

**PORT OF BENTON
COMMISSION MEETING MINUTES
August 14, 2024**

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 Blvd., Richland, Washington.

PRESENT: Commissioner Scott D. Keller, Commissioner Lori Stevens; Commissioner Roy D. Keck

PORT STAFF PRESENT: Diahann Howard, Jeff Lubeck, Quentin Wright, Summers Miya, Ron Branine, Angela Saraceno-Lyman, Julia Mora, Audrey Burney, Cassie Hammond, Brandin Lopez, Wally Williams

ALSO PRESENT: John O’Leary, Gravis Law; Jon Ray, Rest on High; Pat Harty; Rich Crigler; Rob Ellsworth

The following attendees attended via remote communications: Sheri Collins; Ashley Garza; Joshua Lott, Anderson Perry; Jeff Losey, Tri-Cities Home Builders Association; Wendy Culverwell, Tri-City Herald; Clif Dyer, Sundance Aviation; Bryan Condon, Century West Engineering; Jorge Celestino

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Diahann Howard 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 August 14, 2024 Commission meeting, approval of minutes from the July 10, 2024 Commission meeting, approval of vouchers and certifications, including payroll, for the month of July totaling \$1,943,544.22 and approval of Resolution 24-24, to cancel warrant number 083075 in the amount of \$436.08, which has been deemed lost.

D. PUBLIC COMMENT:

Rich Crigler, Richland Airport tenant addressed a past due notice and letter he received on July 22, 2024 including an issue with the bill, which is a significant increase from previous years.

Crigler raised questions on the appraisal received and the leases affected with similar clauses.

Pat Harty, Richland Airport tenant addressed the Commission with similar concerns related to the increase in the land lease, noting that he has been a Richland Airport tenant for the past 30 years and has looked into purchasing the land, as it is difficult to obtain a loan when the business is on leased land.

Harty shared concerns related to the 400% increase, asking the Commission to look into each case, as well as the appraisal received.

Rob Ellsworth, SVN Retter & Company explained that he recently was working with a client looking into a lease on Port property, but the buyer was in the belief that the port would not act in the

spirit of the existing lease.

Ellsworth explained that there is a concern with new buyers of the port pushing away interested parties due to the regulations described in Resolution 22-42.

Jon Ray, Rest of High, a Richland Airport tenant thanked the port, particularly airport manager, Quentin Wright for the support at last month's Boys & Girls Club event, which included static displays. Ray noted that there were several displays and thanked Wright for his assistance in securing some of the exhibits.

Ray provided a brief background of his military history and career following his service.

F. ITEMS OF BUSINESS

1. Resolution 24-26, Interlocal Agreement with City of Richland for Steptoe Street and Tapteal Drive Intersection Improvements

Executive Director Diahann Howard explained that the City has been the primary lead on this project, with the Port contributing \$100,000 into the project. Howard added that the interlocal agreement allows the City to go ahead and step into the lead and take on responsibilities related to the project. Howard added that the City has passed this Resolution.

Howard explained that this project has suffered several delays.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-26, an interlocal agreement with City of Richland for Steptoe Street and Tapteal Drive intersection improvements.

2. Resolution 24-27, Accepting Work Completed by Granite Construction Company for the 2939 Richardson Road Parking Lot Improvement Project, \$178,415.00, Plus Washington State Sales Tax – Technology & Business Campus

Executive Director Diahann Howard explained that this resolution accepts work already completed by Granite Construction Company for the 2939 Richardson Road parking lot improvement projects, with total project costs at \$178,415.00 plus Washington State sales tax. Howard added that this project was included in the lease agreement and the Port was responsible for completing.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving Resolution 24-27, accepting work completed by Granite Construction Company for the 2939 Richardson Road parking lot improvement project, \$178,415.000, plus Washington State sales tax – Technology & Business Campus

3. Resolution 24-28, Accepting Work Completed by Ellison Earthworks, LLC for the Street Light Improvement Project. \$265,224.33 plus Washington State sales tax – Richland Innovation Center

Executive Director Diahann Howard explained that this resolution accepts work already completed by Ellison Earthworks, LLC for the street light improvement project in the Richland Innovation Center for a project cost of \$265,224,33 plus Washington State sales tax.

Howard added that Benton County .09 funds were used to complete this project, following the City's plat requirements to add sidewalks.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-28, accepting work completed by Ellison Earthworks, LLC for the street light improvement project. \$265,224.33 plus Washington State sales tax – Richland Innovation Center

4. Resolution 24-29, A Resolution of the Port of Benton Providing Guidelines for an Internal Social Media Policy

Port attorney John O'Leary explained that the internal social media policy reflects the importance of social media, providing a stream of interaction with the public.

O'Leary outlined the policy, noting that staff should not have an expectation of privacy on port-owned computers and staff has a duty of loyalty as an employee of the port and their interaction with the public, noting the importance of clarifying when and if they are speaking on behalf of the port.

O'Leary noted that staff should comply with the terms of use for social media and they avoid any abusive, discriminatory or other obscene posts that would violate the policy.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-29, providing guidelines for an internal social media policy.

5. Resolution 24-30, A Resolution of the Port of Benton Providing Guidelines for an External Social Media Policy

Port Attorney John O'Leary outlined the external social media policy, stating that this policy will be posted to the port's various social media sites that imposes restrictions or informs the public as to their use of port social media, expressing that the sites are limited public forums. The port reserves the right to block users who are abusive, discriminatory or otherwise raise other issues, such as advertising businesses or illegal activity. O'Leary added that the policy also clarifies that the sites are all subject to the public records act and record retention laws.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-30, providing guidelines for an external social media policy.

6. Resolution 24-31, Lease Assignment for Douglas and Bonnie Cole to the Cole Living Trust, Richland Airport

Airport Manager Quentin Wright explained that this resolution is a transfer of ownership of a hangar with their name on it to a living trust.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving Resolution 24-31, lease assignment for Douglas and Bonnie Cole to the Cole Living Trust, Richland Airport.

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7. Maxwell Asphalt Construction Adjustment – Richland Airport

Airport Manager Quentin Wright reviewed the Maxwell Asphalt construction adjustment, noting the port is taking BIL money and adding it to CIP money in order to get everything for the project.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving a Maxwell Asphalt Construction Adjustment – Richland Airport.

F. INFORMATION REPORTS:

1. Facilities Update

Director of Operations and Facilities Ron Branine provided an overview of recent activities and projects in the facilities department, including updates on projects at 2345 Stevens Drive, 3100 George Washington Way, 3110 Port of Benton Boulevard.

Branine reviewed the work order system and workload charts.

Branine reviewed completed 2024 projects and projects in process.

Branine reviewed future purchases that will assist the department with their projects and efficiencies.

2. Grants Update

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

Item 2 – National Highway Freight Program (WSDOT), SR 240 rail signal and crossing reconstruction. The design is complete and waiting for WSDOT review and approval. Plan to bid on August 4. Planned crossing construction for later this year.

Item 3 – Railroad Improvements – Freight Rail Assistance Program Grant, Provide grant funding of railroad crossings at Airport Way, Saint Street and Kingsgate Way. Received \$1.28 million. Projects have been awarded to Railworks Track Systems. Materials and equipment have been ordered.

Item 5 – 2023-2025 State Capital Appropriation, White Bluffs Rail, remaining crossings, ties, panels and rail to support CRISI. HDR has begun the design work and port intends to advertise in the coming days with installation likely at the end of August.

48,000 ties in the system, with staggered plan for replacement over years.

Howard provided update on the Steptoe crossing and the delay with the project.

Airport Manager Quentin Wright project announced that the estimated cost for the hangar taxilane project increased from \$900,000 to \$2 million and the design has been shelved for now.

Wright provided an update on the current pavement maintenance project at Richland Airport, noting that the project will start in the coming months, with a possibly delay due to materials and a revised schedule will be provided and shared.

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Wright noted that bids were received for pavement maintenance at Prosser Airport and plans are moving forward to complete the rehabilitation at Prosser.

Howard added that an earmark was in committee regarding Item 9 for \$3.55 million, which is for the rail modernization project, pending final bill approval.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Lori Stevens stated that she toured the new Prosser Memorial Hospital with several port staff through an invitation from the Prosser Economic Development Association.

Stevens praised the port team for providing a great tenant appreciation BBQ at the Walter Clore Center.

Stevens noted that she attended the Washington Public Ports Association (WPPA) Commissioners Seminar and had the opportunity to speak on the wine industry.

Commissioner Roy Keck announced that he attended the AAPA Smart Ports Seminar in Seattle, which was very informative on how the rest of the world is dealing with the energy issues.

Keck stated that he attended the WPPA Commissioner Seminar and thanked Executive Director Diahann Howard for her leadership during the Energy Forum with Energy Northwest during the seminar.

Keck noted that he is also a tenant of the port and reviewed his own rent increases from 20 years of renting and pointing out the new requirements that are now in place related to leases. Keck also referenced the grant assurances, noting there are currently 38 specific requirements related to grants.

Commissioner Scott Keller stated that he attended the WPPA Commissioners Seminar, which was a great event and shared information he learned related to executive sessions.

Keller complimented the team on the tenant appreciation BBQ and how wonderful the Walter Clore Center looked.

Keller complimented Diahann Howard and Commissioner Stevens for doing a great job at the Commissioners Seminar.

Discussion ensued related to the latest airport appraisal and fair market value and seeking an updated appraisal from a local appraiser.

H. DIRECTOR REPORTS/COMMENTS:

1. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck provided a financial status report, including: process improvement initiative related to billings, 2024 standard financial information review and a 2025 budget preparation update.

Lubeck summarized the billing process changes and improvements, stating that the recently implemented billing system contributed to the Port passed the most recent State Auditors Office audit, including the new lease calculations requirement by GASB 87 audit.

Lubeck further reviewed the current processes and technologies, including focus on people, process and the technology itself.

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Lubeck overviewed the current cash outlook, including cash receipts and disbursements from the general fund.

Lubeck overviewed current accounts receivable and payable.

Lubeck reviewed the 2025 budget development plan, focusing on key dates and activities.

2. PORT ATTORNEY:

Contract Port attorney John O'Leary referenced a February 2024 meeting where former port attorney David Billetdeaux presided over a discussion over the port Commission Rules of Policies and Procedure dated January 2020.

O'Leary reviewed the policy and compared the current policy with the WPPA governance and management guide.

Conversation ensued regarding who the port attorney reports directly to, noting that the guide maintains that the port attorney is the legal advisor to the port, the Commission, its committees, boards, executive director and all port officers with respect to any legal questions involving an official duty or any legal matter pertaining to the affairs of the port. Similar conversation followed regarding the role of the Port Auditor.

Conversation ensued related to the policy, with it noted that an updated policy would be drafted and presented at a future meeting.

3. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard provided an update on recent activities, noting that further conversation will be taking place with Benton County and the City of Richland related to the Tax Urban Financing program to ensure proper accounting practices are being followed by all.

Howard noted that the Journal of Business will be publishing an article on the Walter Clore Center, which will heighten the awareness that the facility is available.

Howard reviewed recent events, including the Prosser Hospital Tour, WPPA Commissioners seminar and port district tour, and meeting and tour with the Port of Seattle.

Howard stated that she participated in an interview about Snake River Dams, provided a presentation to the Kiwanis Club and complimented the team for hosting a great tenant appreciation BBQ.

Howard reviewed recent leasing activity with a note that additional real estate conversation will be reserved for executive session.

Howard reviewed the airport appraisal and lease modifications process that took place, which were adopted in 2022 with further discussion on appraised land.

I. FOR THE GOOD OF THE ORDER

Executive Director Diahann Howard reviewed a list of upcoming meetings and events and things to plan and coordinate.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 10:15 a.m. and it was announced that an Executive Session would immediately commence at 10:15 a.m. for 15 minutes to discuss potential litigation and real estate related to Richland Airport and the Walter Clore Center.

At 10:30 a.m., it was announced that an additional 10 minutes was needed.

At 10:40 a.m., it was announced that an additional 10 minutes was needed.

At 10:50 a.m., it was announced that an additional 5 minutes was needed.

At 10:55 a.m., it was announced that an additional 5 minutes was needed.

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

No action was required after the Executive Session.

K. BREAK: It was announced that teleconference and zoom options would terminate at this time. Commission and staff will take this time to travel to 3110 Port of Benton Boulevard and 2345 Stevens Drive, Richland, WA for tours of the buildings and surrounding areas. It was noted that the tours were open to the public.

L. Tour 3110 Port of Benton Boulevard: Open to public attendance. No action will take place during or after the public tour of 3110 Port of Benton Boulevard and surrounding area.

M. Tour 2345 Stevens Drive: Open to public attendance. No action will take place during or after the public tour of 2345 Stevens Drive and surrounding area.

N. ADJOURNMENT: The meeting was adjourned at 12:14 p.m. with an announcement that the next Port of Benton Commission meeting would take place on Wednesday, September 11, 2024, at the Walter Clore Center, 2140 Wine Country Road, Prosser, Washington.



Roy Keck
Commission Secretary