

**PORT OF BENTON
COMMISSION MEETING MINUTES
July 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, Executive Director, Diahann Howard, PPM®; Port Attorney, David Billetdeaux; Director of Real Estate, Teresa Hancock; 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 Finance, Jeff Lubeck; Senior Accountant, Veronica Serna; Roger Wright, RGW Enterprises; Scott Keller, Community Member; Steve Zetz, Community Member; Ron Morris, Digital Image; David Rodriguez, EnoDav Winery; Francisco Gamez, EnoDav Winery; Rachel Evans, Community Member;

The following attendees attended via remote communications: Commissioner Roy D. Keck; Contract Specialist, Sheri Collins; Sara Schilling, Tri-Cities Area Journal of Business; Roger Wright, RGW Enterprises; Bryan Condon, Century West Engineering; Mayor Pro Tem Theresa Richardson, City of Richland; Randy Slovic, Community Member; Wendy Culverwell, Tri-City Herald

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Commission President Christy Rasmussen led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the agenda for the July 12, 2023 Commission meeting, approval of minutes from the June 14 ,2023 Commission meeting, approval of minutes from the June 27, 2023 Special Joint Workshop, approval of minutes from the June 29, 2023 Special meeting, approval of vouchers and certifications, including payroll, for the month of June totaling \$624,346.86, approval of project vouchers and certifications for the month of June totaling \$93,775.31.

D. PUBLIC COMMENT:

Community member, Steve Zetz approached the Commission and explained that in March Mustang Signs referred him to Anthem Wraps for a custom car wrap. Zetz explained that he met with the owner of Anthem Wraps, Daniel Crouchet to discuss a custom wrap and Crouchet asked for money up front and promised an April – June timeframe on the project.

Zetz further explained that Crouchet ultimately disappeared without providing any of the promised product along with the entire deposit, after multiple delays to when the project would be completed.

Zetz stated that he began looking into Crouchet's business and soon discovered that Crouchet did not have an active business license or bond. Zetz added that while researching Crouchet, he connected with several additional victims that had also been scammed by Crouchet.

Zetz added that Crouchet's actions are deceitful, where money was collected and nothing is delivered in return, which is considered a scam. Zetz added that criminal thieves have no conscience, are greedy and lazy, devoid of morals and conscience.

Zetz stated that the building Crouchet's business was located in was housed in Commissioner Keck's building and sits on Port of Benton property. Zetz clarified that Commissioner Keck is acting as a private citizen regarding his building on Port property. Zetz stated that there is currently no law requiring that a tenant obtain a copy of their lessee's business license.

Zetz noted that the purpose of his visit is not to rage or beat up on anyone, but to move forward and ask the Port for change. Zetz explained that he hopes the Port can move forward with an updated policy that all leases require regular monitoring of business licenses for any tenant or sub-tenant located on Port property.

Zetz added that the Port does amazing things for the community and has an amazing staff and only ask that the Port consider updating the policy on all lease agreements.

E. PUBLIC HEARING

Commission President Christy Rasmussen opened the public hearing at 8:43 a.m.

1. For the Purpose of Receiving Public Comment Concerning Declaring Property Located in Vintners Village Phase II, Prosser to the Future Needs of the Port and the Advisability of Selling Real Property and Improvements Owned by the Port

Director of Real Estate Teresa Hancock announced that a resolution approved by Port Commission in 2010 (RES 10-04) labeled the area noted in Vintners Village Phase, II in Prosser as an Industrial Development District (IDD).

Hancock explained that Resolution 23-21 will remove the IDD designation from the area and allow for future sale and property surplus and therefore, amend the Port's Comprehensive Plan of Improvements for real property determined no longer needed for Port purposes.

Hancock added that the sale of the property will further support and enhance the Port's economic development mission by facilitating the development and utilization of the property through the investment of private capital and also allow for the Port to pursue further economic development opportunities within the district.

Commissioner Christy Rasmussen asked if there was any public comment concerning this item.

Commission President Christy Rasmussen closed the public hearing at 8:45 a.m.

F. ITEMS OF BUSINESS

1. Resolution 23-21, A Resolution to Surplus Real Property at Vintners Village Phase II, Prosser

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-21, to surplus real property at Vintners Village Phase II, Prosser.

2. Resolution 23-22, A Resolution to Authorize a Sale of Real Property at Vintners Village Phase II, Prosser

Director of Real Estate Teresa Hancock explained that initial meetings related to this property were initiated in 2021 by a family-owned and operated business, Enodav Wine Company. Hancock added that the property is interested in three separate parcels/2.05 acres and highlighted the property on a map, which is located directly south of Yellow Rose Nursery.

Hancock noted that the purchaser (Enodav Wine Company) has offered to purchase the property for a sum of \$138,476.

Hancock stated that Port staff and the attorney have reviewed a proposed purchase and sale agreement, which includes a development plan with a wine tasting area and production space.

Hancock added that the purchaser likes the synergy of the location, which is across from the Wine Loft.

David Rodriguez, Enodav Wine Company thanked the Commission for the opportunity, stating that Enodav started in 2018 with a dream and making a little wine.

Rodriguez stated that the company grew from making 50 cases a year to 3,000 cases and are currently growing at a fast pace.

Rodriguez explained that Enodav operates on three pillars:

1. Environmental – Taking measures in wine-making that are environmentally sounds
2. Human Resources – Started small with plans for growth and future full time employees.
3. Sustain business, manage risk and grow to 10k cases within 10 years.

Commissioner Lori Stevens asked if production would take place on site, which Rodriguez confirmed was the plan.

Commissioner Christy Rasmussen added that it was exciting to support a small business that is growing into a large business.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 23-22, authorizing a sale of real property at Vintners Village Phase II, Prosser.

3. Resolution 23-23, Final Acceptance White Bluffs Archive and Storage Facility – Booth and Sons Construction

Engineer Roger Wright announced that construction on the White Bluffs Archive and Storage facility is down to a few warranty items. Wright stated that a certificate of occupancy was received and the Port turned over the facility to Washington State University and the move in process has officially begun.

Wright added that there was administrative work to be completed and turned in with the state, but otherwise the project is complete.

Wright noted that due to the supply chain issues, the project took longer than anticipated.

Commissioner Rasmussen stated that the A/C was appreciated in the facility last Thursday for the Robert L. Ferguson community tribute event and it is a gorgeous building.

Commissioner Lori Stevens added that it was a beautiful facility.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-23, final acceptance of White Bluffs Storage and Archive Facility, Booth and Sons Construction

G. INFORMATION REPORTS

1. Grants Update

Executive Director Diahann Howard pointed out that the grants report was included in the meeting packet and highlighted the following:

Item 17 – State capital request towards \$1.2M for “White Bluffs Rail” to support remaining crossings, ties, panels and rail was approved and the port was now waiting on state funding requirements and the contract. The port is awaiting notice of the \$8M requested to federal CRISI that is also for the rail.

Unlisted Project – There is continued discussion regarding tech hubs that are developing as a WA, OR and ID application that include the Port/VERTical. There is an EV charging project that is in the proposal stage that is projected to be sited within Vintners Village Phase II and partnered with OCOchem. Discussions with Prosser Economic Development Association, city of Prosser, Benton REA, OCOchem and the Port have taken place and the Port has offered a location near the Vintners development building. The project will bring battery charging stations to Vintners Village and also provide backup power to Benton REA.

Commissioner Rasmussen noted that she read about the project in the recent Prosser City Manager report.

2. Rail Projects Update

Engineer Roger Wright provided an update on current rail projects, reviewing the Port facilities and equipment, which are currently all operational, including six rail maintenance-of-way cars that Columbia Rail has operating.

Wright reminded that Columbia Rail, aka CWW, LLC, took over operations February 1, 2023. Wright added that to date, Columbia Rail has replaced approximately 100 ties, repaired several switches, replaced approximately 30 joint bars and has cleaned up and tuned up all nine at-grade crossing signal cabinets. Wright added that the Port team has not had an after-hours signal callout in a few months.

Wright added that Columbia Rail has assisted two current customers in improving their rail operations and is currently working with two new customers for additional business in the Port’s rail yard, adding that Columbia Rail is overall performing well above expectations.

Wright provided an overview of current projects:

2021 Derailment Damage Repair Project

2022 Van Giesen and Cemetery Crossings

December 2022 Derailment Repair

Wright noted that work has been completed on all three of these projects but waiting on final payment approvals.

SR 240 Railroad Signal Accident Repair – Temporary repairs have been made. Waiting on new materials to arrive to make final repairs.

SR 240 Railroad Crossing and Signal Replacement – The Port received National Highway Freight Program funding to completely replace this crossing and signal. A consultant has been selected but still working through scope of work and budget approval.

SR 240 Pathway – The City of Richland is constructing a pedestrian pathway along the north side of SR 240 that crosses the Port track.

Center Parkway – The City of Richland has begun construction on the new Center Parkway crossing. Plan to open up the crossing late August to early September 2023. The team is working on submitting a quiet zone application.

2023 Tie Replacement Project – Ties have been ordered and received. Port of Benton has contracted with Condon Construction to install the 1,200 ties, beginning work July 17, 2023. Plan work to be completed by mid-August, at which time track speeds will increase to 10 mph. This project also includes 100 City of Richland ties.

Morrison Metal Weld – Specialty welding and repair of the track cross over rails (frogs) and switches. The work starts this week and Columbia Rail will coordinate track safety.

Cutting in additional rail joints – Columbia Rail is currently cutting in shorter sections to avoid rail displacement, in vicinity of Columbia Park Trail bridge.

2023 FRAP – Replacement of Airport Way crossing, Saint Street Crossing, and City of Richland Kingsgate signal electronics. Work planned for 2024.

2023 Legislative Appropriation – Replacement of an additional approximately 4,000 ties to bring the track back to Class 2 conditions. Preliminary approval has been received; however, we are waiting for actual contract language and written approval.

Steptoe Street Crossing – Realignment – Developer is realigning the intersection at Steptoe and Tapteal and replacing the rail signal.

2023 CRISI Application – Wye track improvements include elevated curves, additional ties and tangent rail to 115 lb. This current rail is 75 years old.

H. COMMISSIONER REPORTS/COMMENTS

Commissioner Keck noted that he was using Zoom to join the meeting from a dairy farm in Wisconsin.

Commissioner Roy Keck stated that he wanted to say on record that he has had a lease in place with the Port since four – five years prior to beginning to serve as Port Commissioner.

Commissioner Keck noted that his history on Port property has gone very well and unfortunately, in April the tenant mentioned during public comment did not show up or pay rent, and he started to receive complaints as well.

Commissioner Keck added that he is also a victim of Crouchet and stands by all who were victimized by Crouchet and feels he is on the same team and willing to pursue civil or criminal legal

action against Crouchet as a team. Keck added that Crouchet left a number of needed repairs in the facility, as well as unpaid rent.

Commissioner Lori Stevens stated that the Prosser Wine & Art Walk is taking place on Saturday, July 15.

Commissioner Stevens added that she appreciated the opportunity to take part in the recent SAO Lean training presentation the team provided after spending three days immersed in the process.

Commissioner Stevens stated that she wanted to compliment the team on the recent Robert L. Ferguson event, which was lovely and the street-naming ceremony was really nice. Commissioner Stevens thanked the team for hosting the event.

Commissioner Christy Rasmussen announced that she attended the Pacific Northwest Waterways Association (PNWA) summer conference in Everett, which focused on protecting the water systems and added that this is an important partnership for the Port of Benton, as PNWA also works diligently to protect irrigation rights.

Commissioner Rasmussen added that she also attended the recent National Parks meeting at TRIDEC, which provided valuable updates on the Hanford site and B Reactor.

Commissioner Rasmussen noted that she also continues the Washington VERTical work devoted to looking at workforce, as by 2025 skilled labor will not be available and also work devoted to protecting the supply chain and supply chain security.

I. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS

Airport Manager Quentin Wright announced that the Richland Airport is hosting several Department of Natural Resources and Bureau of Land Management aircraft Fire Boss 802-F, which are small but highly capable aircraft designed to hold 800 gallons of water or fire retardant used to fight fires. Wright added that these aircraft can be refilled in 12 seconds.

Wright stated that the addition of these planes at the airport has added a lot more people and equipment and additional tankers may be added.

Wright provided an update on the Richland utilities project, stating that he will work with the city and contractors and tenants to make sure everyone is up to date on what is going on. Wright added that the project will allow for a major upgrade in infrastructure and will also allow for increased capacity at the airport.

Wright stated that there have been ongoing security issues at Prosser Airport, and they are looking at closing the gates to allow for tenants only. Wright said he will work with the communications team to provide timely and accurate information about the gate closure.

Wright added that he has one item reserved for the executive session related to Richland Airport.

Commissioner Rasmussen added that a member of her family was saved from one of the Bureau of Land Management planes during a recent fire and she is incredibly grateful that Richland Airport can support and house these aircraft.

2. FACILITIES & OPERATIONS

Director of Facilities & Operations Ron Branine announced that Century West has completed their onsite assessment of all Port pavement and will be creating a five-year plan to go forward with engineers' estimates for future budgeting.

Branine stated that he has been assisting with the close-out at the White Bluffs Archive & Storage Facility to prepare it for occupancy with members of the facilities team who have been trained on building infrastructure.

Branine added that he has been gathering quotes and researching for next year's capital budget, which includes improvements to the riverfront trail and a reallocation of Port vehicles.

Branine stated that moving at Prosser Airport has greatly improved thanks to the recent purchase of an 18ft batwing mower, which has cut mowing time in half.

Branine announced that the team is now live in the work order system but have only used the work order side so far, with plans for training on the inspections and equipment modules to take place next week.

Branine stated that 70 work orders have been entered since the last Commission meeting but should be seeing an average of approximately 100 per month. Branine noted that this number will continue to fluctuate but will be consistent until the team starts getting ahead of things through the preventative maintenance program.

Branine added that there are currently 24 open work orders and reminded the Commission that the current system is only capturing approximately 40% of what the department is doing.

Branine announced that the team will start the Facility Manager work order system this month and the first several months will include data collection and then the buildout of inspection templates, preventative maintenance schedules, standard operating procedures, maintenance operating procedures, emergency operating procedures for all equipment and assets.

Branine provided an update on Crow Butte Park, alerting the Commission that the park experienced a main line water break where domestic water was shut off for a day for repairs. Branine added that while fixing that, they found a main line sprinkler line that had been broken, which took a few days longer to repair, but all has been repaired as of now.

Branine announced that forecast revenue will be up 3.73% in reservations, the number of guests are forecasted to be up 7.52%, the guest return rate is up 82.21%, occupancy forecast is up 6.79%, overall reservations are up 5.77%. Branine added that kiosks are showing 511 transactions in the past 30 days, down from 800 from 30 days previous.

Branine added that the department has started meeting with McKinstry to get the final plan for space reallocation that makes sense for the current tenants, as well as future needs at the 2579 Stevens Drive facility. Branine added that they are looking at redoing two sets of restrooms and adding a common corridor to alleviate the current shared space intrusions.

3. REAL ESTATE

Director of Real Estate Teresa Hancock thanked the Commission for consideration of the earlier land sale discussion, adding that it has been a true labor of love to find businesses that are a good fit.

Hancock added that she continues to be extremely busy and is receiving inquiry calls daily.

Hancock informed that Bouten Construction, who is working on the Prosser Memorial Hospital project, has leased space at Prosser Airport on a month-to-month basis, which works well with their

construction schedule and is also unanticipated income.

Hancock added that appraisal updates are in on the potential land sale, as well as for 2000 Logston. Hancock added that the lease agreement with Central Plateau will be taken over by the Hopps and Hancock is finalizing details on this.

Hancock stated that the Port was active in the Benton City EDC prior to its dissolution and prior to the dissolution, in partnership with Ki-Be High School, a scholarship was formed with any remaining funds from the EDC. Hancock added that four applications were received last month from recent graduates attending a four-year university (\$5,000) and seven applications were received for students pursuing a degree from a two-year university (\$2,500). Hancock noted that all applications were considered relative to goals, financial need and community service and two grateful recipients were announced.

Hancock noted that she has reserved one item related to Prosser Airport for Executive Session.

4. MARKETING:

Director of Marketing Wally Williams recognized that Ron Williams was in the public audience today, adding that Williams is the owner of Digital Image, who does a wonderful job with many of the Port printing jobs. Williams added that the newsletter has finally been completed and a handful has been provided in each Commissioner packet.

Public Information Officer Summers Miya provided a quarterly communications update to the Commission.

Miya reminded the Commission of the focus areas and primary activities related to communications:

Focus Areas

- North Horn Rapids
- Vintners Village
- Airports
- STEM tourism

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 provided an update on goals and progress related to focus areas and primary activities, stating that 15 inquiries were received related to North Horn Rapids/Richland Business Park in the second quarter with two for Vintners Village and 21 for airports.

Miya stated that two stories were completed in second quarter, 12 speaking engagements were performed and 203 Triton tours were provided.

Miya highlighted the completed materials and articles written in second quarter, as well as a list of the presentations that were completed and the news releases, newsletter and stories and profiles written.

After wrapping up the quarterly update, Miya provided a review of the recent Robert L. Ferguson community tribute and reminded the Commission that the tenant appreciation BBQ is set to take place on Thursday, August 3.

Miya added that she continues to assist with the facilitation of Clore events, as well as Clore vision planning. Miya added that the date for the 2023 Entrepreneurial Awards has been set and will take place on Tuesday, November 7 at the Holiday Inn Richland on the River.

5. FINANCE DIRECTOR:

Finance Director Jeff Lubeck provided an update on the financial status report, stating that there were no significant changes in June 2023.

Lubeck stated that June cash receipts from the general fund totaled \$919,540, with \$201k in payroll-related costs and \$591k in Accounts Payable (A/P). Lubeck added that there is currently \$102k outstanding in A/P.

Lubeck provided an overview of Accounts Receivable (A/R), with a total of \$563,204 owed, with \$34k being over 90 days past due, which has improved from \$129k past due in May 2023.

Lubeck provided an update on current major financial initiatives, stating that the Port is on track with the Voyager to Intacct integration and only waiting on the vendor to complete automated setup.

Lubeck stated that 2024 budget development has started and has meetings with various teams scheduled throughout July.

Lubeck added that a YTD budget vs. actual report will be provided at the August Commission meeting to allow for more time to prepare, but noted that generally all is proceeding as expected.

Lubeck announced that the WSDOT loan, RR0406 has been fully paid off, noting that this loan was obtained in July 2009, for \$250k, which was part of a \$1.9M project for construction of spur track at the transload facility.

6. PORT ATTORNEY:

Port Attorney David Billetdeaux acknowledged that he received an email from the Horn Rapids Homeowners Association related to the upcoming SR240 rail crossing replacement project, thanks to the work from the communications team.

Billetdeaux provided an update on the Commission room audio visual system and capabilities, pointing out the microphones and large speakers in the corner of the room. Billetdeaux added that he is working on an assessment from Ted Brown, who can then put together a proposal package that makes fiscal sense for the Port and will allow for better audio in the room and for hybrid meetings.

Billetdeaux stated that there has been an uptick of abandoned vehicles port-wide and action is being taken to address the issue.

Billetdeaux stated that he has reserved one item related to railroad for executive session.

7. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard announced that Airport Manager Quentin Wright will be attending a caucus meeting at the Moses Lake airport in August.

Howard stated that the team participated in state auditor's office Lean training over a recent three-day period.

Howard added that she participated in a recent ITAB meeting related to prospective battery and Atlas Agro is moving forward with their geo-tech and cultural work and have standing meetings in place with ITAB.

Howard added that she participated in a recent VERTICAL strategy meeting and has also recently met with Chancellor Haynes from WSU Tri-Cities on the Institute for Energy Futures and has asked how the Port can be supportive and related back to work in North Richland and is in line with advanced manufacturing to keep area workers working.

Howard stated that she attended the recent Port of Pasco BBQ and Department of Energy waste webinar.

Howard added that she participated in an AAPA discussion on real estate and appreciates the comments regarding best practices related to assets.

Howard noted that she continues with "Clore 2.0" visioning and has been in discussion with a private developer, who is creating their own business plan. Howard added that the visioning group has created a mission statement pertaining to the future of Clore.

Howard announced that meetings are scheduled with the City of Richland and the Northwest Seaport Alliance to further advanced discussion related to an inland port.

Howard noted that site visits are scheduled for August regarding long term advanced manufacturing and aviation sustainable fuels.

Howard added that she will be meeting with Joan Giese to discuss WSU Tri-Cities small business development, continued education and workforce training and will also be meeting with Maria Pena of the Small Business Development Council.

Howard stated that VERTICAL, along with TRIDEC, will be meeting with leaders from the Fukushima site to discuss "Clean up to Clean Energy" not only at Hanford, but at Fukushima, as well as other businesses in the area related to clean energy initiatives.

Howard noted that she would like to take the Commission on a maritime hub tour at the August Commission meeting to tour 2579 Stevens Drive, rail and the American Rock site, adding that a Richland Airport tour will be added to the September agenda.

Howard added that she has reserved one item pertaining to real estate for executive session.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 9:50 a.m. and an Executive Session was convened at 9:55 a.m. to discuss real estate for 25 minutes. It was noted that if any action was required, we will reconvene the regular meeting and bring forward any item at that time.

K. ADJOURNMENT: The meeting was adjourned at 10:20 a.m. with an announcement that the next regularly scheduled Commission meeting would be held on Wednesday, August 9, 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