

**PORT OF BENTON
COMMISSION MEETING MINUTES
April 12, 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, located at 3250 Port of Benton Boulevard, Richland, Washington.

PRESENT: Commissioner Christy L. Rasmussen; Commissioner Lori Stevens; Commissioner Roy D. Keck; 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; Theresa Richardson, City of Richland; Scott Keller, Community Member

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Joshua Lott, Anderson Perry; Bryan Condon, Century West Engineering; Ashley Garza, Consultant; Wendy Culverwell, Tri-City Herald; Joshua Skipper, Community Member; Sheila (No last name given), Community Member; Sara Schilling, Tri-Cities Area Journal of Business

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 Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the agenda for the April 12, 2023 Commission meeting, approval of minutes from the March 8 ,2023 Commission meeting, approval of vouchers and certifications, including payroll, for the month of March totaling \$689,890.29 and approval of project vouchers and certifications for the month of March totaling \$188,199.24.

D. PUBLIC COMMENT:

City of Richland Mayor Pro Tem, Theresa Richardson announced that the City of Richland recently participated in a day-long strategic planning where survey results were revealed. Richardson added that a deep appreciation for the City and Port relationship was recognized.

Richardson added that the top three items of concern noted from survey results were:

1. Downtown mixed-use development with restoration of vacant buildings, vertical construction and zoning;
2. Public safety
3. Affordable housing – challenge to issue permits fast enough

Richardson added that there is excitement concerning new nuclear opportunity/future energy hub.

E. ITEMS OF BUSINESS

1. Welcome and Update from Linda Lehman, City of Benton City

Mayor Linda Lehman was unable to attend the meeting.

2. Resolution 23-07, Acceptance of Work to Ecomodus, LLC for Work Completed at 2579 Stevens Drive

Director of Facilities & Operations, Ron Branine announced that the installation of new LED lighting at the 2579 Stevens Drive facility is complete. Branine stated that lighting was installed in the rail high bay, front and outside of building.

Branine stated that the 2021 original contract for this project was \$85,720, \$7,457.64 in WSST, totaling \$93,177.64. Branine added that the incentive amount from the City of Richland is approximately \$65,200, bringing the estimated total of port costs to \$27,977.64. Branine added there was an eight month return on investment for this project.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the Resolution 23-07, acceptance of work to Ecomodus, LLC for work completed at 2579 Stevens Drive.

3. Resolution 23-08, Authorizing a Commercial Lease of 5+ Years to Orano USA, LLC – Technology & Business Center

Director of Real Estate, Teresa Hancock provided a PowerPoint presentation regarding Resolution 23-08.

Hancock provided a company background on Orano USA, LLC, stating that U.S. headquarters are in Bethesda, Maryland, but global headquarters are located in Paris, with 16k employees worldwide. Hancock added that Orano is a subsidiary of Framatome with primary business lines: mining, conversion and enrichment, logistics for managing used nuclear fuel, recycling and nuclear waste management, decommissioning and dismantling, nuclear fuel cycle engineering, operations support (including radiological safety), nuclear medicine, and conducts federal site cleanup and closure. Orano is interested in commercial space for engineering staff.

Hancock added that she has been engaged in site visits and broker discussion on behalf of the client since January 2023.

Hancock provided a sense of place visual, which featured 3250 Port of Benton Boulevard, Suites C-E, a total of 7,375 feet. Hancock noted that Orano will occupy the remaining south end of the building, which currently houses Edgewater Technical Services, a former tenant since 2018, who previously started at 3100 George Washington Way.

Hancock stated that the tenant was seeking a 3-year + (1) 3-year option renewal term, total of six years.

Hancock stated that year one base rent is \$9,218.75 NNN, additional rent \$1,536.46 - \$11,938.90/month NNN.

Hancock explained that the tenant has requested early occupancy, abated rent for May-July, with leasehold excise tax and additional rent, comprised of \$2,720.15/month.

Hancock noted that the three-year impact is \$314,838.75 NNN, including \$58,124.22 additional rent.

Hancock added that there would be a 3% annual rent adjustment and an option renewal period in 2026, based upon fair market base rates and annual adjustment thereof.

Hancock noted that the lease is within the Executive Director's delegation of authority.

Hancock explained that broker compensation is handled on a case-by-case basis from 3-7%, with finders fee. Hancock added that port's finders fee policy is specific to land sales only. Hancock added that the brokers fee is based on net revenue. The Broker's compensation request is 4% and is \$12,593.55; with half paid when lease is approved/fully signed in May and the other half paid following first full month of rent and occupancy.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the Resolution 23-08, authorizing a commercial lease of 5+ years to Orano USA, LLC in the Technology & Business Center.

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 the following:

- Item 11 - \$200k granted on 4/10/2023. (OCOchem also received \$200k.)

Howard added that the team continues to await information on many of the remaining outstanding grants per the end of the state's legislative session in approximately two weeks and more information would be shared at the May Commission meeting.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Lori Stevens stated that she attended the PNWA Mission to Washington and participated in meetings involving the rail requests.

Commissioner Stevens added that she is assisting the Prosser Chamber on their upcoming Easter event.

Commissioner Roy Keck announced that the PNWA Mission to Washington was a great event.

Commissioner Keck added that he also attended the Tri-Cities Energy Convening 2.0 event in March, which he felt was very informative and also showed dedication from the community and solidifies that the team is on the right track.

Commissioner Keck added that he attended the Gain reception at the Wine Science Center, which brought together all principles of new nuclear. Commissioner Keck stated that he felt these to be incredible events and appreciated the port's involvement, adding that with the support from the city, there will be success.

Commissioner Christy Rasmussen stated that she attended the Gain reception, which was great to see the Idaho National Lab contacts. Commissioner Rasmussen added that these events highlight the power of community and how well we all work together, adding that the port does a great job supporting and informing about these events.

Commissioner Rasmussen noted that while attending industry-related events, the one thing she continues to hear is how forward-thinking and what a force our community and region bring, which is

not a common theme throughout similar communities.

Commissioner Rasmussen stated that the PNWA Mission to Washington was the 89th year the organization has held the event. Commissioner Rasmussen added that the organization is very well-organized and professional and thanked the port for all they have done to further strengthen the relationship with PNWA.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS

Airport Manager, Quentin Wright announced that the Federal Aviation Administration (FAA) will be visiting Richland Airport this week to test the recently installed Precision Approach Pathway Indicators, (PAPIs), which were one of the last remaining pieces of the Electrical Replacement Project. Wright added that the FAA needs to test the equipment when dark to ensure all equipment is functioning appropriately.

Wright stated that the Young Eagles held an event last Saturday at Richland Airport, which hosted 40 kids and was an overall good events.

Wright added that he has been working with JR Imaging on a common area, pilot lounge modification at 1865 Bronco Lane at Richland Airport.

Wright stated that he will have more for Executive Session related the CARB loan pricing and negotiations for Richland Hangar Association.

Commissioner Rasmussen inquired about how often the Young Eagles met.

Wright answered that the organization is currently not advertising because they continue to look for pilot volunteers.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine announced that cleanup continues at the 2579 Stevens Drive outbuildings, transitioning the south Quonset building to the five bay outbuilding north of the main facility, to better store winter equipment.

Branine added that this move will allow Columbia Rail to utilize the Quonset for rail-related equipment and keep it out of the weather.

Branine added that a lot of cleanup has been taking place at 2000 Logston Boulevard, including removal of certain walls and false ceilings.

Branine stated that the facilities team has started starting up all sprinkler systems in Richland, Benton City and Prosser and has fixed numerous water breaks.

Branine announced that 78 work orders have been turned in since the March meeting, but should be seeing an average of 100/month.

Branine noted that total work orders received since September 2021 is 1,145, with 59 current open workers.

Branine stated that the current work order system is capturing only 50% of what the facilities department is currently doing.

Branine added that he will be starting the Facility Manager work order system this month, with the first several months being primarily data collection. Branine added that other duties include: building inspection templates, preventative maintenance schedules, Standard Operating Procedures, Maintenance Operating Procedures, Emergency Operating Procedures for all equipment and assets.

Branine announced that Crow Butte Park has officially opened, noting that there have been a few issues with the new camp hosts, but any issues seem to have leveled out and the park is filling up.

Branine stated that a few water lines were dug up and required repair due to tree roots and breaking the PVC lines. Branine added that he will start reporting the occupancy stats each month, adding that the park is 1.5% down from this time last year, but projected to be 5.5% over occupancy from 2022.

Branine noted that the team continues to work with McKinstry to get the final assessment and tentative plan for the building, as they are still in the gathering information stage.

3. REAL ESTATE:

Director of Real Estate, Teresa Hancock stated that she has been working with various clients interested in buying or leasing land. Hancock added that she fielded eight leads last month, including Benton City and Prosser and has signed a month-to-month lease at the 3100 George Washington Way building (Rebecca Lynn Photography).

4. MARKETING:

Director of Marketing, Wally Williams announced that he is continuing work on the spring newsletter and hopes to get it sent out by mid to late May.

Williams added that Triton tours have started and are keeping him busy. Williams added that he continues to work on updating signs, including Crow Butte, 2345 and rail.

Public Information Officer, Summers Miya provided a quarterly communication plan update via PowerPoint presentation.

Miya highlighted the focus areas: North Horn Rapids, Vintners Village, airports and STEM tourism and the primary activities: Create materials to increase engagement, identify and write stories/profiles/success stories about port district companies/people, expand speaking engagements, leverage social media, explore cross-promotion opportunities with partners, increase USS Triton Sail tours.

Miya highlighted that there were nine inquiries received in 2023 Q1, two speaking engagements and 25 people toured Triton. Miya reminded the Commission that 25 is great, considering Triton tours are closed for the season from November 15 – March 15!

Miya highlighted the materials created in Q1, including the “This is the Place” animation, port brochure update and Crow Butte Park update.

Miya stated that presentations included Clean Energy Day 2023 and the Clean Energy Sector Convening 2.0.

Miya stated that one press release was sent out regarding Clean Energy Day 2023 and two ads were placed featuring Vintners Village, Tri-Cities Visitor Guide and Washington State Visitors Guide.

Miya added that additional things she has been working on include WSU vision meetings related to Clore, Crow Butte reservation system training, events taking place at Clore, as well as assisting during recent prospect site visits.

Miya noted that she recently met with Richland Public Library leadership and discussed partnering on a nuclear energy education event in conjunction with nuclear energy week. Miya added that the library provides community education regularly.

Miya highlighted upcoming events the Port is involved in including the Saturday, May 6 Pepper

Preppers ribbon-cutting event, the Tirriddis Half Bottle in the Park event, also on May 6. Miya provided a brief description of a Submarine Veterans Gathering event at Triton on Saturday, June 10 at 11 a.m., noting that she planned to set-up the lobby with the Triton displays, posterboards and artifacts and provide tours of Triton.

5. FINANCE DIRECTOR:

Interim Director of Finance/CPA, Sara Marshall provided an updated financial status report.

Marshall stated that there is \$4.4M in general operating cash with \$1.5M in cash reserve, with \$2.9M available operating cash and \$1.39M in the project fund.

Marshall stated that general fund cash receipts total \$1.048M from 12/2022 – 03/2023.

Marshall added that there were \$550,650 cash disbursements from the general fund in March 2023, with \$107k being payroll related costs. Marshall added that there currently is \$491k in outstanding accounts payable, which include Booth and Sons Construction, Inc. (White Bluffs Archive & Storage Facility Project), Sierra Electric (Richland Airport Electrical Replacement Project), Ecomodus, LLC (LED Lighting Replacement Project).

Marshall noted that accounts receivable include a \$547k grant reimbursement, \$396k from tenants and \$105k misc. Marshall added that the A/R balance is not a clear picture of the current status, due to working through reconciliation between the Intacct system and the Voyager system.

Marshall highlighted the current finance initiatives, with GASB 87 being the current focus. Marshall noted that tasks related to this piece include assessing leases for GASB 87 applicability (lease terms), establish GASB 87 calculation elements, performing testing in test database and running and vetting calculation.

Marshall added that the validation of these processes will ensure all is correct and assist with future efficiencies.

Marshall added that there have been no issues after running billing through the new system for two months.

Marshall stated that focus will also include year-end close, the financial system preparation and audit preparation.

Commissioner Christy Rasmussen complemented the finance team for assisting with the major undertaking of the new systems and appreciates the transparency of having work orders and leases tied to each asset and all improvements made toward transparency and efficiencies.

7. PORT ATTORNEY:

Port Attorney, David Billetdeaux announced that the port will need to have a GASB 87 policy under executive director, Diahann Howard's delegation of authority, which will be an official policy ready to hand off to the auditor.

Billetdeaux provided an update for engineer, Roger Wright, stating that Columbia Rail continues to perform well, but would like to add a small amendment regarding pass-through costs related to WSDOT specifications including bridge inspections and brush removal.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving an amendment to the Columbia Rail contract to clarify pass-through costs to cover 12% of bridge inspection and brush removal.

Billetdeaux provided an update on one comment received from the recent WUTC inspection, where it was noted that all rail signs at signals are one font point too small. Billetdeaux added that there

is also a difference in opinion on lights needed at the Highway 240 rail crossing, but the team is moving ahead with emergency repairs, as it is a public safety issue for rail operators.

Billetdeaux stated that WSDOT has granted approval to select a design consultant on the Highway 240 rail crossing replacement and the team will be moving forward with that.

Billetdeaux added that HDR Engineering is working on bid documents for the 1,200 approved ties and the team anticipates a June install of the new ties.

Billetdeaux stated that there is curbing issue at the White Bluffs facility, which is scheduled to be fixed. Billetdeaux added that the HVAC was installed and contractors are hopeful to have electrical installed in May, which will be in time for the Bob Ferguson memorial event in May.

Billetdeaux rail-related status updates, adding that in the past, legal could not speak with the Class I operators, but now there are no issues with speaking to BNSF and Union Pacific directly and the Port plans to continue to openly communicate with both operators.

Billetdeaux stated that he has been working with Union Pacific regarding an issue with Port tenant, BioGro, who have not had rail because Union Pacific mistakenly deleted from their system. Billetdeaux added that the appropriate parties have been made aware of the issue and a solution is in progress.

Billetdeaux stated that he has participated in recent interviews for the open Director of Finance position, which received over 30 applications. Billetdeaux added that interviews were held in a virtual format and in-person will be offered for final candidates. Billetdeaux added that the Commission should hopefully be meeting the new Director of Finance at the next Commission meeting.

Billetdeaux reminded the Commission that Interim Director of Finance, Sara Marshall will remain as consultant status through the year-end audit, which should be through June.

Billetdeaux announced that Law Day is approaching and he has been requested to present to a few different organizations such as local Rotary clubs in the coming weeks, and also recently presented a Continuing Legal Education course to the Desert Bar, which Department of Energy and government attorneys belong to.

Billetdeaux added he is currently president of the Benton Franklin County Bar Association and of the Columbia Basin College Foundation and is also involved with the Port of Pasco's collaboration team regarding a future ag center. Billetdeaux clarified that he is involved in this because of the Walter Clore Center perspective.

Billetdeaux added that he continues to work on his Professional Port Management (PPM®) certificate, and is awaiting review of his submitted abstract.

8. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard announced that she continues follow-up work related to the recent PNWA Mission to Washington event. Howard added that the state legislative session ends on April 23 and there are many bills that are being tracked such as: ICAP, tourism, House Bill 1176, workforce, clean energy siting streamlining, site readiness and House Bills 1554 and 1584, which is Rep. Barnard's Nuclear Caucus bill. Howard added that it appears that the leaded aviation gas appears to have died. Howard added that she is in discussion regarding what tours and committees maybe visiting our region and is working on support and planning at this time.

Howard announced that the Port continues all-staff leadership training and held the last training on March 9.

Howard stated that PNNL Industry Days is approaching April 3-7, with a reception the evening of the 5th. Howard added that there are 12 companies involved with community tours taking place, our region's clean energy, VERTical and workforce will be the focus. Howard noted that the Port would be hosting on Thursday, April 6.

Howard updated on the Port of Pasco led future ag center and advised that the Commission would continue to receive further updates related to this item.

Howard announced that she participated in the recent CEQ dams listening session and will follow-up with PNWA on a letter regarding the listening sessions. Howard added that the PNWA draft letter highlights a lot of concern and outlines the issues very well.

Howard added that she participated in an Environmental Justice webinar and ongoing education will be moving forward with this topic.

Howard added that an industrial client prospect was hosted recently.

Howard announced that EMAB has been asked to provide input on a new research and development roadmap specific to Hanford, which outlines a good framework. Howard added that new technology to accelerate clean-up is a good thing as we move forward from clean-up to clean energy.

Howard stated that she is preparing to do a presentation on Dr. Walter Clore while also overviewing state agriculture to a group of young professionals involved in the Institute of Democratic Future. Howard noted that the Port has partnered with the WSU Wine Science Center on the presentation and the Science Center would be hosting the group.

Howard noted that the Clean Energy Supplier Alliance is providing a matchmaking session for industry this coming Thursday, following the Bridging Partners event.

Howard added that she is preparing to attend the upcoming AAPA Leadership Summit, as she has been asked to provide two separate presentations, as well as participate in a leadership luncheon.

Howard noted that she also plans to attend the WPPA Spring Meeting in May, as she is now chair of the WPPA Economic Development Committee. A port wide survey will be sent out to gather information from the association members on how the economic development committee can be helpful.

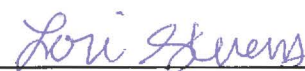
Howard informed the Commission that the Port has recently met with representatives from American Cruise Lines, who are interested in adding trips to Prosser in their weekly tour agenda. Howard added that the team will work with Prosser Economic Development Association, Historic Downtown Prosser Association, Prosser Chamber, local businesses and the City on this possibility.

Howard added that she will have an additional item related to CARB funding at the Richland Airport and personnel for executive session.

I. EXECUTIVE SESSION: The regular Commission meeting was recessed at 9:45 a.m. and an Executive Session was convened at 10:00 a.m. to discuss real estate and personnel for 20 minutes. It was noted that if any action was required, we will reconvene the regular meeting and bring forward any item at that time.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the port staff to move forward with negotiations of a property located at Richland Airport.

J. ADJOURNMENT: The meeting was adjourned at 10:19 a.m. with an announcement that the next regularly scheduled Commission meeting would be held on Tuesday, May 16, 2023, at 8:30 a.m. at the Port of Benton Commission meeting room, located at 3250 Port of Benton Blvd., Richland, Washington.



Lori Stevens
Commission Secretary