

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

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 a.m. at the Port of Benton Commission room, 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, Brandin Lopez, Wally Williams, Audrey Burney, Angela Saraceno-Lyman

ALSO PRESENT: John O’Leary, Gravis Law; Clif Dyer, Sundance Aviation; Francisco Gamez, Enodav Wine Co.; David Rodriguez, Enodav Wine Co., Mr. Rodriguez, Enodav Wine Co.

The following attendees attended via remote communications: Jorge Celestino, Sheri Collins; Cassie Hammond, Julia Mora, Bryan Condon, Century West Engineering; Wendy Culverwell, Tri-City Herald; Joshua Lott, Anderson Perry; Teresa Hancock, Greg Shaw, Ashley Garza

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Wally Williams led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

Commissioner Lori Stevens made a motion, seconded by Commissioner Scott Keller, opposed by Commissioner Roy Keck, to amend the agenda and add Item of Business #8, “Clarification of Who the Port Attorney Reports To.”

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the revised agenda for the November 13, 2024, Commission meeting, approval of minutes from the October 15, 2024 Commission workshop, approval of minutes from the October 16, 2024 Commission meeting, approval of vouchers and certifications, including payroll, for the month of October totaling \$1,092,722.88.

D. PUBLIC COMMENT:

Clif Dyer of Sundance Aviation, requested an updated lease and lease assignment related to the current tenant, Ken Jackson, noting that the lease needs to allow for the opportunity. Dyer noted that the lease rate needs to be competitive, which will allow the business to be profitable, as the current rates do not allow.

Dyer noted that time is of the essence in this scenario and discussed possible competitive rates.

Dyer noted that he would like to see action moving forward on the creation of an airport advisory committee, which would consist of a 5-6-person group, noting that several opportunities have been left on the table in the past few years.

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E. PUBLIC HEARING

Commission President Scott Keller opened the public hearing at 8:40 a.m.

1. 2025 Port of Benton Budget

It was noted that one notable difference in the 2025 budget, as far as expenses, is the railroad.

It was noted that the Port stayed within the lines of the budget, per an inquiry from Clif Dyer. There were no additional comments.

2. 2025 Comprehensive Plan of Harbor Improvements

There were no comments from the public.

Commission President Scott Keller closed the public hearing at 8:42 a.m.

F. ITEMS OF BUSINESS

1. Resolution 24-36, 2025 Port of Benton Budget; Resolution 24-37, Port of Benton 2025 Comprehensive Plan of Harbor Improvements Adoption; Resolution 24-38, Certifying the Port of Benton's 2024 Levy for 2025 Collection

Director of Finance Jeff Lubeck reviewed the timeline and all major pending items, the City of Richland land swap, which is in the due diligence period and will likely close in 2025.

Discussion continued related to the due diligence period.

Lubeck added that the property tax revenue calculations will be finalized in January 2025.

Lubeck noted that the final pending item is related to Crow Butte labor related to the pension audit.

Lubeck provided a brief crosswalk of items changed since the budget workshop in October, noting the change in property tax going up from the third round of information received from the County. Lubeck added that this change has zero impact on the property tax rate, but resulted from the underlying property valuation. Lubeck stated that the \$25,000 property tax increase will increase the surplus from \$115,000 to \$140,000.

Lubeck reviewed property tax information and noted that there will likely be a small difference when Benton County finalizes the levy values and amounts in January 2025.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 24-36, 2025 Port of Benton Budget; Resolution 24-37, 2025 Port of Benton Comprehensive Plan of Harbor Improvements and Resolution 24-38, Certifying the Port of Benton's 2024 levy for 2025 collection.

3. Resolution 24-39, Barge Facility Tariff and Fee Structure – Technology & Business Campus

Engineering and Development Manager Brandin Lopez noted that this item was originally reviewed at the September Commission meeting. Lopez stated that the barge facility and tariff fee

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structure policy would establish a fee and streamline processes. Lopez stated that the document would formalize what had been previously discussed.

Lopez provided a review of the tariff policy, including planned improvements to the barge facility.

Lopez noted that he has conducted several meetings with current and future potential clients, including the US Navy, about the plans and plans for future scheduling purposes.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving Resolution 24-39, a barge facility and fee structure.

4. Resolution 24-40, Acceptance of Work to Ecomodus, LLC – Technology & Business Campus

Director of Facilities Ron Branine provided an overview of the lighting replacement project at 3110 Port of Benton Blvd.

Branine stated that the project subtotal was \$148,893.28, with \$12,953.73 in Washington State sales tax, totaling \$161,847.00.

Branine stated that the Port will receive a \$69,684.00 rebate on the project, and there will be a one-year savings of \$15,850.00, and the ROI will be approximately ten years.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 24-40, acceptance of work to Ecomodus, LLC.

5. Contract Amendment Through Year-End for RGW Enterprises

Executive Director Diahann Howard stated that the RGW Enterprises contract has an overage of \$25,000 due to the number of capital projects, additional responsibilities, and project coordination.

Howard added that RGW has been transitioning with Brandin Lopez on duties and responsibilities.

Howard added that approximately \$53,000 of the RGW contract is reimbursable through grants.

Howard added that there has also been a lot of work regarding rail, car charge study and the Columbia Rail short line agreement.

Discussion ensued related to overall contracts and efficiencies.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, opposed by Commissioner Scott Keller. The contract amendment through year-end for RGW Enterprises was approved.

6. Revision to Standard Airport Land Lease Agreement – Airports

Airport Manager Quentin Wright highlighted the airport lease with the red-lined track changes, pointing out the areas that were updated.

Discussion ensued related to the updates, plans for lease renewals and legal requirements.

Commissioner Roy Keck made a motion, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission to approve the revision to the standard airport land lease agreement.

6. Revised Development Plan, Francisco Gamez – Vintners Village

Real Estate Manager Audrey Burney provided background information on the purchase and sale agreement between the Port of Benton and Enodav Wine Co., who purchased three parcel areas in Vintners Village. Burney stated that the agreement included plans for a combination tasting room, office, case, good storage for the winery, crush, and outdoor space and reviewed the plan layout site.

Burney provided background on a repurchase option if construction has not started within 18 months of purchase.

Burney introduced Enodav Wine Co. owner, Francisco Gamez, who is now proposing a winery that is Air B&B style and multiple cabins located on the land. Burney stated that the revised plan falls in line with the City of Prosser agritourism requirements.

Francisco Gamez provided an overview on the revised business plan for the land purchased in Vintners Village. Gamez explained that after researching, he has shifted the business plan to five-star overnight units, which will add 20-25 jobs to the community and year-round employment opportunities, along with the unique overnight option to the community.

Commissioner Stevens noted she was excited about the proposals.

Commissioner Lori Stevens made a motion, seconded by Commissioner Roy Keck, and unanimously passed by the Commission to approve the revised development plan for Enodav Wine Co. at Vintners Village.

7. University Drive Easement Request – Richland Innovation Center

Engineering & Development Manager Brandin Lopez described and displayed on the screen the recent easement request received from Charter Communications in the Richland Innovation Center.

Discussion ensued on this process for future easement requests.

Commissioner Lori Stevens made a motion, seconded by Commissioner Roy Keck, and unanimously passed by the Commission to approve a University Drive easement request in the Richland Innovation Center.

8. Clarification on Who the Port Attorney Reports To

Executive director Diahann Howard stated that this item was originally brought forward in February by former port attorney David Billetdeaux and again during commission September meeting. Howard stated that the Commission had stated that they wanted clarity on this item and they wanted to follow WPPA guidelines, as well as the RCW.

Howard explained that review had been taking place by WPPA counsel and unfortunately Frank Chmelik was unable to get edits back prior to the meeting or attend today due to a family medical emergency.

Howard provided the draft and explained the changes comparatively, outlining that basically the Commission will appoint the attorney, but the process of putting out the RFP and bringing issues forward to the Commission comes from the executive director.

Discussion ensued on the topic of who the port attorney reports to.

Commissioner Lori Stevens made a motion, seconded by Commissioner Roy Keck, and unanimously passed by the Commission to approve the addition of this item for the December agenda, "Adoption of Port of Benton Commission Rules Policy & Procedure".

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 2, National Highway Freight Program – Only one bid was received, which was 60% over budget. The project is approved for rebid with modifications, with bids due mid-December. Project will likely take place spring 2025.

Item 3, Railroad Improvements – Freight Rail Assistance Program – Crossings are completed. Signal work to be completed when the signal materials arrive, likely before the end of the year.

Item 4 – 2023-2025 State Capital Appropriation – Ties have been ordered, but delivery delayed. The project will likely take place first of the year.

Item 5 – RAISE – RAISE and CRISI not awarded. Port project of merit for RAISE resubmitted. Revised applications will be submitted in 2025.

Item 10 – CERB/EDA – A meeting with CERB and EDA was held to discuss the project. The application planned for fall 2024 and EDA in 2025 will require a 20% match and POB discussion and approval.

Airport Manager Quentin Wright stated that the Richland Airport pavement maintenance project wrapped up last week, and the Prosser project has also been completed, which is a good stop gap until the FAA-funded project can commence in Prosser.

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G. COMMISSIONER REPORTS/COMMENTS

Commissioner Roy Keck reviewed recent meetings and events he has participated in, including the AAPA Annual meeting, the Chamber of Commerce luncheon, the Port of Pasco's 85th celebration, the grand opening of Tirriddis, WPPA Small Ports, and the Visit Tri-Cities annual meeting.

Commissioner Lori Stevens reviewed recent meetings and events she has participated in, including the Tirriddis ribbon cutting, which she felt was well attended, the space looked great and kudos to the team for their assistance with the event.

Commissioner Scott Keller reviewed recent meetings and events he has participated in, including the Tirriddis ribbon cutting, WPPA Small Ports, Visit Tri-Cities annual meeting and tenant meetings related to the airport.

Commissioner Keller made comments on Resolution 22-42 and Richland Airport's impact on local economic development.

H. DIRECTOR REPORTS/COMMENTS:

1. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck provided a financial overview, noting that the focuses now are the 2024 standard financial information review, 2023 audit status, and 2024 year-end preparation.

An overview of the cash status was provided, noting that continued volatility is due to the timing of large projects, grant expenditures, and grant reimbursements.

An overview of the cash activity was provided with a note that late fees will be implemented in early 2025.

Lubeck stated that past due lease payments will have late payment fees charged beginning in January 2025, in accordance with the terms and conditions specified in the individual leases. Letters have been mailed to all tenants informing them of this.

Lubeck provided a Year-to-Date operating expense review, noting that 2024 continues to trend slightly under budget.

Discussion ensued related to past due tenants.

Lubeck presented a slide noting the areas over budget, Crow Butte Park and airports, which the airport is in large part due to the unplanned pavement maintenance project.

Lubeck informed the Commission that the State Auditors Office has informed staff that the 2023 audit is currently scheduled to begin the week of December 9, 2024 and all entrance interviews will be scheduled.

Lubeck added that one Commissioner will need to be the representative for the risk assessment and planning questions.

Commissioner Scott Keller volunteered for this role.

Lubeck overviewed year-end preparation, including active monitoring of operating expenses and year-end performance reviews of the staff. Lubeck noted that David Mercier will be brought in for the performance review of the executive director.

2. PORT ATTORNEY:

Contract Port attorney John O’Leary stated that he had one item to discuss with the Commission during Executive Session regarding a legal course of action, noting that he proposes that he will seek Commission approval once coming out of Executive Session on the item.

3. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard reviewed recent meetings and events she has participated in.

Howard noted that she had the opportunity to present to the Washington State Wine Commission at their recent board meeting regarding the Walter Clore Center, including opportunities for future co-collaboration with the Center.

Howard noted that the Port presented at the recent Good Roads Association meeting and Association of Realtors. Howard stated that she attended Fusion Week, toured the Seattle-based Avalanche facility, attended the Energy Northwest Public Power Forum, AAPA annual meeting and met with the City of Kennewick regarding the intermodal project.

Howard provided an update on the rail attorney, the lease with Avalanche and the CERB loan and improvements to the Barnhart space, which will be brought forward at a future Commission meeting.

Howard provided general real estate updates and discussion ensued related to lease rates.

I. FOR THE GOOD OF THE ORDER

Executive Director Diahann Howard reviewed a list of upcoming meetings and events, including a review of 2025 Commission meeting dates. The 2025 dates will be brought back in December after a few minor changes for approval.

A reminder was issued to Commissioners to turn in meetings and reimbursement reports the first week of the month for processing. If it is received later, it will be processed the next month.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 10:04 a.m. and it was announced that an Executive Session would commence at 10:10 a.m. for 10 minutes to discuss real estate. It was noted that the regular meeting would be reconvened at 10:20 a.m.

At 10:20 a.m., it was announced that an additional 5 minutes was needed.

The regular Commission meeting was reconvened at 10:25 a.m.

A motion was made by Commissioner Scott Keller, seconded by Commissioner Lori Stevens and unanimously passed by the Commission approving payment of \$11,901.29 to Greg Shaw for repair of his concrete apron.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck approve a modification of Talent Aviation’s 10-year lease in alignment with the FAA’s guidelines.

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K. ADJOURNMENT: The meeting was adjourned at 10:26 a.m. with an announcement that the next regular Port of Benton Commission meeting would be held at 8:30 a.m. on Wednesday, December 18, 2024 at the Port of Benton Commission meeting room located at 3250 Port of Benton Blvd., Richland, Washington.



Roy Keck
Commission Secretary