were received from airport users and he is addressing the comments received.

Wright added that with Commission approval with the final edits due to the feedback received, the plan will then be submitted to the FAA, which will likely take several months.

Neal Fraser of JUB Engineering recapped the Master Plan process, adding that the process began in the fall of 2019 and has moved at a fairly decent rate and they are nearing the end of the contract. Fraser stated that a heavy effort was put forth in receiving public comment. Fraser added that once the contract has ended, JUB will pass along the project website to the Port to host. Fraser presented a slideshow presentation of project progress.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving the Master Plan update with JUB, and for submittal to the FAA.

3. Fermi Construction Update & Change Order

Port Engineer Roger Wright reminded the Commission that at the May 12, 2021 Commission meeting, the Commissioners approved a construction project with Inland Asphalt to construct the Fermi

Avenue Widening Project. Wright reminded that this project consists of curb, gutter, sidewalk and new pavement, as well as new streetlights and fiber conduit. Wright pointed out that the funding from this project is coming from a portion of the Rural County Capital Funds (0.09 money) allocated to the Port. Wright stated that the widening portion of the project is the first phase of work within the Richland Innovation Center (RIC) and the second phase of work will include sections of sidewalks around the remaining developed lots within the RIC, additional streetlights, and extending the fiber conduit around the site. Wright added that the total project is \$1.1M.

Wright stated that at the May Commission meeting, the project was approved at \$711,445.39, including sales tax. Wright added that the Commission also approved a \$35k budget for possible change orders since there was underground infrastructure that the Port was unsure about. Wright stated that shortly after construction began, it was determined that a portion of the fiber conduit planned for phase 2 was needed to be installed with the Fermi Widening Project. Wright added that during construction, several additional issues came up requiring additional change orders and it is known that the project will exceed the \$35k change order budget previously approved.

Wright highlighted the following change orders: 1) Additional broadband conduit and vaults, 1,800 linear feet of conduit and vaults which was planned to be performed for Phase 2 work - \$23,962.20; 2) Deduction due to City performing relocation of water blowoff - \$-661.61; 3) City required an additional transformer for streetlight circuit after construction began - \$4,118.12; 4) Relocate approximately 300 linear feet of existing irrigation line that was found to be too shallow - \$3,910; 5) Reconstruct driveways at 2620 Fermi to accommodate adequate surface drainage, original design was too high - \$20k; 6) Overrun of quantities, design firm underestimated rock and asphalt quantities requiring an increase in contract amount and the additional quantities used has been verified - \$28k. Wright requested the Commission approve all change orders, a total of \$86,150.76, including tax, which will increase the project budget to \$797,596.15. Wright clarified that change orders 5 and 6 do not have final amounts yet, as work has not yet been completed, but the Port has confirmed the estimates are maximum amounts.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving the Fermi Avenue change, which will increase order to \$86,150.76 and the total project cost to \$797,596.15.

4. Resolution 21-51, To Surplus Property in Benton City

Director of Real Estate, Teresa Hancock stated that this resolution is follow-up to prior discussions surrounding housekeeping items necessary to steps key to balancing the Port's budget and transfer of property to the private sector and to continuing promoting small business economic development within the rural community.

Hancock added that this resolution will allow Port staff to continue to serve the community best by offering property to new, small businesses, seeking development opportunities within the city downtown core, in a limited suitable inventory district area.

Hancock explained that this resolution is consistent to previous resolutions excessing Port property and good faith negotiations will continue with current small businesses and will bring forward in a public meeting for formal approval.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving Resolution 21-51 and the surplus of property in Benton City.

5. Department of Commerce Contract for Innovation Cluster Accelerator Program – Washington VERTICAL - \$400k

Executive Director Diahann Howard explained that she is seeking approval of the grant application as submitted earlier in the year. Howard added that this grant will allow assistance to form an industry alliance and the first project has been the Tri-Energy partnership with X-energy for energy storage. Howard clarified that there is no cost to the Port and the RFP process would begin towards the first of the year if the contract is approved.

Commissioner Keck stated that this is a great opportunity for the Port's energy future and Commissioner Hagarty added that it is very important for the Port to work on clean energy as we go forward.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving the Department of Commerce Contract for the Innovation Cluster Accelerator Program – Washington VERTICAL - \$400k

6. Consent to Assignment, 2200 Airport Way Ground Lease from Hill to Dyer/Tym2fly, LLC

Director of Real Estate, Teresa Hancock explained that from time to time, privately owned hangar improvements become subject to sale and the underlying ground is exempt from sale due to federal obligations attached to both airports and read from Section 11 (Assignment and Subletting) *"lessee must obtain the Port's prior written consent to assign, sublet or transfer its interest."*

Hancock provided a background summary, noting that the Port and Cannon Hill entered into a ground lease for 6,400sf at the Richland Airport for construction of a private owned, 60x60 hangar, now located at 2200 Airport Way, located adjacent to the public restroom area, on September 15, 2017. Hancock added that the lease duration is 40 years, including option periods and therefore exceeds the Executive Director's delegation of authority for approval of such requests or term changes. Hancock added that Port staff have received a timely letter from the lessee of interest to sell the hangar improvements to Mr. Dyer, requesting authorization to assign the current ground lease to Clif Dyer, Tym2fly LLC.

Hancock added that Clif Dyer is, and has been, the longtime FBO for the Richland Airport and further agrees to use the hangar as intended per the lease and adhere to use, obligations, terms and covenants for the airport related to all aviation ground leases.

Hancock stated that the assignment would included a lease modification consistent with previous sale and lease assignments for rent, use and ownership improvement reversion, as reflected in updated leases since the commencement.

Hancock announced that the Consignment of Assignment is consistent with previous requests.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving the Consent to Assignment, 2200 Airport Way Ground Lease from Cannon Hill to Clif Dyer, Tym2fly LLC, at the Richland Airport.

7. Resolution 21-52, Acceptance of Work of HVAC Replacement at 3250 Port of Benton Blvd.

Director of Facilities & Operations, Ron Branine stated that this resolution will accept the work completed by M. Campbell & Company. Branine reminded the Commission that the HVAC Replacement Project originally was for two new units, but a third unit went out and was also replaced. Branine stated that the project total with tax was \$53,496.36 and the work was completed October 18, 2021, with the units being ordered in August.

Branine informed the Commission that a program is now in place to better forecast when HVAC units are in need of repair or replacement.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving Resolution 21-52, acceptance of work for the HVAC Replacement Project at 3250 Port of Benton Blvd., \$53,496.36.

8. Resolution 21-53, Final Review and Acceptance of Sign Policy

Port Attorney, David Billetdeaux stated that the previous sign policy was put in place in 2010, which made the policy out of date and added that previous court cases in Washington and the Supreme Court also made the policy no longer compliant.

Billetdeaux stated that the updated policy makes it clear on what signs can be placed on Port property and clarified where signs can be placed and what signs don't need approval in addition to what signs would need Port approval if posted longer than 30 days. For signs posted over thirty days, Commission approval would be necessary. Only staff approval would be needed if the signs were to be posted under 30 days.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving Resolution 21-53, the acceptance of an updated sign policy.

9. Proclamation 21-02, Recognizing Edward (Eddie) G. Burnet

Engineer, Roger Wright stated that the Port would be celebrating the 60th anniversary of the first private flight into the Port-operated Richland Airport, which took place on December 1, 1961. Thomas explained that Captain Edward (Eddie) G. Burnet was the pilot to make this historic flight and announced that Capt. Burnet is still living in the Richland area.

Wright stated that the Port would like to commend Captain Burnet's efforts and recognize him at a recognition ceremony on 12/1/2021 at the Richland Airport.

Wright stated that the ceremony would be posted on social media and the family and public would be invited.

Director of Economic Development & Governmental Affairs, Miles Thomas read Proclamation 21-02:

**PORT OF BENTON
OFFICIAL PROCLAMATION – 21-02
HONORING THE 60TH ANNIVERSARY OF THE FIRST PUBLIC
FLIGHT BY PILOT E.G. (EDDIE) BURNET FROM
PORT OF BENTON OPERATED RICHLAND AIRPORT**

WHEREAS, throughout the 1950's Captain E.G. (Eddie) Burnet routinely and frequently boasted of the importance of aviation and the volunteer-led Civil Air Patrol to the economy of the newly incorporated City of Richland; and

WHEREAS, in 1961 the Port of Benton acquired control of the former Atomic Energy Commission Airport to open it for public use and operation; and

WHEREAS, the Port of Benton engaged Captain Burnet and partners in Richland Flying Service to become the airport's first fixed based operator, an FAA approved flight and ground school, maintenance facility, air ambulance provider, and pilot examination center; and

WHEREAS, December, 1961, Captain Burnet piloted the first landing on the newly public airfield in a Piper PA-16 Clipper aircraft; and

NOW THEREFORE, BE IT PROCLAIMED that the Port of Benton Commission express their sincere and whole-hearted appreciation to Captain E.G. (Eddie) Burnet for his steadfast support and expression of value for the Richland Airport to become a public-use airport, and for his contributions while serving as the public airport's first Fixed Based Operator, piloting the first landing at the newly public airport that sprung forward the many opportunities for general aviation at the Richland Airport over the past 60 years.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission, approving Proclamation 21-02 honoring the 60th anniversary of the first public flight by Captain Edward (Eddie) G. Burnet from Port of Benton operated airport.

D. INFORMATION REPORTS:

1. Grants Update:

Port Engineer Roger Wright stated that the Richland Airport – Airfield Signage and Lights (PH2) construction project will cause significant impact due to the runway closures and is working with the Communications team on a public information campaign.

Wright announced that the Prosser Taxilane Project is substantially complete and they are working on the new hangar sites.

Director of Economic Development & Governmental Affairs, Miles Thomas added that there has been no action on the Bureau of Land Management grant and follow-up will be required.

2. Holland Track Update

Engineer Roger Wright reminded the Commission that the Port has a contract with Holland to inspect the Port's railroad track. Wright stated that TCRY (the Port's short line tenant) was notified of the inspection findings. Wright stated that Holland's summary report reported 56 locations on the track where maintenance is required. Wright explained that there are red and yellow alerts and currently there are 25 red alerts on the track. A red alert requires immediate attention and a yellow alert requires

routine maintenance in a timely fashion. Wright stated that issues include spikes that are not holding in the rail, which loosens the rail and raises the risk of damage or a possible derailment.

Wright added that the Van Giesen and Swift Railroad crossings improvement project is underway, and noted that this work should have been TCRY's responsibility, under their maintenance requirements, but the Port is moving forward with repair.

Port Attorney David Billetdeaux added that the lease makes it clear of track maintenance liability on the track falling on TCRY. Billetdeaux added that this has been confirmed by multiple courts and the Port is not liable for repair and the Port needs to attempt enforcement of repair of deferred maintenance and/or reimbursement within the litigation.

3. Overview of Commission Appointment Process

Port Attorney, David Billetdeaux explained that there is a link of the Port website regarding the Commission vacancy in which anyone can visit, review and apply.

Billetdeaux described the timeline:

- 11/08/2021 – Appointment information and application posted on Port website
- 11/19/2021 – Application deadline
- 11/22/2021 – Special Commission Meeting to review all applications received and narrow down for final interviews

11/29/2021 – Interviews of applicants and final selection announcement

Billetdeaux stated that per RCW 42.12.070 the governing body has up to 90 days to appoint and the Commission technically could appoint somebody today, bypassing an application process all together. Billetdeaux commended the Commissioners for choosing an open and transparent application process. Billetdeaux stated that at the end of the 90-day period, if a decision was unable to be reached, the Benton County Commissioners would make the appointment and if they could not decide, the Governor would appoint.

E. COMMISSIONER REPORTS/COMMENTS:

Commissioner Keck stated that he recently attended the APP annual conference in San Diego and is up to speed on many current issues with the majority of the topics revolving around the supply chain bottleneck and issues in California. Commissioner Keck said that the biggest takeaway from the conference was the understanding of the lack of strategic planning related to the supply chain.

Commissioner Keck noted that the Port's current focus on energy is the right topic to focus.

Commissioner Keck stated that he attended PNWA's annual conference and there were many Save our Dams discussions about short and long-term planning to preserve the waterways.

Commissioner Keck said that he also recently attend the WPPA Small Ports conference where new resources for ports were discussed and all would benefit the future of the Port.

Commissioner Keck recommended reevaluating memberships with the Association of Pacific Ports, as they have a more national focus.

Commissioner Hagarty stated that there was recent discussion at a WPPA event regarding records retention and the updating of policies and inquired about how current the Port was on policies.

Port Attorney David Billetdeaux verified that the Port is up to date, the website is current and

the Port uses a software called Smarsh to assist with retention.

Commissioner Hagarty agreed that energy is the right direction for the Port to go.

Hagarty notified that PEDDA recently held an election of board members and all positions will remain the same.

F. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS:

Director of Facilities & Operations, Ron Branine stated that the team continues to clean up the Richland Airport. Branine added that the snow removal plan will be released next week.

Branine added that he is looking into installing a new fence around the Bonney building at the Prosser Airport and the scope for that project will be released soon, but he will be reaching out to users soon and the four-foot fence will tie-in with the Milne Warehouse on Hagarty Lane.

Director of Economic Development & Governmental Affairs, Miles Thomas announced that the RFP for a lease at 1865 Bronco Lane Aircraft Hangar at the Richland Airport will be due on 1/28/2022.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine announced that the 2345 Lighting Project is still ongoing as the remaining parts are stuck at a port in California.

Branine announced that the 2579 Stevens Drive roofing project started on 9/07/2021 and is nearly complete. Branine stated that in addition to the roofing aspect of the project, they have also been doing gutter repair due to rain infiltration.

Branine said that other projects include the "flipping" of 1865 Bronco Lane, which was the former Zero Gravity space. Branine noted that this includes new LED lighting, bathroom refresh, breakroom refresh and front counter and floor demo. Branine noted that this project is 100% complete.

Branine stated that he is working with Architects West and Archibald to get ready for the HMIS buildout of the old Intermech space. Branine explained that HMIS has asked for several offices to be built, a breakroom, a very large pallet rack system and battery charging station for their electric forklifts. Branine added that he is obtaining bids to paint the interior of the old Atkins space, which is approximately 21k sq. ft. Branine said that this will close on Friday.

Branine announced that he continues to work with the City of Prosser and Desert Wind to come up with a solution on the sewer line issue at the Walter Clore Center.

Branine informed that there is currently still one HVAC unit down with not ETA on replacement.

Branine added that the team continues to prep fleet equipment for operations, as well as installing new snow poles. Branine announced that the sprinkler system winterization is complete.

Branine announced that he has reassigned work areas based on need and staff members gaining more efficiency for the entire team. Branine said an example of this, is having Jeff Moore, who lives in Prosser, start covering everything in Prosser, as well as Crow Butte. Branine stated that the buildings Moore previously covered in Richland have been reassigned, which also provides dual coverage in all buildings. Branine added that historically, there were just three staff that were badged for certain buildings, but now all the Facilities team are badged and can serve as backup for those badge-required buildings.

3. SPECIAL PROJECTS:

Director of Facilities & Operations, Ron Branine stated that the ranger station remodel is

completed. Branine added that the team is still in the process of winterizing the park.

Branine announced that a locate company was hired to travel to the park and locate the conduit break. Branine added that the area of the break was identified, but they are now waiting on Corp approval to dig down the five-feet to where the break is believed to be located.

4. REAL ESTATE:

Director of Real Estate, Teresa Hancock announced that the sale between the Port and Weston Mountain Onion officially closed in mid-October. Hancock stated that the purchaser is lined up to construct much needed expansion space and further support the ag commodity and specialty foods industry and added value related to job creation initiatives.

Hancock provided follow-up regarding Commissioner Hagarty's earlier comments related to the recently approved sale in Benton City for the former fire station property, stating that staff are extremely supportive of the addition of Pepper Preppers Kitchen, LLC to the community and small business district and owners, Bill and Cheri Smoot are anxious to get started and have funding firmly in escrow, an earlier closing date has been requested, (this Friday vs. end of the year). Hancock added that the Smoot's would like to get a jumpstart on permitting, licensing and facility improvements so they can open their doors to the public and fellow co-op small business users.

Hancock announced that new tenant, Narratif Winery, owned by JJ Compeau, has officially opened in Suite A, formerly occupied by Wit Cellars at the Prosser Wine and Food Park. Hancock stated that the soft opening is this weekend and encouraged all to stop by to support this new business and welcome the tenant to the Port family.

Hancock added that staff has engaged with a startup small business seeking bonded space for a sparkling wine opportunity in the district, in which there is availability in Suite B of the Wine and Food Park. Hancock added that the group is extremely excited to take the next step, of direct sale to the consumer, and has strong, private backed financial support. Hancock stated that she looks forward to bringing forth more information and details at the December meeting.

Hancock provided follow-up on to the resolution approved for property within the downtown Benton City district and noted that the Port has received interest from existing small business tenants and new inquiries for business opportunities and will bring forward these interests at the December meeting.

Hancock added that 9th Street Studio (formerly L&G Salon), was previously approved by resolution to purchase the 721 facility and 723 land, a neighboring parcel also known as the "Head Shed Property". Hancock informed that with tightening lending requirements to COVID-19, the tenant will be purchasing the 721 facility property only and will be seeking to close quickly.

Hancock stated that the secondary parcel property has already received interest and an offer to purchase based upon the most recent appraisal, and she anticipates bringing that offer to the Commission at the December meeting for formal approval.

Hancock said that appraisal updates have been initiated for Prosser Vintners Village and the Wamba property in anticipation of sales to be presented to the Port in coming meetings.

5. MARKETING:

Director of Marketing, Wally Williams announced that he is finishing up the Comprehensive Plan for 2022. Williams added that he is working on the final tweaks of the Crow Butte wayfinding map that will be placed at the park along the paved riverfront walkway.

Williams added that he is assisting Engineer, Roger Wright and Executive Administrator, Summers Miya on the 60th Anniversary Celebration at the Richland Airport, assisting with flyer, poster and plaque design.

6. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Director of Economic Development & Governmental Affairs, Miles Thomas opened by thanking Commissioners Hagarty and Keck (and former Commissioner Larson) for their service on boards, commissions and trade associations, as their participation with other elected officials provides the Port's governmental affairs function a holistic view of elevated discussions on policy globally that affects downstream impacts on supply chain from a different perspective.

Thomas noted that throughout the last year, cross-jurisdictional economic development partners have been looking for avenues to bring back essential business development and entrepreneurship programming to the community. Thomas explained that these services were last provided with continuity in 2016 through the Small Business Development Center and have since had brief periods of resurgence with similar Small Business Administration programs. Thomas added that as Commissioner Keck may remember from his time with the City of Richland, they were working back then to bring back this program with interlocal sponsorship and collaboration.

Thomas stated that in the past few months, the Port has established a solid path forward that the Port feels confident in as a resource for the community. Thomas added that in coordination with WSU's Carson College of Business, Professor Joan Giese has developed programming with feedback from many public partners, businesses and tourism based organizations that has culminated in a framework for certificate based continuing education and skill development courses.

Thomas added that the major difference between prior offerings is that these courses offer skill development at all levels, noting that people without degrees or formal training getting base financial literacy and talent development, people with degrees and long-term experience getting access to programs with a slant towards business growth and change management.

Thomas announced that the Port is currently assisting in drafting an interlocal sponsorship and marketing agreement with WSU Tri-Cities and several local cities, ports and partner businesses to provide access to these programs for community members. Thomas stated that the Port's first foray into this program is a course developed with the Carson College of Business and School of Hospitality that will provide coursework in tasting room server skill development, tasting room management and an in-person server training component offered at the Walter Clore Center. Thomas added that in addition to courses offered at the Clore Center, the Port anticipates having this programming ramped up in Q1 of 2022.

Thomas announced that on the hydrogen front of Washington VERTical, the Port has also submitted alongside Maritime Blue in their hydrogen focused clean energy proposal to the US Economic Development Administration. Thomas explained that this proposal would include potential for development of the Port's long sought Innovation Commercialization Center with a focus on space for advanced hydrogen research and processing technologies. Thomas added that the Port was also encouraged to serve as a conduit for private entities to lease hydrogen based heavy duty trucks for demonstration purposes and have begun speaking with the City of Richland about potentially using such a fleet for the replacement of solid waste trucks. Thomas noted that the City has discussed switching their fleet to natural gas if awarded support grant dollars; hub with recent legislative actions, there is

concern about continued long-term access to an utilization of natural gas in heavy duty trucking. Thomas added that hydrogen would be a viable alternative if natural gas legislation is enacted, and has potential to be co-distributed alongside natural gas in existing natural gas infrastructure. Thomas stated that another sub-applicant to maritime blue is OCOchem, who was recently awarded an Entrepreneurial Award recognition by Richland Rotary and the Tri-Cities Research District.

Thomas continued, stating that several companies were recognized at the 2021 Entrepreneurial Awards, which was sponsored by the Port of Benton, Richland Rotary, Tri-Cities Research District, Tri-City Regional Chamber, TRIDEC and Fuse SPC. Thomas announced that the award winners were: Northwest Paddleboarding, OCOchem, 9th Street Studio, Empowered Health and Paul Casey's Growing Forward Services. Thomas added that this year's Sam Volpentest Sammy award winner was Gary Petersen for his contributions to innovation and entrepreneurship, long time support of the federal clean-up mission, and post Hanford economic resiliency.

Thomas stated that the Port has been heavily involved in leading the Washington VERTICAL cluster as a result of the award from the Department of Commerce Innovation Cluster Accelerator Program. Thomas added that closely related to that, is the talent of Port's communication team, Wally Williams and Summers Miya, whom aided the Port team in putting together a compelling application and support marketing materials that reinforced the regional commitment to developing a clean energy cluster strategy. Thomas added that at his and Diahann Howard's recent visit with Commerce, the Port was recognized for VERTICAL's early and complete set of marketing tools, designs, and strategy and have been invited to speak with the Cluster's consultant to make recommendations on the statewide cluster marketing and promotion strategy.

7. FINANCE DIRECTOR:

Director of Finance/CPA, Danielle Connor provided an updated on the IAP project, stating that the team continues to move along and as of yesterday, 38% of the approximate 200 leases have been entered into the system. Connor announced that late last week it was learned that the team will be losing Tiffany as a resource, as she has taken a position with Hanford and will be finishing up with the Port the week of Thanksgiving. Connor added that this does mean the go-live date will be pushed back and the revised go-live date will be mid-March, for April billing. Connor noted that she will be looking to free up internal resources to assist with the remainder of the lease entry, which is estimated around 350-400 hours, as each lease averages approximately three hours to input into the system.

Connor added that the integration piece of the project is making progress, and she expects to receive the first pass of the scripts by November 15, 2021, and then will be working through testing and first pass of feedback and changes, in addition to continuing forward with the development for automated import and error logging.

Connor stated that the team has a detailed remediation log to track items and are continuing to review and revise the timeline and monitor the project budget and currently, there are no material changes expected.

Connor broke down the roadmap that has been built out for the upcoming phases of the project, as well as the overall tech stack:

- Voyager Commercial to go live March 2022
- Facility Manager Phase 1 – work orders – to kick-off shortly after
- Voyager Commercial Phase 2 – GASB 87 to be scheduled in 2022
- Facility Manager Phase 2 – procurement – tentatively kick-off fall 2022

- Facility Manager inventory and additional integrations will be slotted into the future roadmap, as well as an integrated replacement to fixed asset/tracking software.

Connor announced that the 2019 and 2020 audits are underway, and they will be completed entirely remotely. Connor noted that initial requests lists have come in and several reports and documents have been compiled and provided. Connor added that a pre-audit meeting was held on October 18, 2021 and the entrance conference is tentatively scheduled for November 22, 2021, pending completion of the SAO's planning phase.

Connor estimated that the Port will meet the deadline to have audited financial statements by the end of December and noted that she will be working with the bond counsel and financial advisors on the necessary steps to mitigate any issues if an extension is required.

Connor offered the reminder that open enrollment is taking place during the month of November, allowing employees to make changes to their medical and dental benefits. Connor added that Veronica Serna has put together and distributed some wonderful information. Connor also noted that there are quite a few changes going on with payroll benefits and encouraged all to please reach out to Veronica if there are any questions.

Connor provided an overview of the Port financial status, stating that general expenditures for October were approximately \$617k, about \$500k less than what was forecasted due to project timing. Connor noted October payments to Inland Asphalt for the Fermi project, DSD for the software subscription renewal and engineering payments related to the Prosser taxiway project and Richland master plan and electrical projects.

Connor added that several invoices are still expected to come in related to recent projects, which are both Port and grant-funded projects. Connor stated that \$1.1M is forecasted for expenditures in November and \$1.2M in December.

Connor announced that the October reports were just received from the Benton County Treasurer yesterday and second half property taxes of \$820k were received in October.

Connor stated that the current (unreconciled) general operating cash balance, including reserved cash, is \$4.7M, \$3.3M available operating.

Connor informed that Accounts Payable (A/P) is currently sitting at approximately \$340k outstanding, approximately \$38k that is past due, and attributed delays due to the new vendor setup process, gathering proper approval, as well as delays in receipt of the vendor invoice.

Connor added that Accounts Receivable (A/R) is currently sitting at \$1M past due, \$320k of that is grant-related, and reimbursements are expected from the FAA. Connor noted that tenant A/R is \$732k outstanding, with the majority is current as November billing was recently processed and payments are being received and applied. Connor added that currently about 31%, or \$227k is aged greater than 90 days, although \$132k of this is due to interstate aggregate.

Connor stated that \$31k was received from the City of Richland in October, related to the Duportail project and the team will be queuing up a reimbursement request for AIP 20 Prosser Taxilane Construction Project, once payment is released.

8. PORT ATTORNEY:

Port Attorney, David Billetdeaux stated that there are a few trainings still required from some staff, but is working to get all trainings up to date.

Billetdeaux noted that he is looking into cyber security trainings that educate on phishing

attempts, ransomware, click-on scams as the Port does not want to fall victim to such an attack.

Billetdeaux noted the Senate Bill 5432 agreement which sends information to outside contractors and adds an extra layer of security.

Billetdeaux informed that he continues to monitor COVID-19 and the team continues to maintain protocols. Billetdeaux added that he is keeping an eye on state proclamations, as well as the White House.

Billetdeaux provided an update on the TCRY litigation, stating that TCRY attorneys have withdrawn from the case and the case is currently not represented.

Billetdeaux added that he is trying to schedule with the courts, but with COVID delays along with the upcoming holidays, it is looking like the beginning of January before any proceedings will take place.

Billetdeaux provided an update on the Redistricting Services, stating that a consultant is working on the project, but is not required to complete the project by the end of the year and there will be information meetings in January/February 2022.

9. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard announced that she recently presented to the Prosser Rotary group and National Academies of Sciences. Howard stated that the Port recently sponsored the Eastern Edge event. Howard also noted participation with the Low Carbon Advisory Board, noting timing issues and recent conversations at the state level.

Howard noted that she also recently participated in the City of Richland Economic Development interviews, in which Mandy Wallner was ultimately selected.

Howard added the importance of collaborating with partners on the Public Power Forum, Energy Northwest, X-energy and stating that there would be a follow-up meeting in Olympia.

Howard added that she recently held a 1:1 and tours with the City of Richland mayor and interim manager.

Howard stated that all director reports have been issued and reviews of 2021 will begin soon, and goals for 2022 will be discussed.

Howard congratulated the team on hosting a successful Entrepreneurial Awards event and also thanked recently retired Commissioner Robert Larson for his years of service to the Port.

G. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 11:23 a.m. and an Executive Session was convened at 11:30 a.m. to discuss ongoing litigation, personnel and real estate matters. It was announced that Executive Session would take 30 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time. At 12:00 p.m., it was announced that an additional 20 minutes would be added to Executive Session.

H. ADJOURNMENT: The Commission announced that no action was required to be taken relating to any items discussed within Executive Session. With no further business, the meeting was adjourned at 12:20 p.m.


Roy D. Keck
Commission Secretary