

**PORT OF BENTON
COMMISSION MEETING MINUTES
FEBRUARY 16, 2022**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:31 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®; Executive Administrator, Summers Miya; Director of Economic Development & Governmental Affairs, Miles Thomas

The following attendees attended via remote communications: Director of Finance/CPA, Danielle Connor; Port Attorney, David Billetdeaux; 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; Tri-Cities Area Journal of Business, Wendy Culverwell; Century West Engineering, Bryan Condon; Stacy & Witbeck, Steve Wood; City of Richland, Theresa Richardson; Hanford Communities, David Reeploeg; Federal Aviation Administration, Peter Doyle; Federal Aviation Administration, Mandi Lesaus

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: Commissioner Lori Stevens led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the January 12, 2022 Commission Meeting Minutes, approval of vouchers and certifications, including payroll, for the month of January totaling \$443,490.82, approval of project vouchers and certifications for the month of January totaling \$1,222.25, Resolution 22-07, to cancel warrant No. 079227 in the amount of \$1,933.08, which was printed, but deemed destroyed and Resolution 22-08, to cancel warrant No. 079274 in the amount of \$2,986.25, which was incorrectly printed.

D. PUBLIC COMMENT:

There were no comments from the public.

E. ITEMS OF BUSINESS

1. 2021 Derailment Repair Project

RGW Enterprises Engineer, Roger Wright announced that on behalf of the Port of Benton, bids were recently solicited for the repair of the railroad track south of the 2020 derailment and added that this project includes replacing the ties damaged during the removal and clean-up of the derailed cars. Wright stated that this project also will include repairs to a pier pad on the Columbia Park Trail Bridge that requires immediate replacement as well as the installation of 300 ties on City of Richland's Horn Rapids Industrial Spur. Wright stated that the City's portion of the work will be paid by the City, under a recently approved Interlocal Agreement approved by Port Commission at the January 2022 meeting.

Wright noted that two bids were received for this works and provided a summary of the bids:

Bidder	Port Base Bid	City Portion	Total Bid with Tax
Railworks	\$430,189.58	\$48,870.00	\$479,059.58
Stacy/Witbeck	\$508,739.96	\$73,047.62	\$581,787.58

Wright stated that after review of the bid packages, the design consultant HDR Engineering is recommending that Railworks be found as lowest responsive bidder and a contract be awarded to complete this work. Wright added that in addition to the construction projects, a request to Commission of to approve a contingency for change in the amount of \$25k, or 5%, to be approved by the Executive Director.

Wright clarified that the Port is asking for approval of Railworks Track Systems, LLC to complete the Derailment Damage Repair Project in the amount of \$479,059.58 as well as approval of a contingency budget of up to \$25k for required change orders, which would be approved by the Executive Director.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission approving the selection of Railworks Track Systems, LLC to complete the Derailment Repair Project in the amount of \$479,059.58 with an additional approval of a \$25,000 contingency budget for required change orders to be approved by the Executive Director.

2. Resolution 22-09, A Resolution Authorizing Submittal of an Application to the U.S. Economic Development Administration with Washington Maritime Blue to Fund Development of the Advanced Energy Innovation and Commercialization Center

Director of Economic Development & Governmental Affairs, Miles Thomas reminded the Commission that the Port had previously applied, in conjunction with Washington Maritime Blue, for Phase I funding through the Build Back Better Regional Program, which was funded by the American Rescue Plan and was successfully selected as an awardee.

Thomas stated that Phase II of the program is available for applications at this time, with a short turnaround time and the Port is interested in applying for additional financing of \$2,500,000 from the Community Economic Revitalization Fund for infrastructure and construction cost.

Thomas noted that the region has had need for a development space for many years and the proposed space will support lab opportunities, education, connectivity with workforce development and prototype development. Thomas added that several partners have expressed an interest as a potential tenant of the development space, which would be approximately 40,000 sq ft. of space and located in the Richland ~~Industrial~~Innovation Center, south of University Drive.

Thomas stated that he is hoping for three letters of commitment from potential users of the
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space and has already received two vocal commitments from strong businesses in the district. Thomas added that at least two letters of commitment must be in hand in order to apply to EDA.

Thomas noted that if selected, EDA would award \$12M, CERB would award \$2.5M and the Port would contribute \$500k from the 2023 budget and the Port funds would go towards the design. Thomas stated that the project fulfills a lot of work going towards advanced nuclear projects with contractors, along with work in cyber security and advanced energy.

Thomas added that in addition to the development space, a mesh network ~~would~~could be created across north Richland, as part of a long-term plan.

Executive Director, Diahann Howard added that there is a lot of excitement coming from the community as this space has the ability to bring businesses together with university and training providers. Howard added that the space focuses on the Diversity, Equity, Inclusion program and would be in cross-connection with a statewide business network.

Thomas added that the building itself would be set up to handle deliveries from 18-wheelers, with a large loading dock.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, approving Resolution 22-09, authorizing submittal of an application to the U.S. Development Administration with Washington Maritime Blue to fund development of the Advanced Energy Innovation and Commercialization Center.

3. Resolution 22-10, A Resolution Authorizing Submittal of an Application to the Community Economic Revitalization Board (CERB) for Infrastructure to Support the Advanced Energy Innovation and Commercialization Center

Director of Economic Development & Governmental Affairs, Miles Thomas noted that Resolution 22-09 and 22-10 go hand-in-hand and 22-10 is an application to ask CERB for the \$2.5M for the Advanced Energy Innovation and Commercialization Center.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, authorizing submittal of an application to the Community Economic Revitalization Board (CERB) for infrastructure to support the Advanced Energy Innovation and Commercialization Center.

4. Phase 2 Carpet Replacement Project at 2345 Stevens Dr. to Luke's Carpet for \$72,692.32

Director of Facilities & Operations, Ron Branine stated that request for bids were emailed to every company on the Small Works Roster under Floor Covering, with bids being due January 21, 2022. Branine stated that three bids were submitted, and the low bidder was Luke's Carpet & Design Center at \$66,935.84, and with tax \$72,692.32. Branine added that this project was budgeted for \$85k.

Branine reminded the Commission that Phase 1 of this project included the hallways of 2345 Stevens Drive and Phase 2 will include the south half of the building and all offices.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, approving phase 2 carpet replacement project at 2345 Stevens Drive to Luke's Carpet for \$72,692.32.

5. Resolution 22-11, Acceptance of Work Completed by Paintmaster, Inc. at 2345 Stevens Dr. for \$77,974.80

Director of Facilities & Operations, Ron Branine announced that Paintmaster, Inc. has completed the Interior Painting Project at 2345 Stevens Drive at a total cost of \$77,974.80, adding that the project budget was \$75k.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, accepting the work completed by Paintmaster, Inc. at 2345 Stevens Drive for \$77,974.80.

F. INFORMATION REPORTS:

1. Hanford Communities Presentation:

Hanford Communities Executive Director, David Reeploeg provided an update on Hanford Communities beginning with an overview on the history and formation of Hanford Communities, which was created in 1994 to coordinate local government involvement on Hanford-related issues, increase public awareness and involvement in the Hanford cleanup issues, advocate for community priorities related to Hanford and provide technical and analytical resources to review, evaluate and monitor conditions and policies at Hanford.

Reeploeg went over the governing board, which includes local elected officials, to the administrative board.

Reeploeg provided an overview on 2021 priorities, including information on the Tank B-109 leak, DFLAW & TSCR completion and construction and startup testing, groundwater treatment and risk mitigation and explained that COVID-19 shaped 2021.

Reeploeg briefed the Commission on policy, stating that the current administration affirms HLW interpretation, proposed the elimination of Payment in lieu of Taxes (PILT) funding and spoke of the current Infrastructure Investment and Jobs Act.

Reeploeg explained that a much larger contract will hopefully be in place this year, adding that there is hope it will be a better scenario for the community and businesses.

Reeploeg stated that community engagement was up in 2021, with the release of three Hanford-related videos, including Hanford 101, Tank Waste and WTP/DFLAW information videos. In addition to videos, Reeploeg added that quarterly newsletters are sent out and there are regular blog posts and social media posts that focus on key issues at Hanford. Reeploeg noted that this was made possible through funding received and has been a great resource for the community.

Reeploeg highlighted the 2022 outlook of Hanford communities, which focus on cleanup and policy, with cleanup keying in on TSCR operations, DFLAW melter heat-up, continued risk mitigation, test bed initiative. Reeploeg stated that policy focuses on updated cost and schedule report with a goal of the active cleanup to be complete in 2078 at an estimated cost of \$300B - \$640B. Reeploeg added other policy focused items being PILT and consent based siting.

2. Richland Airport Presentation:

Engineer Roger Wright provided a thorough overview of the Richland Airport through a PowerPoint presentation including information on the history of the airport, important and key dates, integral moments, operators and design, including a present-day look at the airport along with plans for future growth and development. Wright highlighted the City of Richland 2017 Comprehensive Plan "Essential Public Facilities" portion, which in Policy 7 states: *"Ensure that land uses surrounding the Richland Airport are compatible with existing and future airport operations and do not restrict the airport's ability to maintain or expand its existing and future aviation demands. Coordinate with the Port of Benton to restrict land uses in airport areas that would create conflict or negatively impact the safe and effective airport operations."*

Wright featured information on current capabilities and explained the needs that would allow for larger aircraft utilizing more of the airport, which includes more corporate aircraft and hangar space.

Wright highlighted a 2020 WSDOT Aviation Study for the Washington Aviation System which states: *"The study revealed the state's 134 public-use airport system contributes 407,042 jobs, \$26.8B in labor income and \$107B in total economic impact (business revenue) to our state's economy and communities."* Wright pointed out that this study projected that Richland Airport estimated that Richland Airport provided 673 jobs and an economic impact to the community of \$112,443,000.

Wright provided an overview of the Richland Airport facilities and structures and presented on the preferred alternative for the future as part as the Master Plan that is currently under FAA review.

Wright described the current Richland Airport Electrical Replacement Project, which will take place this year and is 100% FAA-funded, at \$3.15M, a direct benefit of the Infrastructure and Jobs Act. Wright added that the Port is working on a public information campaign related to this project, as construction and FAA guidelines will require approximately a two-week shutdown of both runways and project updates are sent out regularly, posted to the Port website and Port social media.

Wright announced that the Port FAA funded projects since 1975 include 67 projects and total over \$26M in funding. Wright reminded that there is a 20-year grant assurance with every FAA-funded project.

3. Federal Aviation Administration Presentation:

Peter Doyle, Regional Program Compliance Manager for the FAA's Northwest Mountain Region and Mandi Lesauis, also with the Washington region for FAA presented on current FAA guidelines and regulations. Doyle explained that he assists airports in making sure all are in line and adhering to their grant assurances and explained that it is advisable to stay ahead of any issues.

Doyle provided examples of FAA various grant assurances including: Exclusive rights (cannot grant exclusive rights to an FBO, must allow for competition), fee and rental structure, Fair Market Value must be reasonable for tenants to access the airport, and the airport must strive to be as self-sustainable as possible, airport land use needs to protect the aviation use, land use compatibility around the airport must not conflict with the airport use, the Port must ensure the airport around the land is compatible and within airport/FAA compliance with respect to height obstructions.

Doyle added that grants have a 20-year duration and the clock is restarted every time the Port takes on a new grant, which suggests that both airports will be under grant assurances forever. However, since the federal government and specifically the FAA participated in purchase of much of the land around the airport, that requires airport use in perpetuity.

Doyle noted that he does not recall many (or any) compliance issues with either Port of Benton

operated airports.

Doyle confirmed that it is important for airports to adhere to the hangar use policies in place and although some storage can be non-aeronautical, the hangar must be functional as an aeronautical space and able to store an aircraft and the airport does not want to be used or seen as a storage property. Doyle also stated that no residential use is permitted under FAA guidelines on airport grounds per grant assurances and added that exceptions are very limited, such as for medi-vac or crew quarters.

4. Grants & Governmental Update:

Executive Director, Diahann Howard announced that she would be providing an update on project number 10, listed on the grants report that was included in the meeting packet, as item 10 is the only addition, or update, from last month.

Howard introduced this project, the National Highway Freight Program (WSDOT portion), and explained that this project includes a SR 240 rail signal and crossing reconstruction and the City of Richland is jointly submitting with the Port on this project, as the City will be installing a bike and pedestrian path on the north side of the crossing and WSDOT already has plans to widen SR 240 from Bypass Highway to Hagen Road.

Howard added that the Port would submit \$135k for this improvement project and WSDOT, \$865k and the grant application is due March 1, 2022 with an award date of late 2022 and construction commencing in 2023.

5. 2019 & 2020 Financial Statement & Accountability Audit Update:

Director of Finance/CPA, Danielle Connor provided an update on the recently completed 2019 and 2020 Accountability and Financial Statement audits and reminded the Commission that no single audit was required, as the Port was under the threshold of federal funds.

Connor announced that the Port of Benton received an unqualified, "clean", opinion from the Washington State Auditor's Office.

Connor informed that financial statement audits offer a clear picture of the Port's financial reporting and internal controls, and are also required per debt covenants and grant funding.

Connor added that accountability audits determine whether the Port complied with applicable local, state, and federal laws and regulations, as well as the Port's own policies and procedures.

Connor stated that per expectations, there were immaterial exit items that the finance team will be taking into consideration while performing year-end reconciliations, and closing and compiling the financial statements for 2021. Connor added that this is a continuous improvement process and the team effort of all departments is expansive and not just a finance team effort.

Connor added that there is an intention to increase transparency and visibility to stakeholders, taxpayers and the community.

Connor noted that financial statements were filed on EMMA, as required per bond continuing disclosure compliance procedures.

Connor added that the audited statements will be posted on the Port website and are also accessible to the public via the SAO's website.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Lori Stevens announced that she had recently met with the Prosser Chamber of Commerce and the Prosser Economic Development Association, as she will be the Port representative for both organizations.

Commissioner Stevens stated that there is a lot going on in Prosser currently, with the new housing developments and the groundbreaking for the new hospital. Commissioner Stevens also commented on the current project involving the drilling under the freeway for utilities, which has caused road closures in Vintners Village, which has added a detour route to the tasting rooms in the Village.

Commissioner Stevens stated that she attended the Prosser Community Awards Banquet at the Walter Clore Center and also announced that the Chamber's Sip & Stroll event will take place on March 12th to support downtown businesses.

Commissioner Rasmussen stated that she had the opportunity to be present in the recent audit conference and also participated in Washington Port Day via Zoom.

Commissioner Rasmussen added that she also attend the Prosser Community Awards Banquet and complimented the staff for the table décor.

Commissioner Rasmussen added that she also recently attended the PNWA Inland Empire Waterway meeting and found it very informative.

Commissioner Keck stated that he found the WPPA legislative update quite informative.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS:

Director of Facilities & Operations, Ron Branine thanked Engineer, Roger Wright for his earlier presentation and noted that he did not have much to add, aside from the RFP for the 1865 Bronco Lane building has closed and also thanked Director of Real Estate, Teresa Hancock on her in-depth knowledge of airport guidelines.

Director Real Estate, Teresa Hancock stated that she continues to put forth an on-going effort towards airport-related tasks, including ongoing lease administration, Yardi and Intacct updates, which will provide efficiency reporting from the Port to clients and partners.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine stated that the 2345 Lighting Project is still ongoing, as supply chain interruptions have further delayed the completion. Branine reminded the Commission that this was a \$226k project approved last year, but will the ongoing delays, the project has not been completed, but is at 98%.

Branine stated that the Phase 2 Carpet Installation Project at 2345 Stevens Drive will begin on the south end of the building, upstairs, in March.

Branine added that the Phase 1 scope of work for the HMIS buildout of the space previously occupied by Intermech, was released and closed last week, which Director of Real Estate, Teresa Hancock will send to HMIS for their approval and task order. Branine added that they will then be able to award the selected contractor and HMIS has stated that they would like to present one package to

DOE, rather than separate phases. Branine added that Phase 1 will be the pallet racking system and floor paint throughout the warehouse space. Branine added that they also want several offices built, a breakroom, and battery charging station for their electric forklifts.

Branine announced that the HVAC unit for Total Site Services on Salk has finally arrived and installation will be scheduled for March.

Branine added that the team is still completing several small LED light conversions in different areas, with most having a less than five-year ROI, with some as low as one-year.

Branine stated that the turnover at 2880 Lee Road, Ste. B in the Prosser Wine & Food Park is ongoing, but will soon be complete. Branine stated that this included painting, wall removal, door repair and replacement, testing of all HVAC components, floor cleaning and refinish in addition to other small finish work.

Branine announced that Crow Butte Park is about 30 days out from opening and the team is on task to complete the electrical line replacement this week. Branine reminded the Commission that the main electrical line from the pump dock to the pump house lost two of its three legs early last year and they were unable to locate where the break took place. Branine noted that because of the age of the line and the fact that the line is in direct bury cable and not in conduit, plus the encroaching tree roots, which are more than likely the main issue, they will trench 1,600 ft. and put 2" conduit for the new wire to be pulled through. Branine stated that this will better ensure the line will remain intact for the future.

Branine added that they are also ordering two new smart parking meters to help with capturing day use fees, which will eliminate the need to manage this process manually. Branine noted that he is still waiting for Army Corps approval on this, with plans submitted in October.

3. REAL ESTATE:

Director of Real Estate, Teresa Hancock announced that spring has sprung at the Port, with many leads for land, aeronautical and ongoing lease administration is in full-motion.

Hancock provided an update on new lease developments, starting with the Prosser Wine & Food Park, announcing that a new lease has been signed within the Executive Director's Delegation of Authority at 2880 Lee Rd., Ste. B, which is a 2,400 sq ft. space, formerly occupied by Wit Cellars. Hancock announced that the new tenant is Tirridis Sparkling Wines and the partners are Gabriel Crowell, Andrew Gerow and Matthew Doutney, all who have navigated from the east coast, the Midwest and the Island of Cyprus, and all bonded as students attending the WSU Viticulture and Enology Program. Hancock added that the trio own and operate "Non-Vintage Wines" in Richland and specialize in selling boutique, limited production wines that sell between \$9 - \$300/bottle. Hancock added that the sparkling wine concept was incubated within neighboring 4 Feathers Winery/Zirkle Fruit.

Hancock stated that the key terms of the lease for this start-up business include the tasting room and warehouse of Suite B with a lease term of one year plus four one-year renewal terms based upon good standing. Hancock added that the Port staff is completing paint, sheetrock, concrete updates and minor repairs with an early occupancy date of March 1, 2022 (LET/Utilities) and revenue commencing on April 1, 2022. Hancock added that the revenue impact is \$11,250 plus LET, which will increase in annual intervals to \$18k by year five. Hancock noted that the Tirridis business plan reflects sale growth and feels that this business is a terrific candidate to relocate to Vintners Village.

Hancock provided an update on the 3250 Port of Benton Blvd., Ste. B space, which is 1,491 sq ft. and is the space formerly occupied by Iso-Pacific and Cowan Law Firm, announcing that a new lease has

been put in place under the Executive Director's Delegation of Authority with Edgewater Technical Associates, which provides technical and contracting services for Hanford projects. Hancock stated that Edgewater is a current tenant at 3100 George Washington Way, currently occupying 797 sq ft. since 2018.

Hancock added that Port staff were in discussions for a larger space with the previous two Edgewater manager's, but with the onset of COVID-19, discussion was derailed with reduction of staff and remote work.

Hancock provided an overview of the key terms of the lease, stating that the business has five(+) employees and has signed a three-year term, commencing March 1, 2022 through February 28, 2025. Hancock noted that revenue will commence on March 1, at \$1,653.13/month + NNN and with renewal terms to negotiate full market value for a secondary term in 2025. Hancock added that the revenue impact will be \$19,837.56/year + LET and \$59,512.68 for the term of the lease. Hancock commented that the Port is pleased to retain a growing business, reduce vacancy and attract new smaller companies.

Hancock provided an updated on the Richland Business Park two story space recently vacated by the Atkins Nuclear reduction of space stating that the Stevens Drive director signage updates and office space availability panel is underway.

4. MARKETING:

Director of Marketing, Wally Williams announced that he is working on the final tweaks of the State of the Ports video, which he is preparing for the Tri-City Regional Chamber luncheon on February 23 at the Red Lion Hotel in Pasco.

Williams added that he is also working with Executive Director, Diahann Howard to complete a PowerPoint and brochure for the Pacific Northwest Clean Energy Innovation Hub presentation to DOE.

Williams added that he has been working with the Facilities team and Director of Economic Development & Governmental Affairs, Miles Thomas on new direction signs that will be placed around the Vintners Village area, which will help with navigation for our tenants, especially during the road closures.

Williams stated that he has been working with Director of Real Estate, Teresa Hancock and Engineer, Roger Wright to help identify the Port-owned buildings at the Prosser Airport, as he is working to develop new address signs at the airport. Williams added that the Richland Airport will also receive new signage on Port buildings.

5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Director of Economic Development & Governmental Affairs, Miles Thomas thanked the Commission for the Work from Home policy, adding that the support received has been fabulous.

Thomas provided a screenshare of Site Selection magazine and the ad the Port partnered with the City of Richland on, which highlighted DiscoverRichland.com. Thomas explained that he hopes to pause on Site Selector as he is exploring additional digital tools, as most referrals received are coming in from the digital format. Thomas commented that the ad was in the January 2022 issue, as well as the August 2021 issue.

Thomas provided an update on the Vintners Village detour currently affecting Port tenants.

Thomas explained that the Port learned of the road closure concurrently with everyone else, which was approximately 2 weeks prior to the closure on a 5-6 month project. Thomas added that he has been in touch with many of the Village tenants, as well as Visit Tri-Cities, who is working to change up their marketing campaign with promise to help push out Port-driven updates regarding the detours and closure.

Thomas provided an update on temporary signage that is reasonable in cost and should be posted within a month in Vintners Village, which will help with the current confusing detour signs. Thomas added that he is also working to complete the Vintners Village website, which will also serve as a resource for the Village with a Calendar of Events that can pull from TourProsser.com. Thomas stated that the website features an interactive map, similar to the map on the Tri-Cities Research District's website.

Thomas explained that since coming back from PFML, the grant applications have consumed the bulk of his time and reaffirmed the other piece of the EDA grant having strong support of the Diversity, Equity and Inclusion (DEI) components and even offer consult services for these programs. Thomas stated that the early information encourages design to consider DEI when designing the plans for the building, such as accessibility components, unisex bathrooms, a tenant association, an incorporation of diverse artwork and an overall design that speaks to a broad population with a diversity of backgrounds.

Thomas thanked Executive Director for handling the governmental duties as he continues to focus on the grant applications and reminded the Commission that the Port grant is the only clean energy project in the Pacific Northwest, only application in Washington and only construction heavy project and stressed the importance of receiving the commitment letters from interested companies.

6. FINANCE DIRECTOR:

Director of Finance/CPA, Danielle Connor announced that the finance team continues to make progress on the Voyager implementation phase of the IAP project and currently sits at 49%, 107, of leases entered.

Connor stated that there is a demo call schedule for the Port team with the Facility Manager consultant Thursday, but formal implementation of the Facility Manager module will ultimately need to wait until the Voyager phase is complete, and ideally a subsequent stabilization period. Connor noted that the required GASB 87 piece will also be a subsequent phase; it will rely on the underlying lease data and will layer on the discount rate and present value calculations necessary for the financial statement presentation. Connor reminded the Commission that the GASB 87 piece is a requirement that must be implemented by the end of 2022 and time must be allowed for configuration, testing and vetting.

Connor added that the timeline was initially pushed to go live on April 1, but this date is heavily dependent on lease entry and integration and at this time, the go live date is looking to get pushed out to July 1. Connor stated that there will be a gap analysis needed prior to go live to capture any lease changes since initial lease entry, additional testing of billing, security deposit audit and review, general ledger tie-out and other cutover items.

Connor announced that the finance team is working on the 2021 yearend and the 2021 budget is closed with the team beginning to reconcile and accrue project and grant-related costs.

Connor noted that the 2021 financial statement package is due to the SAO by the end of May and the team will work again with consultant, Teresa Hanford to assist with the compilation and preparation of statements.

Connor provided an update on the current financial status, adding that the January reports were received from the Benton County Treasurer's office last week.

Connor stated that the current unreconciled general operating cash balance, including reserved cash, is \$3.8M, \$2.4M available operating.

Connor informed that in January there were \$511k in receipts, which were all tenant lease revenues.

Connor noted that general expenditures for January were approximately \$444k.

Connor stated that January included payments to the Department of Revenue Q4 2021 LET, Century West Engineering, Ecomodus (for various lighting projects) and Wine Country Construction (for the second progress payment related to the roof replacement project).

Connor stated that Executive Administrator, Summers Miya has done a phenomenal job with A/P, setting up online access, migrating vendors to electronic invoice delivery, getting the necessary documents and vetting new vendors, verifying proper approval on invoices. Connor thanked Summers for her efforts and also complimented Contract Specialist, Sheri Collins for her work in contract management, ensuring all documents have been submitted prior to processing payment.

Connor stated that current A/R sits at \$453k, with approximately 33%, or \$104k of tenant A/R aged greater than 90 days and is made up of several tenants. Connor noted that Director of Real Estate, Teresa Hancock continues to send statements and letters and perform follow-up to past due tenants.

Connor stated that as the 2021 budget is closed, she plans to bring the final 2021 budget status report to the Commission at the March or April meeting. Connor added that the cadence of budget status report-outs will be quarterly in 2022 and will also bring the 2022 quarterly budget status report in April.

7. PORT ATTORNEY:

Port Attorney, David Billetdeaux provided an update on the Redistricting Process, stating that he will share more information on the process in a possible Workshop in late February or early March, as he is waiting on Flo Analytics to provide their information. Billetdeaux reminded the Commission that the updated redistricting needs to be formally adopted no later than November 15, 2022, but Billetdeaux hopes to adopt much sooner.

Billetdeaux announced that a proposal was received for the legal consultant RFP that was submitted regarding the Washington VERTical project and he is reviewing to make sure that all requirements have been met. Billetdeaux added that the proposal is for \$10k in services with a possible \$10k extension. Billetdeaux stated that the adoption of the legal consultant will allow approved consultant Dave McCormack to move forward under a newly created legal entity and added that the amount is well under the Executive Director's Delegation of Authority.

Billetdeaux stated that he has developed a Port Social Media Policy, but after internal discussion, he felt it was important to be thorough and reach out to other Ports and also review the Policy with the WPPA to make sure the Port of Benton is in-line and to ensure the staff and Commission is safeguarded by the Policy. Billetdeaux noted that the biggest issue was what was considered adequate archiving for social media.

Billetdeaux stated that he had some unfortunate updates on litigation to provide, adding that there were two hearings scheduled for today, February 16, 2022. Billetdeaux informed the Commission that TCRY is attempting to re-open claims after a decade of closure with the Eastern District Federal Court. TCRY failed to provide adequate or proper notices or certificate of service, and Judge Shea has asked the parties to meet and confer. The other hearing that was to take place was in Benton County Superior Court. Unfortunately, TCRY filed over 700 pages of documents less than 48 hours before the hearing, forcing Judge Ekstrom to continue the hearing so that he had adequate time to review.

Billetdeaux commented on the upcoming Airport Workshop, adding that he has been working

on the Airport Rules & Regulations guidelines with a goal to update the document so all users can clearly understand.

8. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard provided a governmental update including an overview of PNWA projects such as Mission to Washington and the request for continued support on the rail and pavement maintenance and the lower Snake River dams. Howard added that she continues to meet with Congressman Newhouse's monthly meeting with Hanford contractors, which are hosted at the Port office and also continues to work with new and advanced nuclear reactor projects in the U.S., Maritime Blue and the Build Back Better program.

Howard added that the Port continues to focus on the state key bills which include the transportation package as there are concerns with the limited eastern Washington projects and also continues to follow house bill 1958 geared towards shovel-ready projects and state bill 5901 which focuses on manufacturing incentives.

Howard noted that she participated in the recent WPPA Port day and added that she continues to attend the Washington VERTICAL meeting with Commerce, and X-Energy which are now monthly, adding that she will continue to share the agenda with the Commission. Howard stated that Dave McCormack has been awarded the Washington VERTICAL contract.

Howard added that she continues to attend the Supply Chain Caucus and Aviation meetings, which are monthly and also plans to continue attending TREC meetings and is planning to attend an Advanced Reactor Event in Idaho in April.

Howard stated that she also attended the Prosser Chamber Community Awards banquet.

Howard announced that the Accounting Clerk position has been shared and is currently posted on the website.

Howard reviewed the upcoming Workshop agenda with the Commission, adding that the Richland Airport budget will be included in the presentation. Howard stated that following the March meeting, which will be held in Prosser, the team will travel to the Prosser Airport for a tour.

Howard stated that the team recently experienced a scary situation with the most important being the outcome that Contract Specialist, Sheri Collins was healthy and safe. Howard reminded the team that in the future, team members would be trained to call for emergency services per their review of the situation and not the employee in distress and further tools and trainings would be incorporated, as the health and safety of the team takes precedence above all else.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 12:14 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 45 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time. At 1:15 p.m., it was announced that five minutes would be added to Executive Session. At 1:20 p.m., it was announced that ten minutes would be added to Executive Session. At 1:30 p.m., it was announced that 15 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 1:41 p.m.

Lori Stevens

Lori Stevens

Commission Secretary