

**PORT OF BENTON
COMMISSION MEETING MINUTES
March 13, 2024**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 a.m. at the Walter Clore Wine & Culinary Center, 2140 Wine Country Road, Prosser, Washington.

PRESENT: Commissioner Scott Keller, Commissioner Lori Stevens; Commissioner Roy D. Keck; Executive Director, Diahann Howard, PPM®, PPX®; Port Attorney, David Billetdeaux, PPM®; Director of Real Estate, Teresa Hancock; Public Information Officer, Summers Miya; Airport Manager, Quentin Wright; Director of Finance, Jeff Lubeck; Director of Marketing, Wally Williams; Director of Governmental Affairs, Cassie Hammond; Bryan Condon, Century West Engineering; Dan Decker, Community Member; Mayor Gary Vegar, City of Prosser; Rachel Shaw, City of Prosser; Neal Ripplinger, Prosser Economic Development Association

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Senior Accountant, Veronica Serna; Wendy Culverwell, Tri-City Herald; Joshua Lott, Anderson Perry; Anthony Cockburn

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: David Billetdeaux 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 March 13, 2024 Commission meeting, approval of minutes from the February 14, 2024 Commission meeting, approval of minutes from the March 1, 2024 special Commission meeting, approval of vouchers and certifications, including payroll, for the month of February totaling \$891,030.41, approval of project vouchers and certifications for the month of February totaling \$129,667.81 and approval of Resolution 24-12, a resolution of the Port of Benton to cancel warrant no. 082248, which has been deemed lost.

D. PUBLIC COMMENT:

Community Member Dan Decker expressed concern about cracks, debris and other issues at Prosser Airport that could possibly damage airplanes and/or propellers and requested an update of POB planned project for Prosser.

E. ITEMS OF BUSINESS

1. Resolution 24-08, Acceptance of Work Performed by Sierra Electric, Inc. for the Richland Airport Electrical Replacement Construction Project

Airport Manager Quentin Wright explained that this item is part of the process to closeout the grant related to the 100% FAA-funded Richland Airport Electrical Replacement Construction Project, which took place throughout 2022.

Wright explained that the arrival and installation of the generator was the final piece to the project and the project can now be closed out.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 24-08, acceptance of work performed by Sierra Electric, Inc. for the Richland Airport Electrical Replacement Construction Project.

2. Resolution 24-09, Appointment of Public Records Officer

Port Attorney David Billetdeaux explained that there is no change to the current public records policy, this resolution is simply updating the name from his own to Jeff Lubeck.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-09, appointment of public records officer to Jeffrey Lubeck.

3. Resolution 24-10, Appointment of Claims for Damages Agent

Port Attorney David Billetdeaux explained that this resolution is similar to the last item of business and is a state requirement to have current information on the website. Billetdeaux explained that if an outside individual wanted to file a claims for damages to the port, they could find the information on the port website and send the information to the current contact. Billetdeaux added that this resolution updated the contact from himself to Jeff Lubeck.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 24-10, appointment of claims for damages agent to Jeffrey Lubeck.

4. Resolution 24-11, Acceptance of Reserve Policy

Director of Finance Jeff Lubeck explained that the port hired Moss Adams, who came in and did a comprehensive study with the primary objective being to determine the appropriate types of reserve funds.

Lubeck added that Moss Adams did some peer benchmarking by looking at other ports in the state.

Lubeck overviewed the study with the Commission, pointing out that they performed a very detailed risk assessment and modeling spreadsheet based on guidance issued by the Government Finance Officers Association.

Lubeck pointed out that the Port of Benton falls into a low-risk classification because of the lack of natural disasters.

Lubeck reviewed the recommendation for the operating reserves, noting that they should be equal to about two to four months of operating expense. Lubeck added that Moss Adams also recommends setting aside an emergency reserve of \$500k, which would be utilized for derailments and emergency repairs.

Lubeck stated the reserve funds are not restricted to emergencies.

Lubeck reviewed recent cash balances and added that the policy will be updated annually based on expenses and the risk model, the biggest driver.

Lubeck noted that the port has not had a reserve study previously, but it has been recommended after the forensic audit of the accounting systems.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-11, acceptance of a reserve policy.

5. Acceptance of Low Bid by Granite Construction for the 2939 Richardson Road Parking Lot Improvement Project

Executive Director Diahann Howard explained that this item has been included in the maintenance/asphalt budget for 2024 and four bids were received.

Howard added that this project is a requirement under the current lease agreement with the tenant, Westinghouse at 2939 Richardson Road.

Howard stated that the low bid came from Granite Construction at \$178,415 and with Washington state sales tax (WSST), the total project comes in at \$193,937.11. Howard added that the budgeted amount was estimated at \$160k and dollars to make up the higher bid amount will be pulled from the site wide pavement maintenance 2024 budget item approved.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission accepting the low bid by Granite Construction for the 2939 Richardson Road parking lot improvement project, \$178,415 and \$193,937.11 with WSST.

F. INFORMATION REPORTS:

1. Welcome and Update from Mayor Vegar, City of Prosser

Executive Director Diahann Howard introduced and welcomed Mayor Gary Vegar from the City of Prosser.

Mayor Vegar provided an update on recent projects taking place at the City of Prosser, including information on a connectivity grant the city is looking into and an update on the city hall and police station project.

2. Welcome and Update from Neal Ripplinger, Prosser Economic Development Association

Neal Ripplinger, executive director of Prosser Economic Development Association (PEDA) provided an update on recent projects and events taking place at PEDA, including updates on the following:

- Prosser Leadership – Class of 2024, 10 participants
- Prosser School District partnership
- Tree Top tour with Port of Benton
- American Cruise Lines 202 Prosser itinerary
- Welcome to Prosser monument sign
- Prosser Businesses Recruitment, Retention and Expansion
- Prosser Creative District
- Prosser Annual Meeting – April 24, 2024, doors open at 5 p.m. at Prosser PUD building

3. Welcome and Update from Lindsee Curfman, Prosser Chamber of Commerce

Lindsee Curfman, Prosser Chamber of Commerce was unable to attend the meeting and sent her regards.

4. Welcome and Update from Melinda De Santo, Historic Downtown Prosser Association

Melinda De Santo, Historic Downtown Prosser Association was unable to attend the meeting and sent her regards.

5. Airports Update

Director of Finance Jeff Lubeck provided an update on the 2024 airport budget, inside and outside the fence.

Lubeck explained that the new software provides great visibility to each individual property separately and the finance team is doing a great job capturing revenues and expenses related to each of those properties. It is estimated at this time that airports are \$500 to \$1M off set by the port general fund budget.

Lubeck overviewed the airport budget with the Commission, adding that there will be much better granularity as the team enters the 2025 budgeting and planning season, particularly the inside/outside the fence bottom line.

Airports Manager Quentin Wright reviewed upcoming projects for Prosser and Richland airports.

Wright acknowledged the issues at Prosser Airport, noting that the planned project has been identified with the FAA and is a planned project. Wright explained that the FAA had originally set aside funding for this Prosser project, but because the funds are discretionary funding, it is appearing that the funds are going to dry up this year before the Prosser Airport is granted.

Wright provided an overview on the plan now that funding is not guaranteed, which includes splitting up the project into two separate projects – pavement and electrical. Wright noted that many airports are leveraging money for their own reconstruction projects and often all funds are not utilized, which may be put back into the bucket for airports such as Prosser.

Wright added that the port will continue forward as though the project is happening so the team is ready should funding come available later in the year. Wright stressed the importance of being ready and organized for this possibility.

Wright provided more detail on the pavement issues along with specifics of FAA project funding and upcoming guaranteed airport projects.

Executive Director Diahann Howard complimented the entire team on the planning and communication for all airport projects and encouraged all that were able to attend the public meeting scheduled for 5 p.m. at Richland Public Library, noting that the PowerPoint presentation would be added to the webpage after the event for those who were unable to attend.

6. Grants Update

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

Item 5 – DOE EV –Provide a level one electric vehicle charger to the Prosser community. Due 4/1 and approval will not be known until 2025. The port has agreed to provide land for this project.

Item 9 – State Capital Request – Phase 1 intermodal rail yard. \$240k awarded.

Items 6 & 7 – CRISI and RAISE – Two separate requests related to rail.

Howard provided additional remarks on funding requests for White Bluffs Center Phase II, noting that this request will be submitted jointly with TRIDEC and the Manhattan Project National Historical Park.

Howard complimented the 8th, 9th and 16th districts for their rail support and community initiatives throughout the recent legislative session.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Roy Keck reported that he attended the Atlas Agro open house at Richland Public Library and the big takeaway he noted from that event was the need for more power.

Commissioner Keck added that he participated in the Tri-Cities Day at the Capitol event in Olympia and also attend the Pacific Northwest Waterways Association Mission to Washington event, where it rail was a primary focus, as well as the support for new nuclear.

Commissioner Lori Stevens provided an update on Prosser Chamber of Commerce events, including an upcoming Easter egg hunt and a recent strategic planning session.

Commissioner Stevens added that she appreciates attending meetings at the Walter Clore facility, complimenting the condition of the facility and adding that she hopes to see it utilized to its full potential.

Commissioner Scott Keller announced that he attended the Port of Kennewick's Smart Communities event, which he felt was very interesting, adding that the Umatilla tribe was there and it was interesting hearing some of the history.

Commissioner Keller added that he made a connection related to aggregate at the event that he will pass along to the executive director and director of real estate.

Commissioner Keller added that he will miss port attorney, David Billetdeaux and looks forward to take over the Regional Chamber board meetings.

I. DIRECTOR REPORTS/COMMENTS:

1. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck provided financial status report, highlighting the department's current focus points as:

- 2023 year end financials
- Reviewing, reassigning and training for internal tasking, particularly the reassignment of port attorney non-legal tasks
- \$20k records room organization grant submitted
- Reserve study completed and policy created
- Released RFQ for insurance
- SAO Lean follow-up

Lubeck provided an overview of the financial status on cash, accounts payable and accounts receivable.

Lubeck informed the Commission that Senior Accountant Veronica Serna has accepted a

position at Energy Northwest. Lubeck provided a brief review on outside support and contracts.

2. PORT ATTORNEY:

Port Attorney David Billetdeaux recommended bringing in an outside consultant that specializes in workplace optimization.

Billetdeaux added that the consultant worked as a city manager for close to 40 years and has experience with special, fire and school districts with a rate of \$175/hour at approximately 80-90 hours.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving a contract with Kenbrio, Inc. at a rate of \$175/hr. for workplace optimization.

3. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard provided an update on recent projects, including the State of the Ports event, SAO lean project, reserve study and rail car charge study.

Howard added that she also attended the recent Pacific Northwest Waterways Association Mission to Washington event and had the rare honor and opportunity to attend the State of the Union address with Congressman Newhouse.

Howard added that the port is welcoming a group of international visitors from Japan to the port later this afternoon, who will be learning more about Washington VERTICAL and advanced nuclear reactors.

Howard provided an update on the 3110 Port of Benton Boulevard facility inspections, including water and HVAC upcoming.

Howard added that the exterior painting of 2345 Stevens Drive is about to start, along with interior carpet replacement in the former Atkins area.

Howard added that work and progress continues at the Clore pavilion and there should hopefully be a lease brought forward at the next Commission meeting for this property.

Howard stated that sewer repair just took place in the Richland Innovation Center.

Howard provided an update on the Walter Clore Center, stating that the team has prepared a Request for Proposals (RFP) and also worked with the Prosser Record Bulletin and an announcement will go out next week announcing the Port's request for proposals.

Howard provided overview on the RFP, including the EDA requirements in place until 2033, which the RFP will detail and will be required for a future operator. Howard added that a press release is scheduled to go out next week announcing the RFP and the full intention is to find an operator that is able to continue with ongoing industry education and highlighting tourism.

Howard provided updates on Vintners Village, including the sale of the Willow Crest building to new Vintners Village owners, Enodav Winery.

Howard gave an update on pending lease activity, which includes 2019 Butler Loop, 2345 & 2445 Stevens Drive, 3100 George Washington Way and the Clore pavilion. Howard's update included information on renewals and inquiries.

Howard provided additional information and details on the Clore RFP and EDA requirements.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 10:16 and it was announced that an Executive Session would reconvene at 10:20 a.m. for 30 minutes to discuss real estate, Richland Airport, Clore Center and personnel.

At 10:50 a.m., it was announced that an additional 10 minutes would be needed.

The regular Commission meeting was reconvened at 11:00 a.m.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving a contract with Gravis Law.

M. ADJOURNMENT: The meeting was adjourned at 11:00 a.m.



Roy Keck
Commission Secretary