

**PORT OF BENTON
COMMISSION MEETING MINUTES
August 9, 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®, PPX®; 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; Scott Keller, Community Member; Mayor Pro Tem Theresa Richardson, City of Richland; Randy Slovic, Community Member

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Roger Wright, RGW Enterprises; Bryan Condon, Century West Engineering; Wendy Culverwell, Tri-City Herald; Joshua Lott, Anderson Perry; Nick Zamantakis, Columbia Rail; Project and Construction Manager, Bryan Bell

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 August 9, 2023 Commission meeting, approval of minutes from the July 12, 2023 Commission meeting, approval of vouchers and certifications, including payroll, for the month of July totaling \$920,287.05, approval of project vouchers and certifications for the month of July totaling \$30,253.92.

D. PUBLIC COMMENT:

There were no comments from the public.

E. ITEMS OF BUSINESS

1. White Bluffs Rail SR 240 Rail Crossing – Approval of Consultant Agreement – KPFF Consultants, \$164,788 Design of Improvements Only

Executive Director Diahann Howard stated that the approval of this consultant agreement with KPFF Consultants in the amount of \$164,788 for the design of improvements only for the White Bluffs Rail SR 240 rail crossing will allow KPFF to move forward with the design contract.

Howard reminded the Commission that these funds are tied to the federal grant of approximately \$865K and construction will likely take place in mid-2024.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the consultant agreement for KPFF Consultants, \$164,788, design of improvements only.

2. Resolution 23-24, A Resolution of the Port of Benton Appointing the Port Finance Director as the Port Treasurer

Port Counsel David Billetdeaux stated that the finance team recently met with the Benton County treasurer's office and reminded the Commission that the treasurer's office does not do ACH because of a past fraud case. Billetdeaux stated that the Port, however, can do their own ACH if the Port appoints a treasurer.

Billetdeaux added that the Port would like to create a small account for ACH transactions only, which will help expedite payments to tenants and contractors. Billetdeaux noted that there is a bond of \$50K.

Billetdeaux noted that this does not change anything else and is a minor accounting change.

Director of Finance Jeff Lubeck added that this addition will cut down on float time and will move the Port into the modern era.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-24, appointing the Port Finance Director as the Port Treasurer.

3. Resolution 23-25, A Resolution of the Port of Benton Authorizing Promotional Hosting Expenditures, Specifying Procedures Therefore and Superseding Resolution Numbers 67-1, 79-30, and 82-8

Port Counsel David Billetdeaux stated that it was recently discovered that the promotional hosting policy was last updated in 1982 and was created in 1967.

Billetdeaux added that the updated policy will bring the Port up to current day and also update the name of the auditor to Director of Finance, Jeff Lubeck.

Billetdeaux added that the grid provided in the meeting packet breaks down what is and isn't allowed per the updated policy, adding that the updated policy is forward-looking and added that year-by-year, money is set aside that is not required to be used, but is put in to the appropriate place.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 23-25, authorizing promotional hosting expenditures, specifying procedures therefore and superseding Resolution Numbers 67-1, 79-30, and 82-8.

4. Resolution 26-26, A Resolution Adopting Amendment of the Interlocal Cooperation Agreement and Bylaws of the Benton-Franklin Council of Governments

Port Counsel David Billetdeaux stated that Benton-Franklin Council of Government (BFCOG) started amending bylaws in 2020 and completed the updates in May 2023. Billetdeaux added that the updates do not affect the Port greatly, but did have outdated Port contacts. Billetdeaux added that former Commissioner Robert Larson has been removed as a contact and updated with the current president as the new liaison.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 23-26, a resolution adopting an amendment of the Interlocal Cooperation Agreement and Bylaws of the Benton-Franklin Council of Governments.

F. 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 9 – Washington State Department of Commerce – Evergreen Manufacturing Growth Grant, Completed, resulted in site visit. Reimbursement submitted to state and received. This item will be removed next month.

Item 16 – 2023-2025 State Capital Appropriation, Approved \$1,212,500 grant, completing cultural and environmental work prior to execution of contract. This project will be used to install 3,000 – 4,000 new ties in the Port's railroad track.

Item 17 – Tech Hubs, Letter of support submitted to EDA. Potential facility in north Richland. In alignment with advanced manufacturing, clean energy initiatives.

2. 2023 Budget Update

Director of Finance, Jeff Lubeck reviewed the agenda, noting he would provide a standard financial report, budget vs. actual update through June 30, 2023 and 2023 budget status update with a new detailed model.

Lubeck provided a PowerPoint presentation.

Lubeck displayed an visual of the financial status report with three columns that represent available, reserve and the project account, noting that the project account has steadily declined as project wraps up and the final bills are processed. Lubeck stated that there were no significant changes from the displayed graph to July 2023.

Lubeck provided an overview on recent cash activity:

- July 2023 cash receipts – general fund: \$960,245
- July 2023 cash disbursements – general fund: \$920,287
 - \$197K payroll-related
 - \$723K A/P
 - \$551K outstanding A/P as of 8/7/2023, higher due to insurance renewal upcoming in September
 - \$67K excluding insurance renewal, consistent

Lubeck provided an overview of current accounts receivable as well as an update on current major finance initiatives which include the Voyager – Intacct integration automation. Lubeck added that he is working with vendor and Columbia Basin IT on establishing secure file transfer protocol. Lubeck added that GASB 87 compliance is also a focus.

Lubeck noted that the CERB-130673 loan was fully paid off in July, which was a loan from July

2008 for \$205K for 2345 Stevens Drive building improvements.

Lubeck updated that he has established common account groups among departments, which enables easy tracking analysis at summary or detail level and will also the user to drill down account by account.

Lubeck announced that budget vs. actual reporting is now live in Intacct, which will now allow to easily compare operating revenues and operating expense budget to actual monthly, adding that next year the individual property level will be available to drill down into.

Lubeck provided an overview of total expenses by department, featuring the charges associated with the Facilities, Maintenance and Operations department.

Lubeck noted that it is important to capture cost at a detailed level and budget at a higher level, which allows for budgeting at a more detailed level.

Lubeck provided a look at a Budget to Actual Variance as of June 30, 2023.

- Operating revenues ahead of budget by \$1.0M (continuing trend of increased lease revenue)
- Operating expenses below budget by \$100K
- Operating revenues exceeding by OpEx by \$38,800
- Non-Operating revenues are \$2.5M below budget, highly related to capital reimbursements and timing of grants and loan
- Non-Operating outflows are \$197K under budget, timing of debt service payments
- Capital expenses are \$3.1M under budget, primarily timing of grant-funded projects
- Net inflows are \$1.9M ahead of budget, budgeted outflow was conservatively budgeted at \$1.1M, actual inflow of \$740K

Lubeck provided a detailed overview of lease revenue as of June 30, 2023, stating that operating revenues are ahead of budget by \$1.0M, primarily due to Bio-Gro, Interstate Concrete (aggregate) and Columbia Rail. Lubeck noted that Director of Real Estate Teresa Hancock is doing a great job at reevaluating leases and providing appropriate market rate adjustments.

Lubeck provided more detail on OpEx by department as of June 30, 2023, pointing out that there are some variances, which are trending above and due to how the Port budgets for labor and wages. Lubeck also pointed out that Crow Butte appears to be under budget, which accounts for the allotted staff not spending 100% of their time there and fewer camp hosts.

Lubeck noted that a better budget is better to manage and is also driving underspending in other departments.

Lubeck provided an overview of major Port capital items as of June 30, 2023:

- McKinstry assessment underway, no bills received yet. \$300K budgeted for 2023.
- Steptoe interchange effort starting soon, working with developer currently.
- Critical tie repair, started in July.
- Pavement maintenance at Westinghouse & Crow Butte, likely deferred to 2024, lease stipulations require completion in 2024. Postponed to offset rail expenditures.

Lubeck overviewed budgeted projects:

- Richland Airport CARB loan – hangar purchase, \$750K, possibly close in January 2024
- Richland Innovation Center - .09 funds, \$500K, timing of projects.
- Rail CRISI, \$8M request

- Rail SR240 crossing, National Highway Freight Program grant, \$865K with minimum Port match of \$135K
- Airports AIP projects, \$1.1M

Lubeck provided some mid-year takeaways, highlighting that the port is operating a balanced budget, managing conservatively, capital projects are picking up, ability to easily monitor expenses are in place and July and August results will drive 4th quarter decisions.

Lubeck provided an overview of the 2024 budget calendar, stating that 1:1 with Commission will take place the week of Sept. 18, adding:

- 10/9 – Budget workshop
- 10/19 – Budget released for public comment
- 11/8 – Commissioners approve budget
- 11/21 – Budget filed with county commissioners
- 11/21 – Certify levy amounts, (official deadline is 11/30)

Commissioner Keck complimented Lubeck, noting the use of graphs and charts, adding that a good project schedule allows for better forecasting.

Commissioner Rasmussen added that she appreciates the level of detail shows today, as it is so important and great to continue to assure the Port is transparent and clear.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Roy Keck announced that he attended the recent WPPA Commissioners Seminar and would like to share some of the reports that were shared during the meeting with the other Commissioners regarding a Commissioners roles and responsibilities, plus key takeaways from the event.

Commissioner Keck added that he would also like to share the recent TRIDEC board packet, as there is information on the formation of the nuclear caucus and the many other clean energy initiatives related to advanced clean energy and manufacturing that TRIDEC is currently involved in.

Commissioner Keck added that he felt the team did a great job hosting the recent tenant appreciation BBQ and is glad to see the event brought back.

Commissioner Lori Stevens thanked Commissioner Keck for sharing the presentations from the Commissioners Seminar.

Commissioner Keck stated that the Prosser Whiskey Festival is coming up on Saturday, August 26. Commissioner Stevens added that there has been discussion at recent Prosser Economic Development Association meetings about possible EV chargers coming to Prosser.

Commissioner Christy Rasmussen stated that the tenant appreciation BBQ was a fabulous event and felt it was a great opportunity, and fun, to meet the Port tenants.

Commissioner Rasmussen added that she attended the Benton City Chamber of Commerce July meeting, adding that Benton City is focusing on community events.

Commissioner Rasmussen stated that she attended the Chamber of Commerce's Diversity Summit, which consisted of an electric group from across the region. Rasmussen added that one of the messages from the day focused on inclusion and how to make all feel welcome and how to interact with

those who we do not share commonalities with.

Commissioner Rasmussen announced that she attended the nuclear caucus, which was a packed event and encompassed one end of energy to the other. Rasmussen stated that this was a great event that she enjoyed.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS

Airport Manager Quentin Wright announced that that gates at Prosser Airport are scheduled to close on September 1, adding that an announcement header has been added to the Prosser Airport pages on the website, as well as the recent Airport eNews and emergency services. Wright noted that the new code corresponds with the current AWOS code.

Wright added that the closure of the gates comes after numerous events affecting the safety of the airport and the closure is more of a deterrent as the fence does not quite go around the entire airport.

Wright announced that he attended a kickoff meeting involving the City of Richland regarding an airport overlay district.

Wright added that the kickoff meeting with Century West for the design phase of many future airport projects took place yesterday and progress is in motion.

Wright stated that he attended the Moses Lake aviation caucus earlier in the month, which had a great turnout and displayed some of their VIP overhaul facilities. Wright added that a presentation on advanced manufacturing took place.

2. FACILITIES & OPERATIONS

Director of Facilities & Operations Ron Branine stated that parking lot painting and cleaning continues at the 2579 Stevens Drive facility.

Branine added that a 4" main irrigation line broke on Battelle Blvd. near Willow Pointe, which required an emergency repair. Branine added that additional irrigation pump repairs took place at Prosser Wine & Food Park and blowouts along Port of Benton Blvd.

Branine noted that there have been several HVAC-related issues due to the high temperatures in the last month. Branine stated that he has learned that many of the units installed during the pandemic are failing due to inadequate parts or assembly. Branine added that they have also run across warranty issues with finding used motors installed in new units, or units that were wired backwards.

Branine added that many trees surrounding Port-owned buildings have been trimmed and cleanup and organization throughout the shops continues.

Branine announced that the work order system is live, specifying that this allows them to use the "work order" side of the system, noting that training has started on the preventative maintenance, inspection and equipment modules. Branine added that the team has started inputting the limited asset data available to them into the system, which will allow tracking of the preventative maintenance schedules. Branine added that it is a great system and the team is molding it to fit Port operations.

Branine stated that 70 work orders have been added since the June meeting and there are 24 open work orders currently. Branine reminded the Commission that the current system is still only capturing 40% of what the department is doing.

Branine informed of two separate kiosk issues at Crow Butte Park that resulted in the kiosks being offline for a few days. Branine added that the facilities team worked with ParkingBoxx on a resolution, but several days of revenue were lost in the process. Branine added that he is working to determine if the part that failed is a normal failure, or if a backup kiosk is needed at the park to avoid future disruption.

Executive Director Diahann Howard explained that the HDR miscellaneous repair contract, which allows for repair work and inspection on rail joints needs an amendment, as there are several current projects, including the completion of design work at the Steptoe rail signal and the 2023 FRAP crossing projects at Airport Way, Saint Street and Kingsgate.

Howard noted that the amendment will bring HDR's total contracted work to \$246,336.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving an amendment to the HDR Miscellaneous contract which will allow for HDR to complete the design of the Steptoe rail signal and the 2023 FRAP crossing projects at Airport Way, Saint Street and Kingsgate. With amendment, total contract will change to \$246,336.

Howard added that the White Bluffs Storage & Archive facility has officially been turned over to WSU, as the project is complete.

Howard added that the American Rock Products (ARP) special use permit was approved and ARP has begun to move dirt and is placing berms around the excavation area. Howard added that ARP also plans to continue to complete reclamation of the approximately 100 acres north of their operations area, which is unanticipated revenue for the Port and will help regenerate the aggregate fee.

Commissioner Christy Rasmussen thanked the Port for continuing to protect taxpayer money.

3. REAL ESTATE

Director of Real Estate Teresa Hancock announced that she attended a Benton City Chamber event recently.

Hancock announced that she currently has three leases out for signature, which will result in unanticipated revenue for the Port.

Hancock added that appraisals in Prosser have been completed and the Hopp sale (2000 Logston Blvd., Richland) sale closed on 7/31/2023. Hancock added that the transition is taking place in phases, as there are logistics with the Port's lease with Central Plateau to be taken care of.

Hancock noted that she is involved in some minor title work with City of Richland.

4. MARKETING:

Director of Marketing Wally Williams announced that work has begun on the fall 2023 newsletter.

Williams added that he is involved in a project to update and replace a number of Port signs across the district and continues hosting several Triton tours a week.

Public Information Officer, Summers Miya took a moment to recognize that the Port is a sponsor of Benton City Daze, which will take place September 8-10, 2023.

Miya thanked the Commission for attending the tenant appreciation BBQ and also thanked Wally Williams for taking on the role of Triton tour guide during the event. Miya added that Port of Pasco sent nine employees to support the BBQ and all of them went on the Triton tour!

Miya informed the Commission that the Clore hosted the Bob Stevens Community Tribute the previous Saturday, as Stevens was an integral factor in the inception of the Clore and played a vital role in economic development initiatives in Prosser for many years. Miya added that nearly 200 people attended the event.

Miya stated that the Clore will be hosting the Wine Commission this week and has recently hosted Washington Tree Fruit and JM Smucker.

Miya noted that as Airport Manager, Quentin Wright stated earlier, a monthly airport eNews has been added to the eNews cycle and will hit inboxes the first Tuesday of the month going forward, adding that there is a lot of airport-related news that is important to share with tenants and users!

Miya announced that the first Entrepreneurial Awards committee meeting took place on 8/8 and the event will take place on Tuesday, November 7 in partnership with Richland Rotary and the other committee members that include: TRIDEC, Tri-City Regional Chamber, Fuse, Tri-Cities Hispanic Chamber and new to the committee this year, Benton-Franklin Workforce Development Council.

Miya stated that she has been invited to attend the USS Triton reunion in October, where she will have the opportunity to present on what Triton is up to today, future plans and also provide a rendering of a plaque that displays all Triton submariners listed, which is nearly 900. Miya added that the Veterans have expressed an interest to assist with the plaque and Miya hopes to plan an event to unveil the plaque in 2024.

Miya added that the communications team is working on a plan to add video interviews/success stories to the website, so stay tuned for more information and updates on that project.

5. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck stated to the Commission that his updates were included in the earlier budget update.

Executive Director Diahann Howard took the opportunity to compliment Jeff Lubeck for the efforts he has put forth related to finance. Howard added that Lubeck also has taken the initiative to take the lead on follow-up from the SAO Lean process the team went through in June, adding that Lubeck will work on a process plan with "next steps" and continue to have conversations that clarify roles and responsibilities.

6. PORT ATTORNEY:

Port Attorney David Billetdeaux informed the Commission that Banner Bank is in need of minutes with clear language identifying contacts and users for Port credit cards.

Billetdeaux stated that he is seeking a motion for the Port Commission to remove Danielle Connor as a credit card contact, and Jeff Lubeck and Veronica Serna are added as credit card contacts and Jeff Lubeck, Veronica Serna and Bryan Bell are added as credit card holders with Banner Bank.

Billetdeaux added that these measures are related to heightened security initiatives.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving that the Port Commission moves to remove

Danielle Connor as a credit card contact, and Jeff Lubeck and Veronica Serna are to be added as credit card contacts and Jeff Lubeck, Veronica Serna and Bryan Bell are added as credit card holders.

Billetdeaux explained that he would be seeking another motion related to HDR Engineers. Billetdeaux noted that no additional money would be added to any of the contracts, as the motion will only ask to partner with Tapteal Properties, LLC for the Steptoe design process to move forward, and \$35K is expected to be expensed by the Port in design, submittal review, and inspection with a total Port contribution of \$100K for the project.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving a contract to move forward with Tapteal Properties, LLC for the Steptoe design process, for a total of \$100K, with \$35K for equipment.

Billetdeaux added that he learned earlier that morning that he was selected to serve on the Judicial Records Committee, which is involved in selected all federal judges for the state of Washington.

7. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard announced that she recently had a 1:1 with Senator Murray's office as a follow-up on the Port rail, adding that the Northwest Seaport Alliance has submitted a letter of support related to rail to the Federal Department of Transportation, with an outcome expected within 60 days, adding that it is not uncommon to take several tries before receiving funding.

Howard stated that she met with Joan Giese of WSU Tri-Cities regarding the small business, workforce development program and sponsorship, adding that the Port would like to continue supporting these efforts.

Howard added that she recently met with two local Small Business Development Council representatives, who are involved in import/export and also agriculture and local business. Howard added that this is such an important service to provide to the community and it is great to have them back. Howard added that she offered office space in Richland and Prosser for any meetings in the Port district, as the Port will continue to support their economic development efforts.

Howard stated that the Port recently hosted a portion of the visit Japanese leaders, who were in the area for a reconstruction agency meeting. Howard added that the Port also hosted the Northwest Seaport Alliance and also presented to Prosser Rotary.

Howard added that Noel Schulz has been named director of the Institute for Energy Futures, which is a phenomenal opportunity for the region.

Howard stated that Atlas Agro continues to proceed forward with their permitting and City of Richland and recently a great discussion was held with the Tribes and LIGO.

Howard added that she will attend the upcoming ECA Manhattan Project National Historical Park meeting in Los Alamos, where Commissioner Rasmussen will be participating in the Hanford Community update.

Howard stated that Framatome is expecting to host a global site visit in the coming weeks, where a possible announcement tied to fuels will be made.

Howard added that she has been invited by AAPA / American Bureau of Shipping, to present at the Washington DC meeting in September on the role of advanced nuclear technologies in maritime energy transition, adding that this trip is an unbudgeted item.

Howard added that the Prosser leadership dedication event will take place this Friday.

Howard provided maps to the Commission and attendees of 2579 Stevens Drive, American Rock


and surrounding area, that highlighted the upcoming tour.

I. EXECUTIVE SESSION: The regular Commission meeting was recessed at 9:53 a.m. with an announcement that an Executive Session was not needed.

J. BREAK: Teleconference and Zoom options were terminated after an announcement was made that the next regularly scheduled Commission meeting would be held on Wednesday, September 13, 2023 at 8:30 a.m. at the Walter Clore Wine & Culinary Center, located at 2140 Wine Country Road, Prosser. It was noted that a Special Commission Meeting would take place on Monday, August 21 at 3 p.m. at the Port of Benton Commission meeting room, located at 3250 Port of Benton Blvd., Richland.

K. TOUR OF NORTH RICHLAND PROPERTY: Open to public attendance. No action was taken during or after the public tour of 2579 Stevens Drive and surrounding area.

L. ADJOURNMENT: The meeting was adjourned at 11:55 a.m. at the conclusion of the tour of North Richland property.



Lori Stevens
Commission Secretary