

**PORT OF BENTON
COMMISSION MEETING MINUTES
DECEMBER 14, 2022**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 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, Public Information Officer, Summers Miya; Director of Finance, Danielle Connor; Director of Marketing, Wally Williams; Director of Facilities & Operations, Ron Branine; Accounting Clerk, Liz Renz; Airport Manager, Quentin Wright; Director of Real Estate, Teresa Hancock; Scott Keller, Community Member

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Senior Accountant, Veronica Serna; Bryan Condon, Century West Engineering; Joshua Lott, Anderson Perry; Ashley Garza, Consultant; Theresa Richardson, City of Richland

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Commission Secretary, 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 agenda for the December 14, 2022 Commission meeting, approval of minutes from the November 8, 2022 Commission meeting, approval of vouchers and certifications, including payroll, for the month of November totaling \$1,448,592.46, approval of project vouchers and certifications for the month of November totaling \$526,043.81 and approval of Resolution 22-45, to cancel warrant number 080754, in the amount of \$736.90, which was issued with errors.

D. PUBLIC COMMENT:

There were no comments from the public.

E. ITEMS OF BUSINESS

1. Resolution 22-46, Sale of Real Property – Pacific Green Engineering, LLC – Richland Industrial Center

Director of Real Estate, Teresa Hancock explained that this particular property was previously surplus, but steps were taken to advertise the property.

Hancock explained that the buyer is a current Port tenant, Molecule Works and looking to purchase two acres to construct a 12,000 square foot industrial R&D facility, \$1,000,000+ capital

investment and 10-20 jobs. Hancock added that the subject property is south of the Columbia Energy Services Inc. (Brian Brendel) lot and west of the Port shop on Salk. Hancock stated that the sale price for the land is \$174,240 and construction is expected in 2023.

Hancock added that negotiations to purchase were started prior to the COVID-19 pandemic and temporarily stalled with pre-planning meetings with city departments during transition. Hancock added that the sale entity will be Pacific Green Engineering, LLC, Wei Liu, an existing R&D tenant within the Technology & Business Campus since May 2018.

Hancock stated that conditions related to city-imposed improvements and development review by the Port with the sale closing no later than January 13, 2023.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 22-46, the sale of real property \$174,240, to Pacific Green Engineering, LLC in the Richland Industrial Center.

2. Resolution 22-47, Amendment of the Six-Year Transportation Improvement Program (TIP) – Addition of White Bluff Rail – SR 240 Railroad Signal Replacement Project

Executive Director, Diahann Howard explained that as stated in Resolution 22-47, the Port would like to amend the previously approved Resolution 22-25 to include specifically identifying the White Bluff Rail – SR 240 Railroad Signal Replacement Project as its own separate project due to grant requirements to do so, rather than simply including the overall signal crossing replacement project as currently drafted.

Howard added that an updated map has been provided to the Commission. Howard reminded the Commission that this is the same crossing that was recently hit and parts of the improvement cannot wait six months to complete for safety reasons.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 22-47, approving the amendment of the Six-Year Transportation Improvement Program (TIP) with the addition of the White Bluff Rail – SR 240 Railroad Signal Replacement Project as its own project.

3. Resolution 22-48, Acceptance of Work Completed by Industrial Constructors, Inc. for the HMiS Buildout Project

Director of Facilities & Operations, Ron Branine stated that the buildout at the 2345 building for tenant, HMiS has been completed by Industrial Constructors, Inc. Branine added that the project cost \$125,800 before tax and \$136,744.60 with Washington state sales tax. Branine added that phase I (warehouse improvements) has been completed and this was a pass-through project.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 22-48, accepting \$136, 744.60 including tax for work completed by Industrial Constructors, Inc. for the HMiS buildout project, phase 1 (warehouse improvements).

4. Resolution 22-49, Acceptance of Work Completed by Railworks Track Systems, LLC for the Derailment Damage Repair Project

Director of Facilities & Operations, Ron Branine announced that Railworks Track Systems, LLC has completed the work on the 2022 Derailment Damage Repair Project for \$441,123 before tax and \$482,004.95 with Washington state sales tax.

Port Attorney, David Billetdeaux added that he is working to compile all costs and figure out all aspects of the project and will submit for recovery of costs to BNSF, which he expects will be argued. Billetdeaux added that insurance recovery, mediation or arbitration are possible in the future regarding this incident.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 22-49, accepting work completed by Railworks Track Systems, LLC for the Derailment Replacement Project.

5. Revision of Resolution 22-50, Acceptance of Work Completed by Railworks Track Systems, LLC for the Van Giesen/SR 224 and Swift/Cemetery Railroad Crossing Replacement Project

Director of Facilities & Operations, Ron Branine announced that Railworks Track Systems, LLC has completed work on the Van Giesen/Cemetery Swift Railroad Crossing project with the total cost at \$709,947 and \$771,712.39 with Washington state sales tax included.

Branine added that the Port budgeted \$650,000 for this project, but with supply chain issues and skyrocketing material costs, the project was over budget by over \$100k, but the projects look great and are an incredible asset to the Port.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 22-50, accepting work completed by Railworks Track Systems, LLC for the Van Giesen/SR 224 and Swift/Cemetery Railroad Crossing Replacement Project in the amount of \$771,712.39.

6. Resolution 22-51, Declaring Excess Personal Property Surplus to the Future Needs of the Port and Authorize Selling that Personal Property

Port Attorney, David Billetdeaux explained that Resolution 22-51 covers various rail equipment and parts that are surplus to the Port's needs, including vehicles, locomotive parts, rail car parts, scrap equipment, numerous rail-related equipment or components that are included in Exhibit A of Resolution 22-51 with photos.

Billetdeaux stated that estimated value for the rail-related surplus property is approximately \$100k and added that the Port is not able to use any of the equipment and funds received will be used to put back into the rail system.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 22-51, declaring excess personal property surplus to the future needs of the Port and authorize selling that personal property.

7. Approval of Contract with Desert Green Lawn & Tree Care for January 2023 – December 2024

Director of Facilities & Operations, Ron Branine explained that approval is needed for this two-year contract that is for \$90k per calendar year, for a total of \$180k.

Branine added that Desert Green is responsible for sitewide herbicide, pesticide and insect and

rodent control for two years. Branine added that Desert Green is the current provider and the only change from the previous contract is a \$5k addition.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the contract with Desert Green Lawn & Tree Care for January 2023 – December 2024 in the amount of \$180,000.

8. Performance Review of Executive Director

Port Attorney, David Billetdeaux explained that previously, this review was performed during Executive Session, but the State Auditor's Office would like the reviews completed during open session and asked Executive Director, Diahann Howard to summarize 2022.

Howard emphasized the current strategic plan, which has certain action items that Howard has been focusing on, including having Stop – Start – Continue meetings with each staff member, as well as annual performance reviews. Howard stated that a common comment received throughout these meetings was continued maintenance on facilities, as they represent the Port as a whole and this will remain a high priority item in 2023.

Howard added that other goals included the creation of the finance program, which has already allowed much more clarity and transparency and is in line with the mission statement of the Port.

Howard stated that lease revenue has increased by \$500k and there are 13 new leases in 2022 with more coming in the new year. Howard added that the priority is for revenues to cover G&A costs, and this will continue to be a priority.

Howard added that another common theme in the one-on-one meetings was the request to continue to say no to things that do not reflect the Port mission.

Howard noted that "start" request was to continue to expand hangar sites, which will be much easier with Airport Manager, Quentin Wright now on board.

Howard added that another key priority has been the rail, with hopes to expand and utilize the rail more and establish a short term and long-term operator.

Howard stated that the Port has continued to support small business development, including supported funding for the Small Business Development program via the Hispanic Chamber of Commerce, WSU educational programming for small business and entrepreneurship along with the Clore partnership as well as developing business contracts with small startups, when possible, like recent agreements with Sprout Media and Arc Lens Media. Howard added that the goal is to continue to expand the role of entrepreneurship, including ongoing conversations with WSU related to the Clore Center and recruitment in target sectors.

Howard added that the team remains focused on assets, with the number one asset being the Port team.

Howard reminded the Commission that 2022 has been the biggest number of capital projects in Port of Benton history.

Howard added that 2345 Stevens and 2579 Stevens continue to evolve, but the team is committed to the success of each.

Howard complimented the finance team on their continued success and numerous projects.

Howard stated that Washington VERTical provided a shining light on what the Port can accomplish, and much focus will continue to go to the VERTical mission.

Howard complimented the Port's partners and strong congressional and state support.

Commissioner Keck complimented Howard on the incredible accomplishments made in the last year and stated that he was proud of everything the Port has achieved.

Commissioner Stevens added that this year was the largest amount of capital projects, and it has been incredible to see how smoothly these projects have been completed. Commissioner Stevens added that from the time she was sworn in, she has been so impressed with the caliber of the Port team.

Commissioner Rasmussen stated that she agreed with the previous comments and the caliber of the Port team is unmatched to any other organization she has been a part of and displays great pride when interacting throughout the community and receives praise for Port work, as this Port is recognized throughout the state and nationally as well.

Commissioner Rasmussen added that it is the laser vision through hard work, detail, leadership, projects and budget that make it all happen and all the efforts is much appreciated.

F. INFORMATION REPORTS

1. Grants Update

Executive Director, Diahann Howard stated that just this week she received a request to resubmit a congressional grant request for phase II of the White Bluffs Center, as there is strong support coming of the project.

Howard added that she submitted for a rail grant a few years ago and has learned that the request is now in the top 20 of selected projects, with a possibility of \$5M from the state, bringing total rail grant requests in at approximately \$20M! Howard added that this is a direct result from the September rail caucus hosted by the Port of Benton and Pasco.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Lori Stevens stated that she recently attended the Joint Energy & Transportation meeting and the AWB Energy Solutions Summit. Commissioner Stevens added that she also attended the Tri-Cities Hispanic Chamber "Hanford Update" luncheon and sat in a public comment session on the proposed wind farm, which received very little support.

Commissioner Stevens added that she attended the Prosser Chamber of Commerce luncheon, who are winding down for the year and preparing for the Community Awards Banquet in January.

Commissioner Stevens stated that she attended the recent Coffee with Karl episode, and the river values update meeting, where it was discussed, that social media will be a major focus going forward and they will build on what they've done so far.

Commissioner Roy Keck said he attended the WPPA Annual Meeting, where he chaired the nominating committee meeting. Commissioner Keck added that he is encouraged by the new leadership changes at WPPA and felt that the meeting displayed a good representation of ports from eastern and western Washington. Commissioner Keck added that he looks forward to the upcoming trips to Olympia and WPPA Ports Day.

Commissioner Christy Rasmussen announced that she also attended many of the same meetings noted during the previous Commissioner reports, including the WPPA Annual Meeting, but added that she had the opportunity to attend the recent Intergovernmental meeting with the US Department of Energy on Nuclear Weapons Waste Cleanup in New Orleans. Commissioner Rasmussen added that the

same themes discussed locally, workforce, collaboration, were discussed at this meeting too.

Commissioner Rasmussen stated that there were some beneficial and engaging tabletop group exercises which were very impactful. Commissioner Rasmussen added that she learned that congressional funding means that those funds have been locked in.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS

Airport Manager, Quentin Wright displayed a PowerPoint presentation about the recently completed electrical replacement project at Richland Airport.

Wright reminded the Commission that the project was a 100% FAA funded \$3.1M project.

Wright pointed out the new MALs, REILs, and runway and taxiway edge lights, in addition to a photo displaying the new wind cone lighting.

Wright stated that the airport now has a remote-controlled lighting receiver and Sierra will put it on top of the control tower. Wright added that the box listens to the same frequency pilots are speaking around the airport, adding that clicking five times will turn on the lights. Wright provided images taken at night when he went up with a local pilot, stating that they tested the receiver from ten miles out and all worked great.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine announced that work on the HMiS upstairs office improvements and warehouse work is almost complete.

Branine added that the facilities team has been busy the last several weeks with several snow and ice events. Branine noted that they have moved their salt operations to the 2579 building and are utilizing one of the overhead hoists for safer filling of trucks. Branine added that another 20 tons of ice melt have been ordered and has plans to order another 20 tons after the first of the year.

Branine announced that 70 work orders have been turned in since the November 8 Commission meeting, with an average of approximately 100 work orders a month. Branine stated that the number will fluctuate up and down but will be consistent until the team is able to get ahead of things with the preventative maintenance program.

Branine added that 891 work orders have been entered since September 2021 with 49 open work orders. Branine reminded the Commission that only 50% of the work the team is completing is being tracked through the work order system.

Branine stated that the two new smart parking meters have been installed at Crow Butte Park and are live. Branine shared a view of what the daily parking report will look like. Branine added that new signage is in the works and will be posted at the park, which will better assist guests on where to locate the meters and how to use them.

Branine added that throughout the winter, further cleanup will be performed, including deep cleaning of the buildings and equipment as well as training for new staff.

Branine noted that the team is averaging one critical callout per week that is rail-related, including situations with arms down for no reason, vehicle accidents possibly affecting the track and other miscellaneous items. Branine informed that the Duportail and Steptoe crossings were out of service over the Thanksgiving holiday due to weather, but all crossings are currently up and running normally.

Branine said that the team is still doing general cleanup at the 2579 Stevens rail building but have met with McKinstry to get a timeline and cost for moving forward with the facility assessment. Branine said four 250,000 BTU hanging heaters were installed in the large locomotive bay as the ten in the overall space previously did not work. Branine explained that this particular high bay area must maintain a certain temperature because the sprinkler lines are exposed.

Executive Director Diahann Howard added an update on the rail ties previously approved for purchase from the Commission.

Howard stated that five quotes were received from vendors and the appropriate quote came in at \$98.44 per tie for a total of \$106,905 for 1,000 ties.

Howard asked for a motion to purchase 1,000 ties.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the purchase of 1,000 ties at \$98.44/tie for a total of \$106,905.

Howard provided an update on the search for a short line operator, stating that 11 responses were received a four were identified for an interview, with two finalists.

Howard noted that the top two are Omaha and Columbia Rail and additional information has been requested from each.

Howard stated that Columbia Rail currently operates several area rails, including Royal City, Walla Walla, Dayton, Yakima, Morrow County, adding that they have the necessary equipment, materials and 15 existing staff. Howard added that Columbia Rail has offered to invest \$30k of their own funds towards the Port rail with a goal to get the locomotives running. Howard added that they are following up on any concerns and references. Howard stated that Columbia Rail appears to have an experienced staff and good reputation with their customers and throughout the state.

Howard noted that the Port team feels Columbia Rail is the best option for a temporary short line operator and would like a nod from the Commission to move forward with negotiations on a 9-12 month contract. Howard added that the team has met with the City and community partners to share information and provide an update on the process. Howard added that a long term contract process will begin in 9-12 months, but for the short terms feels that Columbia Rail is a good option who have depth in the industry as well as their own resources.

Commissioner Stevens commented that this has felt like a great and efficient process in identifying a short line rail operator.

3. REAL ESTATE:

Director of Real Estate, Teresa Hancock stated that she attended the Association of Washington Business Energy Solutions Summit as well as the Washington State Commercial Real Estate conference in Spokane, which reviewed policy changes and a looming recession, which is making lenders nervous.

Hancock added that lenders are also concerned that infrastructure has not followed new policy related to fossil fuels, greenhouse gases, nuclear and hydrogen, which Hancock added was in line with the AWB event message.

Hancock added that there is a new lease at the 3100 George Washington Way building in the office previously occupied by Savannah River Nuclear Services. Hancock explained that the new lease is for Tri-Cities Testing and will be occupying 906 sf in offices 135-136 across the hall from Molecule

Works. Hancock explained that this is a three-year lease, commencing January 1, 2023, with one three-year option renewal. Hancock added that the base rent will be \$1,311.25 including leasehold excise tax. Hancock added that the financial impact to the Port is \$18,012/year, including pass-through utility fees. Hancock stated that the security deposit is \$1,500- and one-month rent. Hancock added that Tri-Cities Testing offers professional, educational online training.

Executive Director, Diahann Howard added that she recently attended a meeting at the City of Richland regarding the "Targeted Urban Area" (TUA) District, which the Port is in full support of the City's quest for this label, as it will help with existing expansion in north Richland.

Howard added that she has participated in recent meetings with Atlas and the tribes have expressed an extreme amount of support, as Atlas is in alignment with the target sector of clean energy.

Howard added that the hope is to bring a land lease for 233 acres forward in January or February.

Howard asked the Commission for a motion to move forward with the permitting process on the Atlas Argo project.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission granting approval to the Executive Director to continue negotiations and complete the documents with Atlas Argo to land lease 233 acres north of Horn Rapids Road in Richland.

Howard provided an update on the conversations with American Rock, adding that more updates should be expected. Howard added that crews currently are working on the interior, electrical and plumbing of the White Bluffs Center and due to weather, are waiting on paving.

4. MARKETING:

Public Information Officer, Summers Miya provided a visual presentation highlighting recent projects in the Marketing & Communications department.

Miya stated that two press releases have been sent out in the last month, one to announce the completion of the Richland Airport electrical replacement project and another announcing the hiring of Quentin Wright as Airport Manager.

Miya provided a brief update on the 2022 Entrepreneurial event that took place on November 15 in conjunction with the Richland Rotary weekly meeting. Miya added that the Port nominee was Tirridis and the Research District co-nominated STARS along with Fuse.

Miya featured recent eNews and social media read-through and click-through stats and highlighted recent projects that the Marketing team has been working on, including the Christmas card, building signs, holiday breakfast, 3100 conference room A/V, Walter Clore contracts and A/V, social media, Washington VERTical, upcoming convening event and attending the WPPA Annual Meeting where the Port presented on the importance of stakeholder communications during the Communications Committee meeting.

Miya highlighted draft versions of flyers that Director of Marketing, Wally Williams has created for the upcoming Clean Energy Day in Olympia and a "Fast Facts on Nuclear" infographic flyer.

5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Executive Director, Diahann Howard stated that the Port will continue to support and work with

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WPPA on their legislative priorities, adding that Port priorities are the rail. Howard added that the port provided a draft letter regarding thoughts from participation of the Low Carbon Advisory Board to WPPA for consideration.

Howard stated that she has had numerous prospect meetings, including meetings and dinner with Atlas Argo, X-energy, Curio and Framatome.

6. FINANCE DIRECTOR:

Director of Finance/CPA, Danielle Connor

7. PORT ATTORNEY:

Port Attorney, David Billetdeaux noted that the architects, engineers and consultant information and document was included in the meeting packet but fell off the agenda and asked for a motion to approve the 2023 roster.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the selection of architects, engineers and consultants for 2023.

Billetdeaux added that per the recent WPPA Annual Meeting, he is reviewing the end of the year checklist for Commissioners, adding that this list includes the following: Elected officials elected properly, (yes); interlocal agreements posted to the website, (yes); comp scheme up to date, (yes, annually); open public meeting act trainings current, (yes); delegation of powers, (yes, every January); surplus of items (yes, every January); appointment of SEPA and appointment of auditor, (yes, every January); setting of time and place for meetings, (yes, second Wednesday of the month, unless otherwise posted on website and noticed in paper); officers of Commission rotate, (yes); non-disclosures, which the Port currently does not sign, but stated that many ports are seeing them. Billetdeaux also added that many Commissions are setting Commission goals.

Billetdeaux added that he has a few small items reserved for the Executive Session.

8. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard announced that she recently emceed the AWB Energy Solutions Summit, Entrepreneurial Awards event and Festival of Trees.

Howard added that her family is host through the Rotary Exchange program to a student from France.

Howard stated that she recently attended an EMAB meeting and attended the WPPA Annual Meeting, adding that she likes the tone and new direction of the Association. Howard noted that new WPPA Executive Director, Eric Fitch is planning a visit in the first quarter of the new year, so stay tuned for more information regarding that visit.

Howard added that she presented on Washington VERTical to the Department of Commerce, reminding the group that Port of Benton leads Washington VERTical with the goal to accelerate the transition to clean, renewable and non-emitting energy production sources by 2025 through advanced nuclear power technology and VERTical is an international cluster model and is the first of five in the nation.

Howard stated that there are currently eight VERTical project teams with 95 members of the VERTical cluster and 50 Clean Energy Supplier Alliance members.

Howard reviewed the current project teams:

- Facilitating next-generation reactor demonstration and deploying projects

- Growing the advanced clean energy market
- Ready the advanced nuclear skilled trades workforce
- Attract capital for advanced nuclear
- Establish a nuclear quality management national center of excellence
- Coordinate grant partners to leverage state and federal funds
- Educate and advocate for nuclear energy

Howard reviewed VERTical goals for 2023:

- Announce \$2.5B advanced reactor demonstration program location, secure fuels project \$200-\$300M, secure fabrication project \$275M with 300 jobs
- Workforce support
- \$8M - \$10M+ key infrastructure – electric utility/rail/sewer
- Washington State University Tri-Cities announcement of Inst. for NW Energy Futures
- Support future land transfer and assets requests to the Department of Energy

Howard added that VERTical will be hosting a Clean Energy Day presentation in Olympia in January with James Schaefer and Greg Cullen as the speakers. Howard noted that the goal for this event is to talk to leadership and the legislature about goals as well as establish a nuclear caucus at the state level.

Howard added that the team is also planning to host another Clean Energy Convening event in February/March.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 10:42 a.m. and an Executive Session was convened at 10:50 a.m. to discuss real estate and personnel matters. It was announced that the Executive Session would take 20 minutes and if any action were required, the Regular Commission Meeting will reconvene and bring forward the item at that time.

J. ADJOURNMENT: The Commission meeting reconvened at 11:10 a.m. and a motion was introduced regarding the executive director's salary.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving an amendment of the executive director's compensation and approving an annual salary of \$194,688, with an and additional discretionary of \$22,500 for a total compensation of \$217,188.

The meeting was adjourned at 11:17 a.m. with an announcement that the next regularly scheduled Commission meeting would be held on Wednesday, January 11, 2023, at 8:30 a.m. and would be held at the Port of Benton Commission meeting room, 3250 Port of Benton Blvd., Richland, Washington.


 Lori Stevens
 Commission Secretary