

**PORT OF BENTON
SPECIAL COMMISSION MEETING MINUTES
JANUARY 30, 2023**

A. CALL TO ORDER: The Special Commission 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 Roy D. Keck; Executive Director, Diahann Howard, PPM®; Port Attorney, David Billetdeaux, Public Information Officer, Summers Miya; Director of Facilities & Operations, Ron Branine; Airport Manager, Quentin Wright; Director of Real Estate, Teresa Hancock; Roger Wright, RGW Enterprises;

The following attendees attended via remote communications: Commissioner Christy L. Rasmussen, Commissioner Lori Stevens, Interim Director of Finance, Sara Marshall; Theresa Richardson, City of Richland, Heath Kohler, BNSF; Rodney Bailey, BNSF; Wendy Culverwell, Tri-Cities Area Journal of Business

The Special 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. PUBLIC COMMENT:

There were no comments from the public.

D. ITEMS OF BUSINESS

1. Short-Term Rail Operator Agreement

Port Attorney, David Billetdeaux announced that the Port has put together a short term, short line contract for Columbia Rail, a short line rail company.

Billetdeaux explained that Columbia Rail operates many surrounding areas, and the Port of Benton is the “donut hole,” making it a very attractive location for Columbia Rail, while also cutting down on costs to the operator, which in turn comes out to savings for the Port.

Billetdeaux stated that the Port has been working with Columbia Rail for the past two months to pin down agreeable contract terms. Billetdeaux added that the contract is a month-to-month contract with an initial nine-month period, and the potential for up to 15 additional months for a do not exceed total of 24 months.

Billetdeaux stated that this leaves plenty of time to get the track into good condition and eventually up to Class 2 track from the current Excepted Track status, and also allows for Columbia Rail to be the entity inspecting track, bridges and other areas of the rail and also respond to call-outs.

Commissioner Roy Keck inquired about whether the Port pursued conversation with other entities who are utilizing Columbia Rail’s services.

Engineer, Roger Wright answered that visits were had with representatives for both Class I

railroads. In addition, the Port met with the Washington State Department of Transportation Rail Office and the Washington Public Ports who both commented that Columbia Rail had been successful in turning around several financially marginal railroads and felt that they could be successful here. Wright stated that it has been made clear to Columbia Rail that the track is to be kept operating safely, that they continually provide access to customers by both UP and BNSF, and that they provide clear communication to the Port at all times. Wright complimented BNSF representatives, stating that BNSF has been extremely helpful throughout the process and the Port could not have kept the track open these last several months without their assistance.

Billetdeaux added that in the past, the Port was held up with easements due to the previous lease, but now has the ability to more efficiently pursue rail projects on Port land. Billetdeaux added that Columbia Rail has no issues with utilizing the 2579 Stevens Drive facility and the team has begun taking a strong look at the building and what to do with it. Billetdeaux added that Columbia Rail will utilize the locomotive bay, locomotives, maintenance cars and some office space. Billetdeaux noted that Columbia Rail has also expressed their belief that they will be able to get the locomotive cars back in operation soon.

Billetdeaux reminded the Commission that the agreement starts with nine initial months and 15 additional months if Columbia Rail performs successfully.

Billetdeaux added that Columbia Rail will pay \$13k/month in rent for nine months, with the Port paying Columbia Rail \$15k in the first nine months for operations.

Billetdeaux stated that Columbia Rail will provide track and signal inspections, routine maintenance, and track safety for bridge and other inspections per the agreement terms.. Billetdeaux noted that maintenance includes, but is not limited to, snow removal, brush cutting, track sections, joint bars, significant inspections, fixing existing equipment and crossing repair if arms are hit or damaged.

Wright added that Columbia Rail has essentially agreed to provide these services for free for the first nine months and that Columbia Rail is making a solid investment in the Port track.

Billetdeaux stated that 11 companies were responded to the original Request for Proposals, with three finalists that were requested to provide additional information. After review by the Port, Columbia Rail was found to be the best positioned to provide these services for now and will give the Port a lifeline to get to a great Class I track to get the speed up to 10 mph.

Executive Director, Diahann Howard added that continued pursuit of grant funding is taking place for rail.

Billetdeaux added that all proposals were graded and went through the entire process appropriately and reminded the Commission that there is a goal to get another RFP out in 24 months for the long-term operator and to get the speed up to 25mph, which is five times the current speed.

Howard reminded the Commission that 1.3M tons of cargo pass through the Port track, which is the second highest tonnage in the state for a short line track, and is a critical component to the entire state's freight plan. Howard thanked BNSF for their valuable and crucial support over the past months.

Billetdeaux added that the new agreement will allow for an actual partnership with Columbia Rail on maintenance, inspections and other rail issues.

Commissioner Keck inquired about whether communication had been provided to the City regarding the short term agreement.

Wright stated that there has been open dialogue with the City and Wright expects that the City would like the Port to take over the maintenance of their track in the future as well. Wright stated that

although there will be some cost to the Port, it should be manageable and the ultimate goal of a safe track in and out of the Port of Benton is reachable.

BNSF's Rodney Bailey thanked Engineer Roger Wright and the entire Port team.

Commissioner Christy Rasmussen commented on the heavy lift the Port has undertaken in the past several years and complimented the entire team. Commissioner Rasmussen stated that she appreciated looking at the bigger picture and finding the right fit for the operator with the nine-month period.

Commissioner Christy Rasmussen asked for a motion to approve or decline the short-term rail operator agreement with Columbia Rail.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving the short-term rail operator agreement with Columbia Rail.

E. ADJOURNMENT

The meeting was adjourned at 8:54 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. at the Port of Benton Commission meeting room, 3250 Port of Benton Blvd., Richland, Washington.



Lori Stevens
Commission Secretary