

**PORT OF BENTON
COMMISSION MEETING MINUTES
JANUARY 11, 2023**

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 Marketing, Wally Williams; Director of Facilities & Operations, Ron Branine; Accounting Clerk, Liz Renz; Airport Manager, Quentin Wright; Director of Real Estate, Teresa Hancock; Interim Director of Finance, Sara Marshall; Senior Accountant, Veronica Serna; Scott Keller, Community Member; Gareth Nisbett, Community Member, Theresa Richardson, City of Richland

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Joshua Lott, Anderson Perry

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Commission Vice President, Roy Keck 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 January 11, 2023, Commission meeting, approval of minutes from the December 14, 2022, Commission meeting, approval of vouchers and certifications, including payroll, for the month of December totaling \$641,353.20, approval of project vouchers and certifications for the month of December totaling \$310,994.75.

D. PUBLIC COMMENT:

Theresa Richardson, City of Richland commented that the Port of Benton meetings offer the best coffee, and she enjoys attending the Port meetings very much.

Richardson thanked Commissioner Roy Keck for regularly attending City Council meetings and for providing much appreciated updated on Port projects.

Richardson announced that a new council will be voted into office and the new mayor will likely be the current Mayor Pro Tem, Terry Christensen.

Richardson stated that the City's strategic plan's vision has recently been outlined and is excited for a strong continued relationship with the Port.

Community Member Scott Keller wished the Port happy new year and asked for the Commission to speak up.

Keller asked if he could ask a question about minutes.

Legal counsel noted that during public comment, the public was welcome to ask questions, but the Commission was not required to provide an answer.

Keller stated that his question was related to the Atlas company noted in previous minutes, asking if there was a development plan.

Community member Gareth Nisbett wished the Port a happy new year and asked the Commission to speak louder.

E. ITEMS OF BUSINESS

1. Selection of Port of Benton Commission Officers

Commissioner Roy Keck nominated the existing officers to retain their current positions for 2023, with Commissioner Christy Rasmussen as President, Commissioner Roy Keck, Vice President, Commissioner Lori Stevens, Secretary.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the Port of Benton Commission officer roles for 2023, with Christy Rasmussen as President, Roy Keck, Vice President and Lori Stevens, Secretary.

President, Christy Rasmussen adjourned the regular Port of Benton Commission meeting at 8:38 a.m. and opened the Economic Development Commission meeting at 8:38 a.m.

2. Economic Development Corporation (EDC): Approval of Minutes from January 12, 2022, EDC Meeting, Selection of Officers

Commissioner Christy Rasmussen asked for a motion to approve or reject the minutes from the January 12, 2022, EDC Meeting.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the minutes from the January 12, 2022, EDC meeting.

Commissioner Christy Rasmussen asked for a motion to approve or reject the selection of EDC officers for 2023, with Christy Rasmussen as President, Roy Keck as Vice President and Lori Stevens as Secretary.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the selection of the EDC officers for 2023, with Christy Rasmussen as President, Roy Keck as Vice President and Lori Stevens as Secretary.

President, Christy Rasmussen adjourned the EDC meeting at 8:42 a.m. and resumed the regular Port of Benton Commission meeting at 8:42 a.m.

3. Resolution 23-01, A Resolution of the Port of Benton Approving Delegation of Authority for the Executive Director and Her Designees

Port Attorney David Billetdeaux reminded the Commission that this resolution is an annual housekeeping item, which provides the Executive Director delegation of authority, so Commission does not have to come by every day for everyday business purposes.

Billetdeaux added that the Port follows Washington Public Ports Association (WPPA) recommendations and WPPA have recommended Ports beginning to add acceptance of Non-Disclosure

Agreements in Delegations of Authority, as they are becoming more prevalent.

Billetdeaux added that current WPPA contract total requirements are much higher than the Port's current \$50k threshold, which states the Port must seek Commission approval for any project over \$50k. Billetdeaux added that most Ports have a much higher threshold and asked the Commission to raise the Port of Benton contract threshold to \$150k, explaining that this is still 50% less than WPPA recommendation. Billetdeaux added that this will help with future rail projects, as well as the increase of overall project cost, inflation and many other factors. Billetdeaux noted that the state is discussing raising their own threshold as well.

Billetdeaux added that the higher threshold will help the Port keep projects flowing.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-01, approving the delegation of authority for the Executive Director and her designees, including raising the threshold amount to \$150k.

4. Resolution 23-02, 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 noted that this resolution is another annual housekeeping item required by state statute.

Billetdeaux stated that this allows the Port to sell items of less than \$10k value and if anything exceeds the \$10k limit, communication is provided to the Commission. Billetdeaux added that this resolution does not change from the previous year.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 23-02, authorizing the Executive Director to sell and convey surplus property with less than \$10,000 value.

5. Resolution 23-03, A Resolution of the Port Commission of the Port of Benton Appointing Sara Marshall as Interim Port Auditor and Veronica Serna as Deputy Auditor

Port Attorney, David Billetdeaux announced that since Danielle Connor has vacated the Director of Finance position, the Port needs to name a new Deputy Auditor and Port Auditor.

Billetdeaux recommended naming Senior Accountant, Veronica Serna, as Deputy Auditor and Interim Director of Finance, Sara Marshall, as Port Auditor. Billetdeaux noted that the Deputy Auditor role is allowed to fill-in if the Port Auditor is unavailable.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-03 appointing Sara Marshall as interim Port Auditor and Veronica Serna as Deputy Auditor.

6. Approval of 2023 Annual Contract for RGW Enterprises

Executive Director, Diahann Howard stated that the 2023 budget has been approved for the following contract amount but is seeking Commission approval for the 2023 annual contract with RGW Enterprises.

Howard added that Roger Wright consistently does an amazing job on behalf of the Port and

contracts and is seeking approval for \$180k for the annual contract.

Howard noted that the formal public roster process was followed in this process.

Howard added that Roger has plans to consult for the entire year, but the Port has begun recruiting to backfill the engineering position to prepare for Wright's retirement.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the 2023 annual contract for \$180k for RGW Enterprises.

7. Approval of 2023 Annual Contract for Ashley Garza

Executive Director, Diahann Howard informed the Commission that Ashley Garza provides GIS, CAD and engineering services within the professional services category. Howard added that the formal public process with the roster and evaluations was followed when selecting this service.

Howard stated that she is seeking Commission approval for a \$100k annual contract for Ashley Garza (I C Consulting) for 2023. Howard noted that this item has been budgeted for in the 2023 approval and final budget.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the 2023 annual contract for \$100k for Ashley Garza.

Howard added that in 2022, a \$50k contract was approved for Ashley Garza to provide surveying work. Howard noted that under the recently approved delegation of authority, this addition is not required, but for formality purposes for today's meetings, noted that Commission approval is sought for an addition of \$4,045 to the 2022 annual contract for Ashley Garza (I C Consulting), for a total amount of \$54,045. Howard explained that Garza provided vital work to the Port in 2022 and exceeded the \$50k contract.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the amendment of \$4,045.00 to the 2022 annual contract for Ashley Garza for a total amount of \$54,045.00.

F. INFORMATION REPORTS

1. Grants Update

Executive Director Diahann Howard pointed out that the grants report was included in the meeting packet and would highlight two specific pieces.

- Item 12 - Washington State Department of Commerce- Evergreen Manufacturing Growth Grant – Working with industry partners and other cluster groups and is looking to industry to help offset the match.
- Items 8 & 9 – Related to rail. Howard noted that the current Washington State budget includes funding for rail and the Port will continue to be an advocate during session for vital rail funding.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Lori Stevens announced that she attended the Prosser Chamber of Commerce board meeting, where Bubbles & Bites was approved for November 2023. Stevens added that the board hopes to continue hosting this event at the Walter Clore Wine & Culinary Center.

Commissioner Stevens stated that she attended the recent swearing-in of Michael Alvarez to the Benton County Board of Commissioners.

Commissioner Stevens added that through recent Prosser Economic Development Association discussions, she has learned of a new hotel coming to Prosser, which will be located next to the Best Western.

Commissioner Roy Keck noted that he also attended the recent swearing-in of Michael Alvarez to the Benton County Board of Commissioners.

Commissioner Christy Rasmussen stated that she attended a recent civility caucus, which was held in the morning of the second Friday of the month at CG Public House.

Commissioner Rasmussen added that she recently toured the Perry Technical Institute in Yakima, which provides machinist lab opportunities to high school students. Commissioner Rasmussen added that the Institute has a good vision.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS

Airport Manager, Quentin Wright stated that the scope of work for the hangar taxi lane project at the Prosser Airport has been sent to Federal Aviation Administration (FAA). Wright explained that this project is located in the southeastern corner of the airport, adding that a cultural pedestrian survey is required. Wright noted that the Port will get reimbursed for this project, which will likely take place this spring.

Wright stated that he is moving forward with a hangar ground lease flyer highlighting Richland Airport and has spoken with several interested individuals. Wright explained that leasing will occur at the north side of the airport.

Wright noted that there were increased expenses with snow removal and deicing at the airports this year due to the many days of inclement weather. Wright announced that \$7-8k went toward weather-related expenses so far.

Wright added that he is working on meeting with airport managers around the state.

Executive Director, Diahann Howard informed the Commission that Wright also recently flew out of the Richland Airport to Prosser and back, obtaining some fabulous aerial footage.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine stated that the HMiS project is completed with a few punch list items remaining.

Branine stated that there have been several precipitation-related events which required the use of a lot of salt on roads and walks, which led to an additional 20 tons of salt ordered. Branine added that there was one frozen water line at the 2579 Stevens Drive building, which caused the water to enter the oil – water separator and spill onto the ground. Branine noted that Clean Harbors was called out to perform an emergency cleanup. Branine added that it rained with heavy winds the night of the spill, which led to the oil getting pushed farther out of containment. Branine added that Clean Harbors

was onsite for three days and hauled off over 4,000 gallons of contaminated water and oil. Branine added that the Department of Ecology was called and they were very pleased with the Port's response to the situation and stated that no further action items were needed.

Branine announced that nine employee evaluations were completed and goal setting for the year has begun.

Branine stated that 45 work orders have been turned in since December 14, 2022, but an average of over 100 should be seen per month. Branine noted that this number will fluctuate until the team can start getting ahead through the preventative maintenance system, with a steady decline expected once that has been in place.

Branine said that 936 work orders have been placed since September 2021, with 47 current open work orders. Branine reminded the Commission that approximately 50% is still not being tracked through the system.

Branine stated that leaf cleanup continues at Crow Butte and will likely take place throughout the winter. Branine added that deep cleaning of the equipment and buildings onsite is also continuing as well as training of the new staff.

Branine announced that on average, one critical callout is received per week, related to rail, adding common issues include arms down for no reason, vehicle accidents possibly affecting the track and various other purposes. Branine added that all crossings are currently working normally.

Branine added that the team continues general cleanup of the 2579 Stevens Drive facility and the team has met with McKinstry to get a timeline and cost estimate for moving forward with the facility assessment.

Commissioner Keck commented that he personally spotted Branine out on the rail twice in the past month.

Engineer Roger Wright presented a slideshow featuring a derailment incident that took place on December 15, 2022.

Wright noted that the unit train was moving to the northwest on the Wye track until they were unable to pull along the tracks anymore and the wheels of six cars dropped off the rails. Wright stated that per the 1949 rail agreements with the Class I railroads, the rail operator involved in the incident is responsible to come in and clear the cars, which required BNSF to bring in Hulcher Services with side boom cranes to come in and assist with cleanup and removal of the cars. Wright noted that the derailment occurred at approximately 5:30 a.m. and Hulcher had all the cars removed by midnight the same day.

Wright added that approximately 500ft of track was destroyed by the derailment. Luckily Railworks Track Systems was already in the area doing work and was able to assist the Port with the repair of the track.

Wright added that in the next 24 months, the entire Wye area of the track needs replaced, reminding the Commission that this is 70-year-old track and a very tight curve. Wright added that cold temps and long trains make maneuvering the area more difficult and the official cause of the derailment is under investigation.

Wright noted that the preliminary cost of derailment repair is \$326k, which will be paid with Port cash.

Port Attorney, David Billetdeaux added that insurance recovery is a possibility, depending on

costs and there will be further discussion on this with BNSF, as well as further discussion the previous BNSF derailment, which the Port was not liable for.

Wright continued with another track update, stating that the track is currently out of service today, due to a crack in a crossover track (frog) at the south end of the yard which prohibits trains from entering the Industrial Park. Wright added that luckily another frog was found in inventory and rail workers were on the track and spotted the crack and shut down the rail for repairs.

Wright reminded the Commission that previously 1,000 ties were approved for purchase by the Commissioners. Since that approval, the City has approached the Port asking to purchase 100 ties as part of the Port's tie order. Wright added that costs significantly decrease with the purchase of more ties and asked for Commission approval of 1,600 total ties, rather than the previously approved 1,000. Wright stated that the additional ties will bring the total cost to approximately \$144,168.81 with City reimbursement for 100 ties. Wright reminded the Commission that the new ties will help stabilize the area that are in need of vital repairs. Wright added that the price will increase 30%, but the Port will ultimately receive 50% more ties.

Wright added that tie replacement is a vital element to getting the track back up to 10mph.

Wright added that regular track maintenance includes the replacement of 1,000 ties/year with every third tie replaced.

Commissioner Christy Rasmussen asked for an approval or decline to amend the increase in the rail tie purchase to 1,600 ties.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the purchase of 1,600 ties, amending the previous approval of 1,000 ties at an approximate cost of \$144,168.81.

3. REAL ESTATE:

Director of Real Estate, Teresa Hancock stated that the 2345 Stevens Drive \$239,019.98 project has been finalized for the ground level warehouse racking and IT services, as well as administrative office area improvements, on second floor, a total of 23,990 square feet. Hancock reminded the Commission that the cost is an approved pass-through for reimbursement.

Hancock added that she is coordinating facility directive signage on Stevens Drive with Director of Marketing, Wally Williams and the HMiS panels will be updated soon.

Hancock stated that she has been working on backfilling space at the 3100 George Washington Way building and announced that Tri-Cities Testing Center is on track to open for business February 1st for suites 135-136.

Hancock added that she has been working on new leases for existing tenants at the 2579 Stevens Drive facility, as previous leases had not been adjusted in quite some time, adding that five leases have been finalized, pending final signatures and noting to the Commission that all fall under the Executive Director's delegation of authority, as under three-year terms. Hancock added that if any further changes to the leases are warranted and terms exceed five years duration, she will bring them forward to the Commission for approval.

Hancock added that she has been working on assembling facility plans to actual leasable areas, as per required by GASB 87.

Hancock stated that she has been assisting the Executive Director, Diahann Howard with the North Horn Rapids Industrial Park on potential new prospective major business operation.

Hancock added that the two-acre land sale site in the Richland Industrial Center (RIC) to Pacific Green Engineering, Wei Liu, Molecule Works, is moving forward with a closing extension of January 31, 2023, to accommodate time to finalize the parcel subdivision process pending recorded short plat.

Hancock provided a 2023 Housekeeping Real Estate Report for title and appraisal reports for an improved 1-acre Stevens Drive frontage property located within the Richland Business Park, adding that several inquiries were received in 2022, but the limited infrastructure has become problematic to developers with immediate development needs.

Hancock provided historical detail for the parcel specifics and parking lot area:

- 2017-05 Appraisal (\$2.72psf)
- 2017 - Port – Spink Engineering (PSA not returned and offer was \$1.50psf)
- Several parcels sold for \$3.25 and \$3.50psf, east side of Stevens across from site(s):
 - Improved land/2551 Building: DFP LLC, 05-2016 \$3.41psf (4 Acres)
 - Stevens Drive frontage: Core Cabinet: 11-2018 \$2.97psf
 - Appraisal (2018): \$2.50psf (interior 4 lots), \$3.00psf (1 acre frontage)
- 2018-06 Total Energy Management (TEM) – Aaron Dewitt offering to port for 1 acre (\$2.50psf)
 - Concept: 12,000sf building
 - 24' eave height
 - 6-unit, 2000sf @
- 2019-05 Appraisal (3.25psf) As-Is
- 2020-02 – 2021 (COVID-19) – POB transition team and
- 2020-11 Total Energy Management circled back for purchase, but utility infrastructure work had not been initiated pending confirmation of existing framework. The port and community partners were operating remotely due to the ongoing COVID pandemic with budget re-prioritized during this time.
- March – October 2022, ongoing discussions and varying plan concepts within the development area and economic development director. Utility infrastructure available but not definitive for moving forward with deal w/o understanding the financial impact to the port or purchaser, versus a flat sale price. Ongoing work with Ashley, Roger and City of Richland to assemble the estimate cost for possible offset
- 2022-12 Appraisal (\$4.50psf) As-IS
- TEM has been an extremely important partner with the Port of Benton, first opening their doors at Richland Airport. Vital TEM is able to expand – they are growing in production and employees. Aaron is pulling numbers together and development plan for consideration. We wanted to provide a summary overview of this specific property and its nuances over the years but have encouraged Aaron to come to the next commission meeting to share development and speak directly to the commission and share his ideas. Sale consideration would need to recognize utility infrastructure commitments prior and contingent on availability of funds given this was not a project included for 2023 CapEx budget with the onboarding of the rail facility.

Hancock added that leases have been entered into the system and the team will now focus on ensuring that all are in sync, including compliance with GASB 87.

Hancock complimented Senior Accountant, Veronica Serna on the implementation of the 60–90-day late notices and the work of the accounting team with the implementation.

4. MARKETING:

Director of Marketing, Wally Williams announced that he is working to update all marketing materials for the year, including brochures, flyers and displays.

Williams stated that he is finishing up signage for the 3100 George Washington Way building, including the tenant sign and larger address numbers.

Williams added that he has also been working with Director of Real Estate, Teresa Hancock on updating the signage at the 2345 Stevens Drive facility.

Williams stated that he continues to support Washington VERTical and Clean Energy Day marketing needs, including flyers and marketing materials.

Public Information Officer, Summers Miya provided an updated overview to the Commission concerning upcoming Commission travel. Miya included event detail for:

- Clean Energy Day & Tri-Cities Legislative Council Day at the Capital
Olympia
January 24-27, 2023
- AWB Virtual Hill Climb, In-Person Reception & WPPA Ports Day
Olympia
Feb. 1-2, 2023
- PNWA Mission to Washington (DC)
March 18-24, 2023

Miya stated that travel packets were provided to each Commissioner but wanted to overview with them as well to avoid any confusion. Miya added that she will update accordingly when she receives updated information, as there are many details still undetermined from event planners. Miya encouraged the Commission to inform her of any updates related to travel.

Miya noted that she has been working on many separate Clore event contracts for the year, adding that there are three events upcoming, including the Prosser Community Awards Banquet, which the Port sponsors.

Miya added that she has been working with various tenants regarding meeting room rentals at the 3100 George Washington Way building, as well as the Port office space.

Miya added that a training session is planned with the Crow Butte camp hosts and crew.

5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Executive Director, Diahann Howard completed this section during the Executive Director Report.

6. FINANCE DIRECTOR:

Interim Director of Finance/CPA, Sara Marshall greeted the Commission.

Marshall stated that she had the opportunity to sit with former Director of Finance, Danielle Connor prior to her departure.

Marshall added that she is preparing for year-end closing, financial statement preparation and is working with contracted services on the GASB 87, pension and audit prep.

Marshall reported out on monthly financials.

7. PORT ATTORNEY:

Port Attorney, David Billetdeaux stated that he had a few items reserved for Executive Session.

Billetdeaux added that he has begun work on year-end updates, the salary directive and the personnel policy. Billetdeaux noted that these housekeeping-related items keep the Port compliant with recommended policy.

8. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard announced that the upcoming state legislative session is 105 days, reminding the Commission that Port priorities include rail, rail, rail! Howard added that she has been working on meeting with other districts prior to the legislative meetings.

Howard noted that the Tri-Cities Clean Energy Convening 2.0 will be held at WSU Tri-Cities on Thursday, March 16.

Howard added that coordination with the US Nuclear Industry Council on a fall 2023 meeting in the Tri-Cities has begun.

Howard added that PNNL Industry Day is approaching, with plans to tour the lab and highlight the community via Washington VERTical to a targeted audience.

Howard welcomed Interim Director of Finance, Sara Marshall to the team.

Howard stated that she recently spoke at a Washington Economic Development Association roundtable and has also been focusing on meeting with federal and state legislators, the AWB legislative review and has also completed all team reviews and setting 2023 team goals with each team member.

Howard noted that the Good Roads Committee is seeking a Port representative.

Howard added that the Port will be focusing on filling the finance and engineering positions, as well as readying the ports state and federal legislature agenda.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 9:53 a.m. and an Executive Session was convened at 10:00 a.m. to discuss real estate and personnel matters. It was announced that the Executive Session would take one hour and if any action were required, the Regular Commission Meeting will reconvene and bring forward the item at that time.

J. ADJOURNMENT: The meeting was adjourned at 11:00 a.m. with an announcement that the next regularly scheduled Commission meeting would be held on Wednesday, February 8, 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