

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and in person with Public Access
Port of Pasco, 1110 Osprey Pointe Blvd., Ste. 201, Pasco, Washington, 99301
December 15, 2022 | 10:30 a.m.

CALL TO ORDER

Commissioner Gordon called the meeting to order at 10:30 a.m., the meeting was attended in person and remotely via Zoom with Public Access through call in to 1-301-715-8592, meeting ID 6676918983.

Present: Commissioner Vicki Gordon, Commissioner Jean Ryckman, Commissioner Jim Klindworth, Executive Director Randy Hayden, Port Attorney Heidi Ellerd, Airport Director Buck Taft, Deputy Airport Director Don Faley, Finance Director Donna Watts, Director of Properties Mayra Reyna, Director of Economic Development and Marketing Stephen McFadden, Airport Business Manager Tara White, Police Chief Barry Gilk, and Human Resources and Executive Staff Assistant Lori French.

Guests: Darren McEuin of HUB Insurance, Ben Hoppe of JUB, Timothy Holland of PNNL, Kenna Reid of Black Anvil Capital.

APPROVAL OF AGENDA

Commissioner Ryckman moved, and Commissioner Klindworth seconded to approve the agenda. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of November 15, 2022.
- b) Vouchers and Warrants #98897-99013 in the amount of \$487,252.03 and Direct Deposits #22771-22808 in the amount of \$91,021.57, and Vouchers and Warrants #98897-99128 in the amount of \$1,082,972.90 and Direct Deposits #227030-22851 in the amount of \$190,704.89.
- c) Accept as Complete- Runway 21R Repair Project.

Commissioner Klindworth moved, and Commissioner Ryckman seconded to approve the consent agenda as presented. Motion passed unanimously.

PUBLIC CITIZEN COMMENT

No public citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1594- A Resolution Updating Airport User Fees- Mr. Taft presented, Resolution 1594 updates the fee structure for the Tri-Cities Airport. This Resolution outlines the following fee changes for 2023: Taxi License Fee (CPI)- \$80.04 + leasehold tax per month, and Terminal Turn Fee- \$827.63. All other fees remain the same.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve Resolution 1594- A Resolution Updating Airport User Fees. Motion passed unanimously.

Resolution 1595- A Resolution Amending Personnel Policy 310- Ms. French presented, Port Personnel Policy 310- Employee Benefits Policy has been updated to reflect the Port's PTO plan and other details

consistent with the recently ratified Collective Bargaining Agreement, as well as general clean up. Historically, this policy is updated by resolution.

Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1595- A Resolution Amending Personnel Policy 310, and Port Employee Benefits Policy as updated. Motion passed unanimously.

Resolution 1596- Airport Minimum Standards- Mr. Taft presented, Resolution 1596 identifies airport minimum standards for the Tri-Cities Airport. Staff has worked the with General Aviation community, as well as the Commission to identify the minimum level of service that will be required of any company that wishes to conduct aviation related business at the Tri-Cities Airport.

Commissioner Ryckman moved and Commissioner Klindworth seconded to adopt Resolution 1596- Airport Minimum Standards. Motion passed unanimously.

Resolution 1597- Authorizing an Interlocal Agreement Between the Port of Pasco and Association of Washington Cities Employee Benefits Trust- Ms. French presented, in order to complete the Port's enrollment in AWC Employee Benefits Trust, the Port must authorize an interlocal agreement with AWC (Association of Washington Cities) by resolution. The Port attorney and staff did not have any concerns with the standard resolution or ILA as provided by AWC.

Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1597- Authorizing an Interlocal Agreement Between the Port of Pasco and Association of Washington Cities Employee Benefits Trust and authorize the Executive Director to sign the Association of Washington cities Employee Benefits Trust Health Care Program Interlocal Agreement. Motion passed unanimously.

ITEMS FOR ACTION/CONSIDERATION

2023 Earthquake, Crime, Marine, Airport Liability and Excess Liability Insurance Renewal- Mr. McEuin was in attendance to present the 2023 rates for Earthquake, Crime, Marine, Airport Liability, Farmland Pollution, and Excess Liability Insurance. Mr. McEuin, Port staff and Commissioners discussed the renewal, determining not to renew earthquake insurance due to the increasing costs and low risk.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the 2023 insurance policies for policy year effective December 31, 2022, to December 31, 2023, for General Excess Liability, Crime, Marine Liability, Marine Excess Liability, Farmland Pollution Liability, and Airport Liability. Motion passed unanimously.

Airport Terminal Art 2023- Ms. White introduced Mr. Holland of PNNL, who provided a presentation of the proposed 2023 Art display for the Tri-Cities Airport Terminal. The display is named "Science as Art, Science is Beautiful", providing an artistic view of local science. The Airport Art Committee approved of the proposed display unanimously.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the PNNL "Science as Art, Science is Beautiful" airport art display for 2023 and authorize the Executive Director to execute an art loan agreement, as approved by the Port's attorney, between the Port and Battelle Pacific Northwest Division (PNNL). Motion passed unanimously.

Mead & Hunt Miscellaneous Engineering- Mr. Faley presented, the Airport has been utilizing Mead & Hunt for miscellaneous engineering items that are not associated with specific projects. The current agreement with Mead & Hunt, Work Order #8 is for \$20,000. Staff is requesting an increase for the remainder of the year in the amount of \$6,518.35, which would be considered Amendment #2, bringing the total of Work Order #8 to \$26,518.35.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign Amendment #2 for Work Order #8 with Mead & Hunt for Miscellaneous Engineering, for \$6,518.35. Motion passed unanimously.

Mead & Hunt East GA Environmental- Mr. Faley presented, Mead & Hunt submitted a proposal for Environmental Services for the Documented Categorical Exclusion for the East General Aviation Apron Project. This project is scheduled to be one of the 2023 BIL AIP projects and is the standard FAA 90%-10% reimbursement. The FAA has reviewed Mead & Hunt's Scope of Work and fees and has approved them and found them to be eligible for Federal funding through the AIP Grant. Mead & Hunt's proposed fee for Environmental Services is \$68,785. The Port will initially front the cost for this work but will be reimbursed 90% of the cost when the BIL AIP Grant is issued next year. The reason for starting this work prior to the grant being issued is because this work must be completed prior to the design work. The final out of pocket cost to the Port for this project will be \$6,878.50.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign the East GA Apron Documented Categorical Exclusion Agreement with Mead & Hunt, for the lump sum amount of \$68,785.00. Motion passed unanimously.

Airport Landscaping- Mr. Taft presented the changes of scope for Phase 2 of the Airport Landscaping project. The additional scope will cover the following: main irrigation line replacement, including the additions of the line to project drawings, security cameras, Phase 1 landscaping issue fixes and changes, and project construction administration. The total fees for Phase 2 landscaping project as proposed by MacKay & Sposito is \$24,420.75.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to sign an agreement with MacKay & Sposito for the Landscaping Phase 2 Project in the amount of \$24,420.75. Motion passed unanimously.

Bid Award of Warehouse 2 Bay 2 and 3 Office Project- Ms. Reyna presented, bids were received by 10:00 am (PST) on December 13th, 2022, for the Big Pasco Industrial Center WH2B2 Office Project, and were opened in accordance with the Contract Documents. Two bids were received, with Vincent Brothers LLP of Pasco as the apparent low bidder, however the \$533.73/sf was a much higher than expected amount for a 495-sf office space for inside a warehouse bay. The Port would also have to bring sewer and water to the two bays in addition to the bid amount. Staff recommended to re-bid the project at a later date and/or look into alternative solutions for meeting the warehouse needs.

Commissioner Ryckman moved and Commissioner Gordon seconded to reject all projects bids and the project not be awarded. Motion passed unanimously.

BNSF Industry Track Agreements- Mr. McFadden presented, in order to establish rail service for the Reimann Industrial Center, the Port must enter into an Industrial Track Agreement with BNSF Railway. Also required is a Lease of Land for Construction/Rehabilitation of Track, due to the location of the Last Mile Rail Project's within the BNSF Right of Way. The Lease of Land agreement establishes that the Port would pay an annual Base Rent of \$500, with a minimum annual escalation of 3%. The affordable lease rate will remain in place if the Darigold project ships a minimum of 400 rail cars a year (Minimum Volume Commitment). According to Darigold, the company plans to move 800 to 1,200 rail cars a year. The Port attorney is reviewing the documents and the Port may seek changes in the contract language and timelines.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the BNSF Railway Industry Track Agreement and Lease of Land for Construction/Rehabilitation of Track for the Reimann Phase 1 project. The Executive Director shall also be authorized to make minor changes to the agreement, with approval by the Port attorney, as may be necessary to finalize the agreement. Motion passed unanimously.

Mr. Hayden complimented Mr. McFadden's work on this project.

Project Glacier Update- Mr. McFadden presented, Port staff and Project Glacier representatives have continued negotiations on the terms of a Letter of Intent for the purchase of land at the Reimann Industrial Center. Staff would like to discuss minimum sale price in Executive Session.

After Executive Session the Commission made the following motion:

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute a Letter of Intent with Project Glacier for the purchase of land at the Reimann Industrial Center at the price of \$100,000 per acre. The Executive Director shall also be authorized to make minor changes to the agreement, with approval by the Port attorney, as may be necessary to finalize the agreement. Motion passed unanimously.

Administrative Salary Range Matrix- Ms. French presented the Administrative Salary Range Matrix, which included an increase between 5.5 and 6% in the upper range, and 4.6% in the lower range, for all non-union employment positions.

Position	Minimum	Maximum
Airport Director	118,500	192,500
Director of Economic Development and Marketing	102,500	158,800
Director of Properties	102,500	158,800
Airports Deputy Director	96,200	143,500
Police Chief/Terminal Manager	76,800	124,000
Maintenance Manager	76,800	113,800
Facilities Engineer	71,800	107,000
Executive Staff Assistant & Human Resources	69,000	95,900

Business Manager	62,200	91,000
Senior Accountant	62,200	90,600
Law Enforcement Officer	60,000	86,800
Staff Accountant	53,300	75,200
Admin Assistant/Property Leasing Associate	53,300	74,900
Administrative Assistant/Receptionist	46,800	67,800

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the 2023 salary ranges for the Port of Pasco administration and management positions, effective January 1, 2023-December 31, 2023, and confirm the authority of the Executive Director to make salary adjustments for administration and management personnel within the salary ranges as listed. Furthermore, Commissioners confirm they retain salary action authority for the Executive Director and Finance Director/Auditor. Motion passed unanimously.

Executive Director and Finance Director/Auditor Performance Evaluation- Performance evaluations for the Executive Director and Finance Director/Auditor were conducted in Executive Session.

After Executive Session the Commission made the following motions:

Commissioner Ryckman moved and Commissioner Klindworth seconded for the outstanding deferred compensation amounts for 2021 and 2022 to be paid out to the Executive Director in full on 12/31/2022. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Klindworth seconded to increase the Executive Director’s salary to \$218,596 for 2023, with a \$20,000 bonus to be paid on December 31, 2023 under the condition that the Executive Director continues employment with the Port of Pasco for the full calendar year of 2023. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Klindworth seconded to increase the Finance Director/Auditor’s salary to \$165,000 for 2023. Motion passed unanimously.

RIC Granite Utility Easement- Mr. McFadden presented, a portion of the waterline project to serve the Reimann Industrial Center and Darigold requires a new utility easement and temporary construction easement on the east side of Granite Construction’s property. The Port will commence construction of the waterline project in December and will need these easements to be in place in the early spring of 2023 before it can start work along the Granite property. Based on an appraisal, the Port had offered Granite \$29,000 for the easements. Granite Construction countered with the following: 1) \$90,000 for the 1.262 acres in the permanent easement, 2) \$10,000 for the 27,586 square feet in the temporary construction easement, 3) 3,700 lineal feet of six-foot cyclone fence to be located on the West side of the easement to reduce risk of trespassing, 4) No future latecomer’s fees from the Port of Pasco if Granite ever decided to connect to the municipal waterline. In spite of the cost, staff feels it will be necessary to accept Granite’s counter of \$100,000. The Port is considering fencing alternatives and will not seek cost recovery via latecomer’s agreement.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve payment of \$100,00 to Granite Construction for a permanent utility easement and a temporary construction easement, and authorize the Executive Director to execute the agreement with minor changes following review by the Port attorney. Motion passed unanimously.

ITEMS FOR DISCUSSION

October Financials- Ms. Watts presented the October Financials for discussion.

Tenant Delinquent List- Ms. Watts presented the Tenant Delinquent List for discussion.

MOA with CTUIR- Mr. Hayden presented the draft Memorandum of Agreement (MOA) between the Port of Pasco and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). The MOA is being prepared in conjunction with possible federal legislation to reconvey Columbia River shoreline at the Wharf and other locations from the US Army Corps of Engineers to local jurisdictions. While the MOA does introduce additional obligations to the CTUIR by the Port, they are fashioned to be more workable and timelier than obligations currently imposed by the Corps of Engineers. Commission feedback on the draft was requested, and staff and Commission discussed the MOA. Mr. Hayden noted that the Yakamas have also been invited to the discussions and have participated in one meeting, but since then have not responded to meeting invites.

Solgen Power Update- Mr. McFadden discussed the delays in progress with Solgen's lease at the Airport for the Committed Private Partner project. The Port has secured an increase for the CERB loan/grant amount for the total of \$5 million, which was initially \$2.9 million. Commission and staff discussed the delays, potential lease, and project. Staff requested to discuss minimum lease price in Executive Session.

CBC Advertising- Mr. Taft discussed potential advertising opportunities for the Tri-Cities Airport at the new Columbia Basin College (CBC) athletic facility. Staff views this as a good opportunity to grow the Airport's local advertising footprint and would like to work with CBC to create an advertising plan for the complex with a not to exceed amount of \$4,000. The Commission expressed their support of the idea.

LEO Training Grant- Mr. Gilk discussed the Washington Association of Sheriffs and Police Chiefs Grant. The Port of Pasco Police Department was awarded \$10,000, and the funds are designated by the grant for training on: Use of Force- HB 1310, HB 1735, and HB 2037, and Duty to Intervene- SB 5066.

Farm 2005 Parcel Discussion- Mr. Taft presented, Mr. Kidwell with Farm 2005 LLC has approached the Port with two items for consideration, first, the potential for the Port to compensate Farm 2005 LLC for their inability to site housing on 31 acres near the airport, or the possibility of using the land for a park. Second, the support of the Port in an extension of Burns Road from Road 52 to Glade Road. The Port has already declined the request for compensation for the property earlier in 2022, but the land may be compatible with use for a park. Staff also believes that the road extension may be compatible with FAA requirements, which are pending review. Staff requested to discuss potential litigation in Executive Session.

Director Reports:

1. Executive Director
 - a. Mr. Hayden thanked the Commission for allowing him to participate in the PNWA trip to Washington DC, noting that he had the chance to reinforce our request for the Reimann Last Mile rail funding and introduce relocation of the PSC air tower to Sen. Cantwell's staff.
 - b. Mr. Hayden noted that Kirt Schaffer is continuing his search for property for the Port and will join the next Commission Meeting to provide an update.
 - c. Mr. Hayden participated in an IPNG call on the hydro power status, noting major concerns with the bias in mediation towards dam breaching.
2. Airport Director
 - a. Mr. Taft noted that over the Thanksgiving holiday, the Airport had to close the long-term parking lot as it was at capacity for the first time in airport history.
3. Airport Deputy Director
 - a. Mr. Taft noted that it has been an active weather month so far.
4. Finance Director
 - a. Ms. Watts noted that she attended the AAE CIP Workshop.
 - b. Ms. Watts also noted that she is working on implementing GASB 87.
5. Director of Economic Development and Marketing
 - a. Mr. McFadden noted that he attended the WPPA Annual Conference, thanking the Commission for the opportunity, and that Darigold CEO Joe Coote spoke at the conference, highlighting Darigold's work with the Port of Pasco on the Reimann Industrial Center.
 - b. Mr. McFadden provided the EDM Report.
6. Director of Properties
 - a. Ms. Reyna provided the Properties Activity Report, noting the potential to implement building assessment.
 - b. Ms. Reyna noted a request to discuss potential litigation in Executive Session regarding properties.

Commissioner Reports:

Commissioner Klindworth noted that he attended the Pasco Chamber Spotlight on Non-Profits Luncheon. Commissioner Klindworth also asked if the Port was planning on placing permanent signage at the Reimann Industrial Center to memorialize its name.

Commissioner Ryckman noted that she attended the WPPA Annual Conference, and that the mood seemed to be more positive, noting the hiring of Eric ffitich as the new Executive Director.

Commissioner Gordon noted her attendance at the Columbia Basin Development League Conference and the changes in board members.

ITEMS FOR INFORMATION

EMI Rail and Land Lease- EMI is moving 100,000 gallons of non-hazardous mineral oil from a decommissioned power plant. They are loading their truck with oil and will decant into two private tanker railcars. EMI is leasing .10 acres of land and 160 linear feet of rail on Track 401 at BPIC for 2-3

months with a lease value of \$501.60 per month. The lease has been signed by the Executive Director in accordance with Commission delegated authority.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

Commissioner Gordon recessed the meeting at 11:56 a.m. until 12:20 p.m. for lunch. The meeting was resumed at 12:20 p.m.

EXECUTIVE SESSION

At 1:38 p.m., Commissioner Gordon announced that Commission would go into Executive Session until 2:30 p.m. to discuss two items for minimum sale price, one item for minimum lease price, two items for potential litigation involving the agency, and to review performance of two public employees. At 2:30 p.m., Executive Session was extended until 2:50 p.m. At 2:50 p.m., Executive Session was extended until 3:00 p.m. At 3:00 p.m., Executive Session was extended until 3:10 p.m. At 3:10 p.m., Executive Session was extended until 3:15 p.m. At 3:15 p.m., Executive Session was extended until 3:25 p.m. At 3:25 p.m., Executive Session was extended until 3:35. At 3:35 p.m., the Regular Session was reconvened.

ADJOURNMENT

The meeting was adjourned at 3:38 p.m.

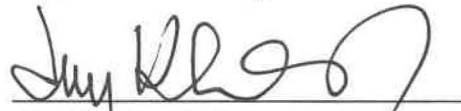
Port of Pasco Commission:



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary