

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
*Held at Port of Pasco, 1110 Osprey Pointe Blvd, Suite 201, Pasco, WA 99301*  
*July 25, 2019 | 10:30 a.m.*

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**CALL TO ORDER**

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Commissioner Ryckman called the meeting to order at 10:30 a.m.

**Present:** Commissioner Jean Ryckman, Commissioner Klindworth, Commissioner Vicki Gordon, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Economic Development Gary Ballew, Director of Properties Mayra Reyna, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, and Executive Assistant Vicky Keller

**Excused:** Director of Airports Buck Taft, Administrative Assistant Audrey Burney

**Guests:** Paul Harmson – MacKay Sposito

**APPROVAL OF AGENDA**

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Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda as presented. Motion carried unanimously.

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of June 24, 2019.
- b) Vouchers and Warrants #92349 - #92474 in the amount of \$1,361,426.99
- c) Building 323 HVAC Replacement – Accept as complete

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the consent agenda as presented. Motion carried unanimously.

**ITEMS FOR DISCUSSION**

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**BPIC Road Project** – Mr. Harmson, MacKay Sposito, presented and discussed the Big Pasco Road and Stormwater Project construction schedule and the tenant outreach communication plan to disseminate project information to Port tenants. In response to Commissioner Klindworth's inquiry regarding removal or paving over rail, staff stated that certain rail may be paved over as part of this project, but that rail removal/improvements are not included, but that future rail work will be conducted under a separate project at a later date.

**ITEMS FOR ACTION/CONSIDERATION**

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**Argent Road Right-of-Way** – Mr. Faley reported the FAA granted the Airports request to release 2.67 acres of land to the City of Pasco for the Argent Road Improvement Project. Commissioner Ryckman moved and Commissioner Gordon seconded to approve the surplus and release of 2.67 acres of land located in the Airport Business Center for use in the expansion of Argent Road to the City of Pasco. Motion carried unanimously. Preservation of an avigation easement will be included in the legal instrument prepared for the right-of-way release.

**Kenyon Zero Purchase and Sales Agreement** – Mrs. Reyna informed Commissioners that the Port Attorney has prepared the Purchase and Sales Agreement for Kenyon Zero Storage to buy 21.15 acres of property at the sale price of \$1.25 per sq. foot at the Foster Wells Business Park. Commissioners were comfortable with the presented agreement and staff will forward to Kenyon Zero for their review and comment.

## **RESOLUTIONS**

1509, City of Pasco Argent Road Interlocal Agreement – Based upon the previous discussion of the City of Pasco Argent Road Improvement Project, Commissioner Ryckman moved and Commissioner Gordon seconded to approve Resolution 1509, supporting an interlocal agreement between the City of Pasco and Port of Pasco for funding of the Argent Road Project. Motion carried unanimously.

1510 – Based upon the previous discussion of the purchase and sales agreement for Kenyon Zero, Commissioner Gordon moved and Commissioner Ryckman seconded to approve Resolution 1510 declaring Property as Surplus and Authorizing a Land Sale at the Foster Wells Business Park to Kenyon Zero, and authorized the Executive Director to execute the final agreement to Purchase and Sell Real Estate after review and approval of the Port Attorney. Motion carried unanimously.

## **RECESS**

At 11:45 a.m., Commissioner Ryckman recessed the meeting until 1:15 p.m. to attend the Big Pasco Tenant Appreciation BBQ. At 1:15 p.m. the meeting was reconvened.

## **ITEMS FOR ACTION/CONSIDERATION (cont.)**

Personnel Policy #420 Compensation Non-Exempt, Non-Union – In accordance with the Fair Labor Standards Act, the Port pays non-exempt, non-union employees overtime at the rate of 1-1/2 times their regular pay for hours worked over 40 hours in a normal workweek. These same employees, upon supervisor approval, may convert and use up to an annual limit of 40 hours of overtime pay as compensatory time. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Personnel Policy #420, Compensation, Non-Exempt, Non-Union. Motion carried unanimously.

Airport Artist Request – Mr. Faley reported that an artist currently displaying artwork in the Airport Terminal has sold two pieces of artwork and has requested to replenish the artwork with similar artwork. Commissioner Gordon moved and Commissioner Klindworth seconded to allow Mr. Kimura to remove two of his art pieces currently on display at the Airport and replace them with two of following suggested art pieces: "Cornucopia," "Hexa Sunrise," "Suzy's Light Gray Blues." Motion carried unanimously.

Battelle Change Order – Mr. Faley stated that Battelle required an upgrade to the water pressure fire suppression system to a foam fire system requiring a change order to the original contract. Mr. Faley reported that inclusion of this change order increased the project contact amount to \$3,189,176.20. Battelle is expected to pay for the increase as part of their tenant improvement contribution. Commissioner Klindworth moved and Commissioner Gordon seconded to ratify the authority of the Executive Director to sign Change Order #3 in the amount of \$143,866.76 (incl. W.S.S.T.). Motion carried unanimously.

Cascade Natural Gas Easement Airport Industrial Park – Mrs. Reyna informed Commission that Gauntt Northwest LLC has requested an easement to install a second larger natural gas pipe to service their industrial flex buildings at the Tri-Cities Airport Industrial Park. Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Port of Pasco Executive Director to execute a ten-foot wide easement with Cascade Natural Gas to install a gas line across 3406 Stearman Avenue in the Tri-Cities Airport Industrial Park. Motion carried unanimously.

### ITEMS FOR ACTION/CONSIDERATION (cont.)

HTG Trucking – Mrs. Reyna informed Commissioners that the owners of HTG Trucking, a Port of Pasco tenant, recently plead guilty to fraud and are awaiting sentencing. It is believed that another family member is assuming the operation of the company. HTG Trucking is a month-to-month lease and was recently issued a pay/vacate letter, but has since paid their arrears and are current. After further discussion, Commissioner Klindworth moved and Commissioner Gordon seconded to discontinue the month-to-month lease with HTG Trucking, LLC. Motion carried unanimously.

### ITEMS FOR DISCUSSION (Cont.)

May 2019 Financial Statement – Mrs. Watts presented and discussed the financial statement with Commissioners.

Tenant Delinquent List – Mrs. Watts presented and discussed the July tenant delinquent list.

Wharf Assessment – Mr. Ballew stated that KPFF completed the under-water and above water inspection of the wharf at the Marine Terminal. Mr. Ballew presented the results of the inspection. The next step is to perform a high-level alternative analysis based on KPFF's observation report and their expertise, identifying external use factors for the wharf and identifying the Port's desired vision for the wharf.

Bradley's Towing - Is expanding their operations and is seeking to lease land at Big Pasco for storage of vehicles. Mrs. Reyna displayed a map of current available land at the Port, and upon review and discussion of the Port's land assets, Commissioner Ryckman moved and Commissioner Klindworth seconded to maintain the current available vacant land for higher and better uses. Motion carried unanimously.

### Director Reports:

1. Executive Director
  - a. At today's BBQ, Jeff Abersfeller, Lampson, offered to purchase the Manitowoc Crane for \$75,000. Commissioners asked Randy to contact Mr. Abersfeller and accept the offer.
  - b. The sellers of the Road 68 water rights have signed the sale agreement and have sent the agreement to Dan Hultgrenn for his review prior to Port acceptance.
  - c. Darryll Olson has research the water rights that accompany the 300-acre property being considered by the Port to purchase and has determined they are fully certificated and available. Mr. Olson indicated that a future determination of the water rights will likely declare them as Bureau of Reclamation water and the Port would be held to the BOR requirements for water usage, including annual maintenance fees.
2. Port Attorney
  - a. Presented and explained the parameters of the Voting Rights Act of 2018.
3. Economic Development and Marketing Director
  - a. Provided an update on the various marketing outreach being done supporting the LAX flight as part of the SCASD grant.
  - b. Provided an update on the due diligence checklist for the purchase of 300 acres of property for the development of a new industrial park.
4. Deputy Airport Director
  - a. Statement of Qualifications are being accepted for the 5-year Architecture and Engineering Design work at the Tri-Cities Airport.

- b. The Airport Director signed an agreement with JUB in the amount of \$39,668 for the procurement of snow removal equipment for the current year AIP project. Mr. Taft reached out to other firms and determined the JUB fee was reasonable.
  - c. June enplanements are up 12% and year to date is up 14%.
  - d. Punchlist items are being completed on the Business Park Road Project.
- 5. Finance Director
  - a. The State Auditor will be at the Port of Pasco on Monday, July 29<sup>th</sup>
  - b. Ariel Leahy has been hired as the new Staff Accountant. She starts employment on August 5<sup>th</sup>.
- 6. Director of Properties
  - a. The Northwest Marine Terminal Association Conference was held at the Port office. The organizers were impressed with the facilities and the location of the conference.
  - b. Port maintenance crew is removing vegetation on Port owned property at the base of the Cable Bridge to discourage homeless camping.
  - c. The Scoular Company is interested in negotiating with the Port for an equitable buy out of their current lease in Osprey Pointe.

#### **Commissioners Reports:**

- 1. Commissioner Ryckman stated that the Ports of Chelan and Douglas are forming a functional consolidation Port. The board will be comprised of all current Commissioners serving each Port.
- 2. Commissioner Ryckman will participate in the selection process to find the next Chief of Police for the City of Pasco.

#### **ITEMS FOR INFORMATION/NO DISCUSSION**

**Executed Items:** The Executive Director has signed the following agreement in accordance with the Port's Delegation of Authority Policy.

- 1. T-Hangar Tenant Scott Saltz – New month-to-month lease T-Hangar lease agreement for Building 1-69, #6 at the Tri-Cities Airport Industrial Park at the lease rate of \$203.24 per month. Lease effective July 1, 2019.
- 2. IEDS – Lease amendment that decreases their total square footage to 21,600 sq. ft. in Warehouse 2, Bay 1. The new month-to-month lease rate is \$10,634.98, which includes the 10% partial bay surcharge and became effective July 1, 2019

#### **EXECUTIVE SESSION**

At 3:27p.m., Commissioner Ryckman announced the board would go into executive session for twenty minutes to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is likely to become a party. At 3:49 p.m., the meeting was reconvened.

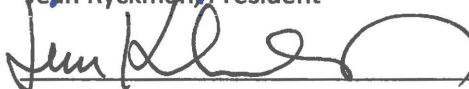
## **ADJOURNMENT**


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The meeting adjourned at 3:49 p.m.

Port of Pasco Commission:

  
Jean Ryckman, President

  
Jim Klindworth, Vice-President

  
Vicki Gordon, Secretary

