

**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  
November 15, 2022 | 10:30 a.m.

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**CALL TO ORDER**

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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, and Human Resources and Executive Staff Assistant Lori French.

**Guests:** Margaret Hue of Decide Locally, Ben Hoppe of JUB Engineering, Steven Bauman, Tom Kidwell, and Steve Horton.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of October 27, 2022.
- b) Vouchers and Warrants #98800-98896 in the amount of \$1,411,020.03 and Direct Deposits #22730-22770 in the amount of \$96,505.87.

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

**PUBLIC CITIZEN COMMENT**

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Ms. Hue of Decide Locally provided a presentation on the proposed wind farm by Scout Energy in the Horse Heaven Hills and potential impacts. Ms. Hue asked for the Commission to request a delay the upcoming hearing until after the SEPA report has been received. This request has been made to other local organizations and stakeholders as well.

Mr. Bauman and Mr. Kidwell commented on a proposed connection from Burns to Glade Road. Mr. Taft noted the Port has not been opposed to the idea, but the FAA requirements would have to be met.

Mr. Bauman also commented on the draft Rules and Regulations and Minimum Standards. Mr. Taft noted he is holding a meeting with General Aviation (GA) stakeholders on Wednesday the 16<sup>th</sup>, and that Mr. Bauman and GA members were invited to the meeting to give feedback/comments.

**PUBLIC HEARINGS AND RESOLUTIONS**

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**Resolution 1593- Changing the Date of the First December Commission Meeting-** Due to schedule conflicts and the December holidays, the First December Commission meeting will be held on Thursday,

December 15<sup>th</sup>, per Commission request. This will be the only regular meeting held in the month of December.

Commissioner Klindworth moved and Commissioner Ryckman seconded to change the date of the first regularly scheduled Commission Meeting to December 15<sup>th</sup> at 10:30 a.m. at the Port of Pasco, located at 1110 Osprey Pointe Blvd., Ste. 201, Pasco, WA. Motion passed unanimously.

#### **ITEMS FOR ACTION/CONSIDERATION**

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**BPIC and TCA Union Contracts-** Ms. French presented, Port management and union representatives reached an agreement on a new contract for the Big Pasco Industrial Center Maintenance and Guard Employees and the Tri-Cities Airport Maintenance and Operations Employees for the 2023-2028 contract years. Both groups voted to ratify their respective contracts on November 2<sup>nd</sup>. The contracts' major changes include:

- A 5.5% unburdened wage increase for the 2023 contract year and a one-time, non-proliferating wage incentive of \$2,000 for all full-time bargaining unit employees
- The timeline of the contract terms change to January 1- December 31
- The replacement of "Union Security" language to comply with the Supreme Court Janus ruling
- The insertion of existing MOAs and MOUs into the contract language
- The change from sick and vacation leave to PTO, which is in line with the Port's Personnel Policy 310
- The addition of Martin Luther King Jr. Day and Juneteenth as observed holidays and removal of the floating holiday
- The Airport's change in title for guards to "operations specialist" and subsequent contract name adjustment and contract details

Mr. Taft provided a brief overview of the change from "guards" to "operations specialists" that the Airport will undergo in the upcoming year.

Mr. Hayden noted that the negotiations went smoothly, and that Ms. French and Mr. Taft did an excellent job representing the Port.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the Big Pasco Industrial Center Maintenance and Guard and Tri-Cities Airport Maintenance and Operations Union Contracts. Motion passed unanimously.

**2023-2025 Capital Budget-** Ms. Watts presented the Capital Budget for consideration with discussion from Mr. Hayden, Mr. Taft, Mr. McFadden, Ms. Reyna, and the Commission.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the transfer of \$1,380,000 from the Passenger Facility Charge Fund to the Airport General Fund. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Klindworth seconded to set the Port Operating Reserve Fund at \$2,692,000 and the Airport Operating Reserve Fund at \$2,416,333 for the fiscal year 2022.

Commissioner Ryckman moved and Commissioner Klindworth seconded to transfer \$803,000 from the EDOF Fund to the General Fund to pay for the removal of the Cascade Natural Gas line at PIC395. Motion passed unanimously.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve to borrow 4 million dollars from the EDOF Fund to the General Fund for cash flowing RIC Phase 1 project and have the money returned when reimbursed by the Banner Bank Bond or when need of the funds arises. Motion passed unanimously.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the 2023-2025 Capital Budget as presented. Motion passed unanimously.

The Commissioners thanked Ms. Watts and staff for their work.

**HDR Engineering Agreement for Reimann Last Mile Rail-** Mr. McFadden presented, Phase 1A design of the Reimann Industrial Center is underway with the initial Professional Services Agreement with HDR Engineering having been approved by the Commission in April. Phase 1A will use a “short lead” access route to connect with the BNSF rail system for a short-term solution, however, BNSF is requiring a “long lead” that calls for an additional 6,100 feet of rail to be constructed by the Port, coming from South of the Reimann. The long lead must replace the short lead 12 months after Darigold starts to utilize rail service.

The new Professional Services Agreement with HDR for the engineering and design of the Reimann Last Mile Rail Project including task orders totals \$80,600.00. Task Orders include:

- Task #1 Contract/Task Management
- Task #2 Phase 1A Concept Planning and Design Coordination
- Task #3 Phase 1A 30%, 60%, 90% and 100% Design and Engineering

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the Professional Services Agreement for Reimann Industrial Center Last Mile Rail engineering and design project, for a not to exceed amount of \$80,600.00. The Executive Director shall also be authorized to make minor changes to the agreement, with approval by the Port Attorney, as may be needed to finalize the agreement. Motion passed unanimously.

**Project Glacier-** Mr. McFadden presented, Port staff is working with Project Glacier regarding the remaining 150 acres of the Reimann Industrial Center. Staff would like to discuss minimum sale price in Executive Session.

**Mead & Hunt Glycol Management Alternative Analysis Agreement-** Mr. Faley presented, currently the runoff from the Aircraft Deicing Pad is discharged to the City of Pasco’s Sanitary Sewer System. In the last few years, the City has reported that the glycol discharge has had a negative effect on their sewer treatment plant due to high Biological Oxygen Demand (BOD). Staff has met with the City and have come to a mutual agreement that there is a need to remove the aircraft deicing pad discharge from the City’s sanitary system. Staff contacted Mead & Hunt as they have worked on similar issues at other

airports. Mead & Hunt has proposed a fee of \$47,484.75 to assist the airport with determining alternate methods of disposing of the airport's aircraft deicing pad runoff. This professional services agreement is Mead & Hunt Work Order #13, Glycol Management Alternative Analysis.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to sign Work Order #13 with Mead & Hunt for the Glycol Management Alternative Analysis, for the lump sum amount of \$47,484.75. Motion passed unanimously.

**Taxiway G Design Amendment #2-** Mr. Faley presented, due to the upcoming construction of Taxiway G the airport is required to relocate the Primary Airport Control Station (PACS) as the current one is located in the construction area. The PACS is used as a survey control point for the design and construction of projects on the airport. During the investigation of the relocation, it was found that the two Secondary Airport Control Stations (SACS) were destroyed during previous projects. The Port is working with Mead & Hunt to re-establish the PACS and SACS under the AIP 49 project, Taxiway G Design. The cost of the relocation of the PACS and re-establishment of the SACS are allowable under the AIP program. The initial cost of the Taxiway G Design project, Mead & Hunt Work Order #5, was \$652,081.02. The previously approved amendment #1 for the relocation of the PACS was for \$23,200.00 and for the additional scope of work to re-establish the SACS in amendment #2 will be an additional \$5,700.00, with the total amount being \$680,981.02. The Port share of the total cost will be 10% and the FAA cost will be 90%, under the AIP 49 grant.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign Amendment #2 for Mead & Hunt Work Order #5 for the re-establishment of the two Secondary Airport Control Stations, under the AIP 49 Grant. Motion passed unanimously.

**Power City/Big D's Construction-** Ms. Reyna presented, Power City has had a lease for an office, shop, and 2 fenced areas since 1997, but has requested to be released from the land portion of their lease which is renewed annually in April. Staff informed them a partial release would not be possible due to impacts on marketability. Big D's would like to take over the whole lease and sublease the office portion back to Power City. This would benefit the Port as the lease would have updated language & insurance requirements. It would also bring the rents up to current published rates and would allow Big D's to expand business and accommodate Power City's plan to phase out for their relocation to Spokane. Staff provided a potential motion below for Commissioner consideration. The lease value is \$233,304.00 for the 5-year term of the lease.

Commissioner Klindworth moved and Commissioner Ryckman seconded to release Power City from their current lease for Bldg. A35, and two fenced lots in the Tri-Cities Airport Industrial Park, contingent upon Big D's Construction signing a new term lease for the same space and allowing Power City to sublease from Big D's Construction. Motion passed unanimously.

**RIC Pipe Procurement Change Order-** Mr. McFadden presented, per Commission approval, the Port called for bids during the summer for the procurement of the pipe and materials needed for the Reimann Industrial Center water line project. The Port has been working with JUB to review the list of materials requested by the selected contractor, Premier Excavation. As the project engineering and

design effort was 80% complete at the time of the bid, there have been additional necessary materials identified, as well as associated costs with City requests, unforeseen issues, and an increase in costs of some of the materials provided by Ferguson Waterworks. This has led to an increase in costs of \$120,529.15 for the Reimann Phase 1 water line project.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the Change Order/Purchase Agreement Amendment with Ferguson Waterworks for the Reimann Phase 1 water line project, not-to-exceed amount of \$120,529.15. Motion passed unanimously.

**Attorney Billing Rate-** Mr. Hayden presented, Port Attorney Heidi Ellerd has requested and increase in hourly billing rates from \$172/hr. to \$200/hr. effective January 1, 2023. This increase is roughly the same as the increase in CPI over the last 3 years. The monthly retainer fee remains the same at \$2,775/mo. Mr. Hayden also noted that the \$200/hr. rate is significantly less than the standard KHKSE rate of \$375/hr. charged for the firm's senior attorneys, and that the quality of work and responsiveness of KHKSE continues to be excellent.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve an increase in the billing rate for Kuffel, Hultgrenn, Klashke, Shea & Ellerd, LLP to \$200/hr. Motion passed unanimously.

#### **ITEMS FOR DISCUSSION**

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

**Airline Rates and Charges-** Mr. Taft introduced Mr. Horton and the 2023 Airline Rates and Charges, noting that staff and Mr. Horton would like to discuss the item in Executive Session under minimum lease price.

**WPPA Dues-** Mr. Hayden presented the 2023 WPPA Dues decrease for the Port of Pasco. While WPPA will be requesting an increase in their annual budget, the Port will receive a decrease from the 2022 dues of \$24,653 to \$22,897 in 2023.

**A-1 Hospitality-** Mr. McFadden discussed A-1's interest in a new hotel project at the Tri-Cities Airport. They have submitted a Letter of Intent to the Port and staff has conducted an initial meeting with A-1 to discuss the terms of the LOI. Mr. McFadden requested to discuss minimum lease price in executive Session.

#### **Director Reports:**

1. Executive Director
  - a. Mr. Hayden noted that the City has formally approved establishment of a TIF district at Broadmoor.
2. Airport Director
  - a. Mr. Taft discussed the Minimum Standards/Rules and Regs that have been provided to the Commission and the GA community for review.

3. Human Resources
  - a. Ms. French noted that the new AWC employee insurance enrollment seems to be going smoothly.
4. Finance Director
  - a. Ms. Watts noted that the Accountability Audit has concluded.
5. Director of Economic Development and Marketing
  - a. Mr. McFadden provided the EDM Report.
  - b. Mr. McFadden noted that the Port has requested an increase on CERB funding for the Tri-Cities Airport Committed Private Partner Project.
6. Director of Properties
  - a. Ms. Reyna provided the Properties Activity Report, noting that the Port and Airport lease spaces continue to be full.

**Commissioner Reports:**

Commissioner Gordon noted she will be attending the Columbia Basin Development League Annual Meeting on the 17<sup>th</sup>.

**ITEMS FOR INFORMATION**

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**Worsham Farm Lease Termination-** Port staff provided a letter of early termination of the Farm Lease between the Port of Pasco and Worsham Farms, LLC on November 4<sup>th</sup>, 2022. The termination of the lease took effect immediately and the Port expressed that neither party owed monetary compensation to the other as a result of the early termination.

**Lamb Weston Rate Amendment-** The lease with Lamb Weston that became effective on January 1, 2018, held a clause which indicated the rental rate for processed water application and the farm lease would be subject to a rate increase after the lease had run for the first 5 years. The new rates will be effective January 1, 2023: processed water \$56,580, and farm lease \$136,200 for a total of \$192,780. A lease amendment was updated with the new rate information and the Port's change of address and was executed by the Executive Director.

**CALENDAR OF EVENTS**

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Commissioners and staff discussed the calendar of events.

**RECESS**

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Commissioner Gordon recessed the meeting at 12:00 p.m. until 12:10 p.m. for lunch. The meeting was resumed at 12:10 p.m.

**EXECUTIVE SESSION**

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At 12:11 p.m., Commissioner Gordon announced that Commission would go into Executive Session for 30 minutes until 12:41 p.m. to discuss minimum lease price. The regular meeting was resumed at 12:41.

At 2:04 p.m., Commissioner Gordon announced that Commission would go into Executive Session for 31 minutes, to discuss two items for minimum lease price, and to review the performance of a public employee. The regular meeting was resumed at 2:35 p.m.

**ADJOURNMENT**

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The meeting was adjourned at 2:47 p.m.

Port of Pasco Commission:



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary