

**PORT OF BENTON  
COMMISSION MEETING MINUTES  
JANUARY 12, 2022**

**A. CALL TO ORDER:** The regular monthly meeting was called to order at 8:34 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

**PRESENT:** Commissioner Christy L. Rasmussen; Commissioner Roy D. Keck; Commissioner Lori Stevens; Executive Director, Diahann Howard, PPM®; Port Attorney, David Billetdeaux; Executive Administrator, Summers Miya, Aaron Stevens, Jessup Stevens, Wyatt Stevens, Weston Stevens, Kristeen Miller

**The following attendees attended via remote communications:** Director of Finance/CPA, Danielle Connor; Director of Real Estate, Teresa Hancock; Director of Marketing, Wally Williams; Contract Specialist, Sheri Collins; Director of Facilities & Operations, Ron Branine; Roger Wright, RGW Enterprises; Senior Accountant, Veronica Serna; Director of Economic Development & Governmental Affairs, Miles Thomas; Community Member, Gareth Nisbett; Community Member, Richard Whitney; Community Member, Dennis Nichols; Tri-Cities Area Journal of Business, Wendy Culverwell; Century West Engineering, Bryan Condon; James Stevens

The Commission Meeting was conducted using the CDC (Centers for Disease Control) recommended social distancing protocols for COVID-19 with Commissioners meeting in-person; 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:** Jessup, Wyatt and Weston Stevens led those present in reciting the Pledge of Allegiance.

**C. OATH OF OFFICE:**

Port Attorney, David Billetdeaux stood and presented Commissioner-elect, Lori Stevens for the Oath of Office for District 3.

The following oath was given and taken by Lori Stevens:

I, Lori Stevens, do solemnly swear that I will support the Constitution of the United States and the Constitution and laws of the State of Washington, and that I will faithfully and impartially perform and discharge the duties of the office of the Port of Benton Commissioner, District 3, Benton County, State of Washington, according to law, to the best of my ability.

Commissioner Lori Stevens was subscribed and sworn-in on January 12, 2022, with Sheri Collins, a Notary Public in and for the State of Washington, residing in the City of Richland, notarizing the Oath of Office.

Notary, Sheri Collins notarized the document.

#### **D. CONSENT AGENDA:**

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Christy Rasmussen, (with Commissioner Lori Stevens abstaining), and unanimously passed by the Commission approving the December 14, 2021 Commission Meeting Minutes, approval of vouchers and certifications, including payroll, for the month of December totaling \$1,135,390.56, approval of project vouchers and certifications for the month of December totaling \$8,960.00 and Resolution 22-01, to cancel warrant No. 900006, which was not printed due to printer error.**

**Commissioner Roy Keck made a motion to rearrange the agenda in order to hold Items of Business Item No. 1, the selection of Port of Benton officers at this time. Commissioner Christy Rasmussen seconded the motion.**

**A motion was made by Commissioner Roy Keck, which was seconded by Commissioner Lori Stevens, and unanimously passed by the Commission nominating Commissioner Christy Rasmussen as Commission President, Commissioner Roy Keck as Commissioner Vice President and Commissioner Lori Stevens as Commission Secretary.**

#### **E. PUBLIC COMMENT:**

Community Member Dennis Nichols congratulated the new Commissioners and thanked each for their willingness to serve, including Commissioner Keck.

#### **F. ITEMS OF BUSINESS**

##### **1. Economic Development Corporation (EDC): Approval of Minutes from January 13, 2021 EDC Meeting, Selection of Officers**

Port Attorney, David Billetdeaux adjourned the regular Commission meeting at 8:48 a.m. and opened the Economic Development Corporation meeting at 8:48 a.m.

Port Attorney, David Billetdeaux reminded the Commission that the Economic Development Corporation (EDC) is an item that must be approved annually and is something the Port chooses to keep open for possibilities of future business, should a large business express an interest in moving on to Port land.

Billetdeaux noted that historically, the EDC officers fall in line with how the Port officers were selected for that year, which would put Commissioner Christy Rasmussen as President, Commissioner Roy Keck as Vice President and Commissioner Lori Stevens as Secretary.

**A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commissioner approving the selection of EDC officers for 2022, with Commissioner Christy Rasmussen as President, Commissioner Roy Keck as Vice President and Commissioner Lori Stevens as Secretary.**

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission approving the minutes from the January 13, 2021 EDC meeting.**

Commissioner Christy Rasmussen adjourned the EDC meeting at 8:50 a.m. and resumed the regular Commission meeting at 8:50 a.m.

**2. Resolution 22-02, A Resolution of the Port of Benton Approving Delegation of Authority for the Executive Director and her Designees**

Port Attorney, David Billetdeaux stated that this resolution is another housekeeping item that takes place on an annual basis, adding that there are specific powers that the Commissioners hold that they offer to the Executive Director for purpose of daily work flow. Billetdeaux added that the delegation did not change from 2021.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving Resolution 22-02, approving the delegation of authority for the Executive Director and her designees.**

**3. Resolution 22-03, A Resolution of the Board of Commissioners of the Port of Benton Authorizing the Port Executive Director to Sell and Convey Surplus Property with Less than \$10,000 Value**

Port Attorney, David Billetdeaux stated that this item is another annual housekeeping item which allows the Port Commission to give power to the Executive Director to surplus property without bringing forward to the Commission. Billetdeaux added that items are usually of nominal value.

**A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, authorizing the Port Executive Director to sell and convey surplus property with less than \$10,000 value.**

**4. Interlocal Agreement with the City of Richland for the Installation of Rail Ties**

Engineer, Roger Wright explained that the City of Richland and Port of Benton often coordinate work related to road repair and rail maintenance and added that interlocal agreements are an efficient way to help hire one contractor and move together in a cohesive manner and is efficient for both entities.

Wright stated that the Port of Benton is currently going out for bid to replace rail ties associated with the 2020 derailment damage. As part of that work, the City desires that the Port's selected contractor install 300 rail ties on the City's Horn Rapids Industrial Spur. This interlocal agreement documents that agreement and provides a method for the City to pay for this work. The Port receives an administrative fee as part of this agreement.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving the interlocal agreement with the City of Richland for the installation of rail ties.**

**5. Approval of Receipt of American Rescue Plan Funds for Airports – (Richland Airport, \$59,000, Prosser Airport, \$32,000)**

Engineer, Roger Wright explained that the American Rescue Plan Funds for Airports is similar to the CARES program and funds, which were earlier awarded and received.

Wright added that the Port of Benton is eligible for funds to apply to maintenance work and

staff time with \$59,000 available for Richland Airport and \$32,000 available for the Prosser Airport.

Wright stated that once approved, the finance team will submit for reimbursement for past maintenance work. Wright noted that the program's goal is to assist with keeping businesses working and to reimburse maintenance and administrative time due to the adverse impacts of COVID-19.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving the receipt of American Rescue Plan funds for the Richland (\$59,000) and Prosser (\$32,000) Airports.**

#### **6. Review and Approval of Washington VERTical Clean Energy Cluster Consultant Selections for Contracts Not to Exceed \$210,000**

Executive Director, Diahann Howard reminded the Commission that a \$400k grant has been received from the state.

Howard noted that ads were ran in December 2021 for consultants, in which staff and TCRD members reviewed the two proposals received. Howard added that with outside input, the Port would like to move forward with only one of the proposals for a two-year term, David McCormack of McCormack Consulting, LLC. Howard added that McCormack has 47+ years of nuclear experience and will bring a wealth of knowledge to this project.

Howard stated that McCormack Consulting, LLC has proposed to establish and grow the Washington VERTical Supply Chain Alliance, and fulfill the role of Supply Chain Project Coordinator.

Howard added that the proposal supports the Port's overarching goal to drive regional economic growth and its strategy to use the recent ICAP grant to foster cross-sector collaboration to ultimately grow and leverage the Tri-Cities professional and technical workforce, local and entrepreneurial businesses expanding their network and collaboration across the state.

Howard stated the McCormack's proposal included information on establishing the Supply Chain Alliance, as it will be legally formed as a subsidiary to TCLBA, leveraging TCLBA's existing industry role, leadership, administrative services and membership dues structure.

Howard added that the proposal also noted that the formation supports the near-term focus on regional advanced reactor and SMR projects, as well as the longer-term intention to support advanced reactor and SMR deployments nationally and internationally, and to also support other clean energy technologies advocated by the Washington VERTical Clean Energy Cluster.

Howard noted that this is a two-year contract with McCormack Consulting, LLC.

**A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving the Washington VERTical Clean Energy Cluster Consultant Selection and Contract as project coordinator not to exceed \$100,000 over two years with McCormack Consulting, contingent upon state approval.**

#### **7. Resolution 22-04, A Resolution Authorizing Consent for a Ground Lease Over Five Years from Richard Whitney to Polo Hipolito Garza Jr. and Polo Hipolito Garza III**

Director of Real Estate, Teresa Hancock provided a screen share of the location and condition of 2114 Butler Loop, which the Port entered into agreement with Richard Whitney with a 2015 certificate of occupancy.

Hancock explained that because the agreement between Whitney to Garza is over five-years, it is being brought forward to the Commission for approval.

Hancock highlighted the terms of the deal, stating that Whitney has requested to sell improvements and assign a ground lease to Polo H. Garza III and Polo H. Garza Jr. with an anticipated closing date of January 31, 2022. Hancock added that the terms are 30 years, with an expiration of 3/31/44 and two option terms at 10-year, an annual ground rent of \$1,227.88, including LET, security of \$1,227.88, aeronautical use only, with residential prohibited, a three-year rent adjustment with Fair Market Value of Ground, ownership reversion responsibilities and first right of refusal on sales.

**A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 22-04, approving authorization of consent for a ground lease from Richard Whitney to Polo Hipolito Garza Jr. and Polo Hipolito Garza III.**

**8. Resolution 22-05, Acceptance of Work Completed by Swaggart Brothers for the Prosser Airport Taxilane Project**

Director of Facilities & Operations, Ron Branine stated that the contract was awarded to Swaggart in 2021 for \$402,653.60 before tax. Branine stated there was one internal change order regarding the addition of conduit and fiber at the airport, which brought the final amount to \$423,131.95 with a payment bond held. Branine stated that the final inspection of the project was completed on December 2, 2021.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission approving Resolution 22-05, accepting work completed by Swaggart Brothers for the Prosser Airport Taxilane Project.**

**9. Resolution 22-06, Acceptance of Work Completed by Wine Country Construction & Landscaping, LLC for the 2579 Stevens Drive Roof Replacement Project**

Director of Facilities & Operations, Ron Branine stated that this project was for an eleven thousand square foot portion of the roof at 2579 Stevens Drive and with a change order that added an additional layer to the deck, brought the project total to \$77,168.99 and the job has been successfully completed.

**A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, accepting work completed by Wine Country Construction & Landscaping, LLC for the 2579 Stevens Drive Roof Replacement Project.**

**10. Approval of Cooperative Service Agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service (APHIS) Wildlife Services**

Director of Facilities & Operations, Ron Branine reminded the Commission that this Cooperative Service Agreement with United States Department of Agriculture Animal and Plant Health Inspection Service (APHIS) is a common control plan to have in place for railroads, parks and airports.

Branine stated that the agreement is a five-year term effective January 1, 2022 – December 31, 2026, not to exceed five years.

Branine added that the agreements have been broken into four separate agreements that total \$23k, which include Prosser and Richland Airports, Crow Butte Park and the railroad. Branine noted that the control includes bird mitigations, coyote control and bird control around the Yakima River.



**A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission approving the five-year cooperative service agreement with the United States Department of Agriculture Animal and Plant Health Inspection Service (APHIS) Wildlife Services**

#### **G. INFORMATION REPORTS:**

##### **1. Rail Presentation:**

##### **1. Rail Presentation:**

Engineer Roger Wright provided a thorough overview of the Port of Benton-owned railroad track infrastructure through a PowerPoint presentation.

Wright provided a background of the Port track, as well as a summary of ongoing capital needs. Wright highlighted that the Port track starts just west of Columbia Center Blvd., travels out to the south side of the Horn Rapids Road right of way, and provided a bird's eye view of the Port track, as well as the City, DOE, Union Pacific, and privately owned spur tracks.

Wright noted that there are 11 miles of main industrial track, 5 miles of sidings and ladder track (yard west of 2345 Stevens locomotive repair facility), four bridges, nine Port-owned at-grade crossings (soon to add Center Parkway), 48,000 crossties, two locomotives, two flat cars, two ballast cars and six maintenance cars, which are all leased to TCRY and in which the Port obtained from the federal government in 1998.

Wright provided a background of how the Port got to the current position related to the railroad, in addition to a summary of maintenance work needed on the track in coming years.

##### **2. Grants Report Update:**

Executive Director Diahann Howard explained that the grants report update was a time to review each outstanding grant with the Commission and they would go down the list in order today, as this was Commissioner Stevens' first meeting as Commissioner.

Howard, Miles Thomas and Roger Wright all contributed to the updates.

1. Richland Airport Master Plan – Waiting on FAA's review of the final draft of the airport Master Plan and likely will not see approval until March.
2. Richland Innovation Center Rural County Capital Funds – Sidewalk/Streetlight project is in design. Construction of the sidewalks is planned for March 2022 and part of Benton County .09 funds.
3. Richland Airport – Airfield Signage and Lights (Phase I)/Design – 90% of design plans are being reviewed by Port staff. Final design is planned to go out for bid in February 2022.
4. Richland Airport – Airfield Signage and Lights (Phase I)/Construction – FAA has awarded and construction planned for July – September 2022. This will require multiple runway closures and will require a significant amount of public information outreach.
5. Prosser Airport Taxilane – Project is complete and the first six hangar locations are nearly ready for lease.
6. Railroad Improvements FRIB low interest loan – Initial indications are that the Port will likely be successful with this application and hoping that legislative session will bring more answers.

7. Infrastructure Investment and Jobs Act Grant Funds – Still waiting on formal approval and information.
8. Innovation Cluster Accelerator Program Application – Contract completed to support WA VERTical and Port RFP is out for service and was presented earlier.
9. Community Aviation Revitalization Board (CARB) – Commission has approved receipt of this grant.
10. EDA Build Back Better – Awarded Phase I, now to draft Phase II for Port's project, which is due in March. Only eastern Washington group to get through Phase I and will prep to submit for Phase II and will aim to build development building in north Richland that is a mixed-use space, either in the RIC or TBC.

#### **H. COMMISSIONER REPORTS/COMMENTS:**

Commissioner Keck noted that he received a Christmas gift from Chukar Cherries and after visiting their website and totaling the cost, the gift came to approximately \$53 and with the maximum value of gifts received at \$50, Commissioner Keck brought the item to the Port office to share with the staff.

Commissioner Keck noted that he has cycled off of TRIDEC's Executive Board, and the 2022 representative will be Port of Pasco.

Commissioner Keck inquired on whether or not Port staff receive the WAMA emails, in which Executive Director Howard confirmed that staff does receive and respond.

Commissioner Keck commented on a recent SAO call he participated in, but will plan to discuss later as he will be on travel in February.

Commissioner Keck noted that the WPPA Port Day, which is normally held in Olympia, will be virtual this year.

Commissioner Stevens greeted the group, stating that it was an honor to be involved and looks forward to working with the Port staff.

Commissioner Stevens announced that she completed the WPPA New Commissioner Training, which was held in Bellevue in late 2021 and covered topics such as the Open Public Meetings Act and Records Management.

Commissioner Stevens stated that she recently met with Mayor Lehman to learn more about the Benton City revitalization project, funding opportunities and key projects, including sewer, water and broadband development. Commissioner Stevens noted that Mayor Lehman informed her of plans for a boutique hotel on the south side of the highway, which is a Port of Kennewick area, and also future plans of trail expansion, with pathways connecting Benton City and Tri-Cities.

Commissioner Stevens added that she recently completed an orientation with the Tri-Cities Regional Chamber of Commerce, along with Executive Director Diahann Howard, in which she learned about many of their efforts, including their advocacy for the business community at a local, state and national level.

Commissioner Stevens added that she also received a mug from Benton City and Chukar Cherries.

Commissioner Rasmussen stated that she recently attended the Elected Leaders Reception, held by the Tri-Cities Regional Chamber of Commerce and felt she made many great face-to-face connections.

Executive Director, Diahann Howard provided a brief history of the Tri-Cities Legislative Council, providing previous topic examples, such as WSU and Delta High School, stating that the Council selects a project and then leads the way through legislature on the selected project.

Howard stated that Director of Economic Development & Governmental Affairs, Miles Thomas is currently Co-Chair of the Council and thanked Thomas for taking the helm.

A screenshare was provided of the current dues and membership structure of organizations the Port of Benton is a dues-paying member of, highlighting the selected Port representative of each organization.

Executive Director Howard noted that it is completely up to the Commissioners on which organization they would like to represent and if they are unable, a Port staff member will be assigned.

- See attached list

Executive Director Howard inquired on possibly incorporating future Workshop days which would be similar to the earlier rail presentation and would give the Port a chance to showcase different areas to the Commission and new staff along with tours and meeting port tenants.

The Commission agreed to the possibility of future Workshops and agreed that Friday mornings would be the most ideal for the group.

Executive Director Howard and Port Attorney David Billetdeaux inquired on whether or not the current hybrid format for the Commission meetings was suitable, as COVID-19 numbers continue to grow throughout the region and the Commission agreed that it was best to continue with the hybrid meetings.

Port Attorney, Billetdeaux added that this may be subject to change, per regulations.

## **I. DIRECTOR REPORTS/COMMENTS:**

### **1. AIRPORTS:**

Director of Facilities & Operations, Ron Branine stated that the team is still in the process of cleaning up both airports and noted that the Snow Removal Plan at both airports was executed with no issues. Branine added that Notice to Air Missions (NOTAMS) were filed as needed due to the snow removal process. Branine added that he has ordered more FAA-approved liquid and granular ice melt/ice slicer that is specific for airport runways.

Branine stated that there was a frozen water line at Westwind Aviation at the Prosser Airport that required a new heat tape to be changed out due to rock chucks eating the other line, but there were no issues or damage from the frozen line.

Branine noted that the team is still working at 1865 Bronco Lane to further clean up the space. Branine clarified that this is the large hangar located at the south side of the Richland Airport.

A video presentation that Director of Marketing, Wally Williams put together which highlighted the snow removal efforts at various Port properties was shown to the group.



## **2. FACILITIES & OPERATIONS:**

Director of Facilities & Operations, Ron Branine stated that the 2345 Stevens Drive Lighting Project continues to be ongoing due to continued supply chain interruptions. Branine reminded the Commission that this was a \$226k project approved last year, but because of the issues, it is ongoing, but at approximately 98% completed.

Branine added that COVID-19 has also delayed the project and nine of the contractors staff recently tested positive, which will add further delay to the completion of this project.

Branine provided an update on Crow Butte Park, stating that the team is already looking at opening the Park for the season. Branine announced that several changes are being made related to the Park to better help with the flow and finances. Branine stated that the schedule of the Camp Hosts has been changed and Facilities has added a 12-month grounds/Maintenance position to better manage the "in-park" work, as well as cover Camp Host duties as needed. Branine clarified that this is not a new position, but he has changed the job description to better fit the Park's needs. Branine stated that he has cut one position at the park, due to better scheduling, and has also restructured the Facilities Supervisor duties to include supervising the day-to-day of the Park. Facilities Supervisor, John Alley will be at the park a minimum of three days a week for support and Jeff Moore, who is based in Prosser, will cover at least one day at the park a week. Branine added that John and himself will plan to cover a couple weekends a month at the park for Facilities/Security support, as that is when most issues occur and the park is at its busiest.

Branine stated that the team is on task to complete the electrical line replacement next month, weather permitting. Branine noted that the main electrical line from the pump dock to the pump house lost two legs out of three, early last year and the team was unable to locate the break. Branine added that because of the age of the line and the fact that the line is direct bury cable, not conduit, in addition to the tree roots, the team will trench 1,600 feet and put in 2" conduit for the new wire to be pulled through, which will better ensure the line will remain intact in the future.

Branine reminded the group that the Corps did provide approval for this project.

Branine stated that due to the recent freezing temperatures, two hydrants in town were replaced immediately upon failure.

## **3. REAL ESTATE:**

Director of Real Estate, Teresa Hancock stated that she continues to work on the 1865 Bronco Lane hangar through ongoing efforts support Port planning.

Hancock announced that she has been working with a prospective tenant for the available suite at 2880 Lee Road in Prosser and hopes to bring a lease forward at the next Commission meeting.

Hancock issued a special thank you to the team for putting together and attending the recent ribbon-cutting ceremony at the Narratif Winery tasting room. Hancock added that owner, JJ Compeau has 20-years experience in the wine industry, with a primary focus on red wine, a Cabernet Sauvignon, Collaboration Blend.

Hancock announced that there is a vacancy at the Technology Enterprise Center (TEC), which is currently occupied by the Dive Restaurant and Bombing Range Brewery. Hancock explained that the space that was vacated by Archer Analytics and was vacated due to COVID-19 and retirement and added that she is working with Bombing Range and the Dive on a possible expansion.

Hancock added that she continues to field the ongoing inquiries received, as well as assisting

with the accounting changes, audit and continued efforts with the Communications team on marketing and updating available facilities and focus on land sale and development for Vintners Village.

#### **4. MARKETING:**

Director of Marketing, Wally Williams announced that he has started working on the State of the Ports video that will be presented at the Tri-City Regional Chamber monthly luncheon event on Wednesday, February 23. Williams explained that this event will have a two minute "What is a Port" intro video and will then show each Port's video, which will be four minutes long, on what projects the Port has been working on over the last year, as well as projects slated for 2022.

Williams stated that he has been working with Engineer Roger Wright and Executive Administrator Summers Miya on the communication aspect for the Richland Airport Electrical Replacement Project, which will include signage, direct mailings, newspaper advertisements and flyers at the Richland Airport.

Williams added that he has been working with Director of Real Estate, Teresa Hancock and the Facilities team on updating all COVID-19 communication flyers, posters and signs, which will be updated to the new branding standards and placed in all Port facilities in Richland and Prosser.

Williams added that he will be working on a Prosser Airport re-signing project, as the City of Prosser looks to readdress all of the Prosser Airport.

#### **5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:**

Director of Economic Development & Governmental Affairs, Miles Thomas announced that he has been working on RFPs, including a Communications RFP that just closed and includes services such as copy editing, terminology, consistency, strategy employment throughout the year.

Thomas added that another RFP has been issued regarding the establishment of an operator for the Walter Clore Center. Thomas noted that this individual will take over as a full-service operator and will handle the scheduling of the various events at the Clore, including the takeover of the events the Port has scheduled out, per resources available, which include the Prosser Community Awards Banquet and the Cattleman's Association event.

Thomas added that the news of the recent and sudden passing on December 28, 2021 of WSU Tri-Cities and Walter Clore partner, Byron Marlowe has been devastating. Thomas added that Marlowe was a huge advocate for Washington wines and his loss will be deeply felt. Thomas explained that he will be working with WSU Tri-Cities regarding the new point person for the WSU Tri-Cities/Clore Center programs. Thomas stated that Joan Giese of WSU Tri-Cities has recently launched a wine and server training hospitality management program.

Thomas announced that the design concepts of the Hanford History Project Phase I storage facility are in process and updates will be provided.

#### **6. FINANCE DIRECTOR:**

Director of Finance/CPA, Danielle Connor provided an update on the ongoing 2019-2020 financial audit, stating that the SAO is performing both accountability and financial statement audits for 2019 and 2020. Connor reminded the Commission that historically, the audit has been a single-year audit, rather than multi-year.

Connor added that the audit was started in early October 2021 and an entrance conference was held on November 22, 2021. Connor noted that the original request was working towards a January 4, 2022 deadline.

Connor reminded that per Moody's, the Port's bond rating agency, the Port is required to provide specific reporting requirements in order to maintain the current rating.

Connor added that in early January 2022, the SAO notified the Port, as well as Commissioner Keck notifying that the January 4, 2021 date would not be feasible. Connor confirmed that the Port has been in communication with Moody's, as well as the Port financial advisors and bond counsel, prior to the onset of the offset voicing concerns that the deadline would not be met and to explore additional options.

Connor stated that Moody's has provided a two-week extension to January 21, 2022, but Connor noted that given that there is a two-week window required by the SAO for report processing post audit fieldwork completion, it is not feasible that this deadline will be met.

Connor provided an explanation on what happens if a deadline is not met, stating that Moody's will place the Port's bond rating under review, in which the Port then has 30 days to resolve, i.e. provided audited financial statements before the bond rating would be withdrawn. Connor added that the Port team has done everything that it can and has provided Moody's with the unaudited statements and given that the January 21 deadline will not be met, it is likely that the Port bond rating will go under review. Connor noted that Moody's has advised that they will be issuing a generic press release, but added that the Port of Benton is not the only agency encountering this issue. Connor stated that COVID, along with the remote audit requirements, have added to continued delays.

Connor added that the SAO was able to add resources and come onsite to review supporting documentation for their selections, which has considerably expedited the audit process. Connor pointed out the small conference room being full of materials and thanked the finance and real estate team for their assistance with this process.

Connor provided a quarterly cadence budget status preliminary report, as December has not yet been reconciled. Connor provided an update on budget items.

Connor reminded that remaining budget capacity does not automatically roll over into the following year, and open projects have been reflected in the 2022 budget.

Connor provided an update on the IAP project, overviewing with the Commission that in 2020 a long-term techstack roadmap to digitize the Port was approved. Connor stated that in late 2020, the new cloud-based ERP system, Intacct was rolled out. Connor stated that this project consisted of reengineering the chart of accounts, redesigning core processes, and heavy data migration.

Connor stated that the next phase of the full techstack roadmap was a lease administration/lease accounting solution, Yardi Voyager. Connor stated that Yardi is multi-purpose and will bring lease data digital, strengthen internal controls around revenue recognition, and bring visibility for revenue forecasting, as well as allow the Port to meet the new GASB 87 accounting standards that is required to be implemented in financial statement reporting for the December 31, 2022 statements.

Connor added that the next phase of the Yardi Voyager implementation is the Facility Manager aspect, which will add work orders to the system, and then layering for procurement. Connor noted that there are additional phase options to add on.

Connor stated that the Yardi Voyager project was started in May 2021, with the core setup and initial configuration and initial testing completed. Connor added that the largest effort is the lease entry project, noting that the Port has 220+ leases and it takes an estimated three hours to enter one lease into the system. Connor added that a consultant has been added to assist with the completion of this portion of the project and currently approximately 75 Port leases have been entered into the system. Connor added that the consultant will continue connecting Yardi Voyager and Intacct. Connor stated that the team has worked through initial design of the integrations and received the first pass at the

scripts and are now waiting on the Intacct consultants to write the design scope for the Intacct side of the integration.

Connor stated that the finance team continues to work through the change in pay period and pay dates from semi-monthly (24 pay days a year), to biweekly (26 pay days a year). Connor stated that the change was effective January 1, 2022 and the finance team has mostly worked through the cutover changes required in the system.

Connor reminded that this initiative was a step in the overall initiative to more accurately capture staff time by department and site/location.

Connor stated that 2021 year end is coming up, which includes payroll and vendor annual filings. Connor added that the finance team is also preparing for the 2021 budget close and 2021 financial statement preparation and looking to close the 2021 budget year by January 31, 2022 and are asking for any expense reports or invoicing as well as project percentage completion accruals to be submitted by that date.

Connor declared that the 2021 financial statement package is due to the SAO by the end of May and the Port will be looking to work with Teresa Hanford again this year to assist in the compilation and preparation of the statements and will be getting that scheduled.

Connor provided an update on the current financial status, stating that general expenditures for December were approximately \$1.1M, this was about \$300K less than what was forecasted. Connor noted that December payments included payments to Inland Asphalt for the Fermi project, City of Richland for the pavement maintenance project, Century West Engineering for Prosser and Richland Airport engineering.

Connor added that some invoices are still expected related to 2021 projects, both grant and Port-funded. Connor noted that an estimated \$600k is forecasted to outflow in January 2022.

Connor stated that the December reports were received from the Benton County Treasurer's office last week and the current unreconciled general operating cash balance, including reserved cash, is \$4M, \$2.6M available operating. Connor updated that Accounts Payable is currently sitting at approximately \$90k outstanding, with approximately \$4k past due.

Connor stated that total Accounts Receivable is sitting at approximately \$462k, currently about 20%, or \$94k, is aged greater than 90 days, which is made up of several tenants.

Connor noted that in December there was \$810k in receipts, which was approximately \$150k less than forecasted.

Connor stated that December receipts included \$228k from FAA for AIP 20 RFR No. 3 PAP Taxilane Construction, as well as proceeds from the closing of the Benton City corner lot.

Connor stated that year end reporting, W-2s and 1099s is forthcoming, as well as the final 2021 budget status report in March or April of 2022. Connor added that the cadence of the budget status report outs will be quarterly in 2022.

Connor stated that she will be working on building out the cash forecast into 2022, as well as inputting the 2022 budget into Intacct and working towards formalized reporting.

## **7. PORT ATTORNEY:**

Port Attorney, David Billetdeaux announced that he has been working on the audit legal opinion letter.

Billetdeaux stated that he has also been working on a personnel policy update, which he will be pushing out soon.

Billetdeaux provided an update on the redistricting process, stating that in recent discussions with the consultant, he learned that the Port has until October 2022 to complete, but the process will likely be complete in the next three months or so. Billetdeaux reminded that this is a regular process in which data on taxpayers is gathered, census data is obtained and the districts are broken down with the ultimate objective to represent Port properties and the community in a balanced and fair manner. Billetdeaux added that this process is done every ten years, in follow-up to census data and is mostly centered on population, but there are a dozen or more additional factors.

Billetdeaux stated that he has been working on contract drafting regarding the Washington VERTICAL consultant and will be very mindful with the contract.

Billetdeaux announced that with the new year comes new trainings and the team will be receiving a new list of trainings to complete soon, with most being available to complete online.

#### **8. EXECUTIVE DIRECTOR:**

Executive Director, Diahann Howard added to Miles Thomas' earlier sentiments regarding the loss of Byron Marlowe and added that she will continue to keep the Commission informed on Clore matters per the deed requirements.

Howard provided an ECA update on consent base siting discussion. A separate meeting was held with Kate Gordon DOE leading Place Based Initiatives. Tri-Cities has been asked what its priority projects are related to this effort and per the Infrastructure, Investment and Jobs bill.

Howard noted that she will be submitting in response to the DOE RFI on Clean Energy Supply Chain and will be responding with the MCEI group input using VERTICAL grant basepoint language.

Howard stated that Chuck Torelli is the new chair of the Hanford Communities group.

Howard announced that she recently attended her last meeting as a United Way board member and also recently attended Visit Tri-Cities Board Meeting and complimented their fantastic strategic plan and accomplishments in support of the region.

Howard added that she has participated on the Low Carbon Advisory Board discussions on mapping tools around projects and how to leverage their needs.

Howard stated that she participated in the National Cleanup Workshop in which Mayor Brent Gerry is the new Chair of ECA.

Howard announced that all staff reviews have been completed.

Howard noted that the legislative session will be a short session of 60 days and there is a bill being considered for certification of shovel-ready sites, as well as planning grants of up to \$200k via CERB.


Howard stated that primary support is needed at this state for the Port rail loan request that is in budget proposal, as well as the continued support of the Benton County .09 program.

**J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 12:25 p.m. and an Executive Session was convened at 12:30 p.m. to discuss ongoing litigation, personnel and real estate matters. It was announced that Executive Session would take 15 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time. It was announced that 5 minutes would be added to Executive Session.



**K. 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 12:49 p.m.

  
 Lori Stevens  
 Commission Secretary

- 2022 Dues & Memberships
- Port of Benton

Organization	Port Representative
American Association of Port Authorities (AAPA)	RK/CR/LS/DH
American Association of Airport Exec. (AAAE)	TH/RB/DH/VS-SC
Benton-Franklin Council of Govt's (BFCOG)	
BFCOG - STP Systems Trans. Plan	RK/CR/RGW
BFCOG - Board	RK/CR
BFCOG - Tri-Mats Policy Advisory Committee (PAC)	RK/CR
BFCOG - Tri-Mats Technical Advisory Committee (TAC)	MT/RGW
BFCOG - Surface Transportation (STP)	RK/CR
Benton Franklin County Bar Association	DB
Energy Communities Alliance (ECA)	CR/DH
Good Roads Association	CR/RK/LS
Leadership Tri-Cities	DH
Pacific Northwest Waterways Association (PNWA)	RK/CR/LS/ DH
Prosser Chamber of Commerce	LS/TH/MT
Tri-City Regional Chamber of Commerce	CR/RK
Tri-City Regional Chamber of Commerce - Ex-Officio	DB
Hispanic Chamber of Commerce	MT/DB
Visit Tri-Cities	DH/DB
TRI PORTS - Tri-Cities Port	
TRI PORTS - Manager Representative	DH
TRI PORTS - Commission Representative	RK
TRI PORTS - TRIDEC Executive Committee Representative	RK - rotates between ports
Washington Airport Managers Assoc. (WAMA)	DH/TH/RB/VS
Washington Public Ports Association (WPPA)	
WPPA - Executive Committee	

WPPA - Economic Development Committee	CR/RK/DH/MT
WPPA - Finance & Admin Committee	DC/VS/SC
WPPA - Legal Committee	DB
WPPA - Cooperative Development	MT
WPPA - Legislative Committee	RK/CR/LS/DH/MT
WPPA - Public Information Committee	WW/SM
WPPA - Aviation Committee	RK/LS/DH/RB/TH
WPPA - Environmental Committee	RK/CR/DB/MT
Benton County Investment Board	DC
Governmental Conference OEDP (COG)	CR/DH
Hanford Communities (COR)	CR/DH
Tri-Cities Legislative Council (TCLC)	MT
Richland City Council Public Hearings	DB/DH/MT
DOE Community Information Meeting	RK/CR/DH
DOE Land Use Planning	DH
Environmental Management Advisory Board	DH
Hanford Nuclear Related Public Hearings	RK
AICPA & Continuing Education	DC
WSCPA & Continuing Education	DC
Washington Finance Officers Association (WFOA)	DC/VS
WSBA & Continuing Education Requirements	DB
Society for Human Resources Management (SHRM)	DB/DC
American Planners Association (APA)	MT
International Facility Management Association (IFMA)	RB
Building Owners and Managers Association (BOMA)	RB/JP
Commercial Real Estate	TH/MT
Benton & Franklin County Bar Association	DB/DH
FAA Conference	DH/TH/RB/JA/DD
Washington Association of Grape Growers (WAGG)	WW/MT/TH
Local Ag Showcase - Tri Ports	Comm/Staff
Association of Washington Business	DH/MT
Prosser EDA - Economic Development Services	LS/MT/TH
Prosser EDA - Grant Writer	MT
Tri-Cities Research District	DH/MT
Prosser Rotary	LS

**TRIDEC****TRIDEC - Board****RK/CR****TRIDEC - Case Management/Marketing****MT/TH****TRIDEC - Executive Board****RK or Tri-Ports****Washington Economic Development Association (WEDA)****DH/MT/TH****Washington Policy Center (WPC)****CR/RK/DH****Columbia Basin College Foundation****DB****EWU President's Advisory Council****DH****International Economic Development Council (IEDC)****MT/TH****SBDC Advisory Council - tentative****MT****Clean Future Northwest****RK/CR/DH****Richland -Sunrise Rotary****CR/RK/DH****Public Relations Society of America (Mid-Columbia Chapter)****SM/WW/MT****Municipal Research Services Center (MRSC)****LS/RK/CR/MT/DB/SC/VS****Benton City Chamber of Commerce****LS**