

**PORT OF BENTON
COMMISSION MEETING MINUTES
December 18, 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, Julia Mora

ALSO PRESENT: John O’Leary, Gravis Law; Clif Dyer, Sundance Aviation; Jon Ray, Richland; Dave Mercier, Kenbriio; Cory Heron, Prosser; Joe Schiessl, City of Richland

The following attendees attended via remote communications: Jorge Celestino; Sheri Collins; Cassie Hammond; Julia Mora; Bryan Condon, Century West Engineering; Ashley Garza; Angela Saraceno-Lyman; Rachel Visick, Tri-Cities Journal of Business

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:

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission approving the agenda for the December 18, 2024, Commission meeting, approval of minutes from the November 13, 2024, Commission meeting, and public hearing, approval of vouchers and certifications, including payroll, for the month of November totaling \$1,773,353.30.

D. PUBLIC COMMENT:

City of Richland Deputy City Manager Joe Schiessl thanked the Port for participating in the recent Winter Wonderland parade.

E. ITEMS OF BUSINESS

1. Resolution 24-41, Adoption of Port of Benton Commission Rules of Policy & Procedure

Executive Director Diahann Howard reviewed the updated Commission rules of policy and procedure, noting that Washington Public Ports Association attorney Frank Chmelik had reviewed it, and the revisions are in line with Chmelik’s recommendations.

Howard noted that the revised area is highlighted in bold.

Commissioner Keller commented that the last sentence of section 17-11 notes that the executive director is responsible for evaluating the port attorney's performance. Keller requested that the Commission be involved in that process.

Howard agreed that that section would be updated accordingly.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 24-41 with the requested revision of Commission involvement in the review of the port attorney and adopting the revised Port of Benton Commission Rules of Policy and Procedure.

2. Resolution 24-42, Authorizing Write-Off of Uncollectible Accounts Receivable Through November 30, 2024, Richland Airport

Director of Finance Jeff Lubeck explained that this uncollected account receivable stems from the balance of Chemchek, the former Richland Airport tenant recently evicted from the premises. Lubeck explained that all measures were taken to contact the tenant, and proper protocol was enacted through the eviction process.

Lubeck explained that the tenant abandoned their property and equipment. These items will be sold and/or surplused with the proceeds from these sales partially offsetting the account receivable write-off.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving Resolution 24-42, authorizing the write-off of uncollectible accounts receivable through November 30, 2024, Richland Airport

3. Resolution 24-44, Acceptance of Work Maxwell Asphalt, Inc., Richland Airport

Airport Manager Quentin Wright stated that Maxwell Asphalt has completed the \$1.2 million pavement project at Richland Airport, and this approval will start the project's completion process.

Commissioner Keller complimented the work completed by this contractor.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 24-44, acceptance of work by Maxwell Asphalt, Inc.

4. Assignment of Lease – Talent Aviation to Tym2Fly, LLC – Richland Airport

Executive Director Diahann Howard informed the Commission that Richland Airport tenant Ken Jackson has sadly passed away, explaining that this assignment of lease from Talent Aviation to Tym2Fly, LLC will allow Mr. Jackson's widow to reassign the lease when she is ready, which is expected to take place in January.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving the assignment of lease from Talent Aviation to Tym2Fly, LLC, Richland Airport.

5. 2025 Architect, Engineer and Professional Roster

Executive Director Diahann Howard explained that the proper process of reviewing, evaluating and grading has occurred and the approval of the 2025 roster allows for business to continue to go forward at the port and those the port works with.

Howard added that all applicants were separately scored by finance, engineering, and facilities.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission to approve the 2025 architect, engineer and professional roster.

6. 2025 Contracts (RGW Enterprises, Gravis Law)

Executive Director Diahann Howard explained that Commission approval for the 2025 contracts for RGW Enterprises and Gravis Law is requested, as they are close and over her delegation of authority. Howard added that these particular contracts are in place for 2024 and approval will ensure there is no disruption of service as we go into the new year.

Howard noted that the engineering contract is tied primarily to port rail projects, several of which will be reimbursed by grants.

Howard noted that the legal contract allows the port to retain legal counsel.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving the 2025 contracts for RGW Enterprises and Gravis Law.

7. City of Richland and Port of Benton Land Exchange Phase I Closing and Extension of the Feasibility Study, Phase II

Executive Director Diahann Howard noted that the approval of the land exchange took place through Resolution 24-22 in June 2024. Howard added that phase I is ready to proceed and close on January 7. Howard added that the feasibility period, per the agreement, expires on December 31 and this will require the Port to extend to a phase II.

Howard noted that phase II includes additional environmental reviews and additional due diligence.

Howard added that the Richland City Council approved this at their meeting last night.

Howard displayed maps of what the City and Port are exchanging, noting that the Port is no longer going to transfer the three acres south of 2345 Stevens Drive or the airport property but will work with

the City on an expanded navigation easement to ensure that the runway can be extended when the time comes.

Howard explained that they would like to move forward now with phase I because the port has pending grant dollars potentially and there are also pending land transactions.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission to approve the City of Richland and Port of Benton land exchange phase I closing and extension of the feasibility study, phase II.

8. Alfteras Easement – Prosser Airport

Airport Manager Quentin Wright explained that this easement relates to port property on the very west end of Prosser Airport and is a small utility easement for Benton REA.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving the Alfteras easement at Prosser Airport.

9. 2025 Meeting Dates

Executive Director Diahann Howard presented the proposed 2025 meeting dates that were proposed, and sighted the update from the previous meeting. Discussion ensued.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving the presented 2025 meeting dates.

10. Performance Review of Executive Director

Executive Director Diahann Howard thanked the Commission, noting that she will refer to the memo shared with them yesterday for her 2024 review summary:

Small Business Support & Tourism

The Port acquired the 3110 Port of Benton Blvd. 50,000 sq. ft. facility to support new and expanding companies. We also leased the Clore Center Pavilion to Tirridis to support its expansion. The Clore Center also hosted 27 events for various organizations. The Port team also made improvements to the 1845 Terminal Drive building to ready it for additional small business tenants. Additionally, in 2024, we saw the result of our outreach with American Cruise Lines, as they brought in weekly tourists to Prosser businesses.

Asset Improvements

This work included pavement rehabilitation at the Richland Airport (\$1.5 million), rail crossing replacements at Airport Way and Saint Street (\$1.2 million), and Port Barge Complex facilities planning that resulted in securing a \$2.7 million Port Electrification grant to improve those assets. Due to grant delays the Port committed funds toward for crack repairs at the Prosser Airport. We also completed planning work supporting the future Rail Car Charge and waterfront development.

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Economic Development

- o Completed expansion and a land sale to Total Energy Management to support the company's growth.*
- o Supported Enodav Wine Co.'s revised development plan to bring small business investment and growth to Vintners Village.*
- o Recruited Avalanche Energy, a start-up clean energy fusion company, bringing \$30 million in investment and 60 family-wage jobs to our region.*
- o Led clusters and in administered Washington, the formed VERTical with state Innovation investment. Cluster - one VERTical of is nine focused industry-led on supporting innovation our to small rebuild and and large modernize companies the in the supply chain next-generation and create nuclear a and sustainable advanced workforce manufacturing pipeline for the industries future. VERTical is viewed by its industry members as a respected and trusted third party that brings Northwest industry and legislators together to take action on solving barriers to widescale deployment of next-generation nuclear energy projects.*

Additionally, VERTical and its partners are collaborating with Washington state on a \$160 million (over 10 years) grant opportunity. The coordination and alignment between the Port and City of Richland are moving forward our united vision to grow our region's advanced manufacturing and clean energy industries.

- o Advanced industrial land exchange with Richland valued at \$18 million that realigns and positions both entities to more fully fulfill our industrial economic development missions.*
- o Updated agreements with American Rock and return of industrial land for development in 2025.*
- o Continued our strong partnerships with the cities of Benton City, Prosser and Richland and Benton County, PEDDA, TRIDEC and our local chambers. We also supported community events and expanded partnerships with industry, the state of Washington, education entities and workforce providers.*

Our Port team remains focused on managing our public assets and making strategic investments to be a catalyst for regional economic growth and prosperity.

We brought in new hires in Finance, Real Estate, Engineering and Development. We also further refined our work in alignment with the LEAN process and added work order systems. These efforts have proven valuable. Our team increased revenues, improved facilities and property tax rate was reduced to \$0.30 to bring us to a 21-year low, benefiting Port District taxpayers.

In 2025, we are planning for \$14.8 million in capital projects, 60% of which are focused on economic development, including rail, intermodal and Prosser Airport.

We look forward to collaborating with the Commission and community stakeholders to develop a updated Port of Benton Strategic Plan with our economic development partners.

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We will continue to hold ourselves to leading private business standards and best government contracting and port practices in alignment with our core values.

Thank you for the honor and opportunity to lead our team.

Commissioner Keller thanked Howard and the entire team and thanked the team for their support during his first year as a Commissioner.

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 – Project is out for rebid and due Thursday, December 19. A special meeting may be called to keep this project moving and things moving forward.

Item 3, Railroad Improvements – Freight Rail Assistance Program Grant – Crossings are completed and signal work will be completed when the signal materials arrive, likely the first two weeks of January.

Item 4, 2023-2025 State Capital Appropriation – Ties have been ordered, but delivery has been delayed. The tie installation bid will be issued soon.

Item 8, Congressional Directed Spending Requests - \$3.55 million has been marked to support this project, awaiting final bill approval, which could potentially be March 2025.

Item 10, CERB/EDA-updated – Submitted application to CERB. January 17 presentation to CERB board if application is accepted, but may get kicked to later in the spring.

Airport Manager Quentin Wright did not have any grant-related updates.

2. Engineering & Development Update

Engineering & Development Manager Brandin Lopez provided an update on current and recent projects from 2024.

Lopez overviewed 2024 capital project milestones, an overview of major projects throughout the year and 2025 capital project targets.

Lopez reviewed plans for shore power implementation in 2025 at the barge facility, which will add shore power to the high dock. Lopez highlighted additional areas of improvement planned for the area.

Lopez reviewed the proposed 2025 intermodal facility modernization project at 2579 Stevens Drive and overviewed focus areas of the facility.

Lopez noted that he plans to create a standardization process in 2025 related to easements, permits and agreements, which he was involved in previously with the City of Richland.

Lopez provided examples of the current processes.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Scott Keller announced that he attended the Washington Public Ports Association Annual Meeting.

Commissioner Roy Keck stated that he attended the Washington Public Ports Association Annual Meeting and felt there was significant discussion related to power and energy and is pleased the Port of Benton is in the position it is in related to this matter.

H. DIRECTOR REPORTS/COMMENTS:

1. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck provided an update on the finance department, noting that 2024 year-end preparations have started, performance reviews are ongoing and the team is preparing and configuring systems to begin 2025.

Lubeck provided a review on the financial status, noting that continued volatility in cash balance is to be expected due to timing of large projects, grant expenditures and grant reimbursements.

Lubeck stated that \$2.6 million in deposits were received, which included the Richland Innovation Center and airport grant reimbursements.

Lubeck provided an overview of cash disbursements from the general fund, noting \$224k was payroll-related, \$1.55 million in accounts payable due to large rail crossings, Richland Innovation Center, and grant activity. Lubeck noted that there is currently \$1.45 million outstanding in Accounts Payable, with \$1.281 million being the airport project.

Lubeck provided an overview of the accounts receivable status, including tenants' outstanding balances.

Lubeck noted that 2024 continues to trend slightly under budget and provided a visual of Year-To-Date operating expenses through November 30, 2024, which include variances.

Discussion ensued related to the current voucher report.

2. PORT ATTORNEY:

Contract Port attorney John O'Leary stated that he will have a property related issue to discuss in Executive Session.

3. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard provided an overview of recent meetings and events she has participated in.

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Howard noted that the Ag Council is considering 3110 Port of Benton Blvd. Howard added that Washington State Department of Commerce was in Richland in November and she participated in meetings with industry, education and workforce.

Howard noted that there is an industrial prospect on the 50 acres of land the Port is getting back from American Rock, which has access from Hagen Road.

Howard noted that meetings were held in conjunction with the City with all current tenants of the Richland Innovation Center and she recently attended her second CARB board meeting, which manages a revolving loan.

Howard provided updates on current transportation-related discussions and issues and current discussions with potential new and continued lease agreements, including the end of the Bouten Construction lease in Prosser because the hospital is nearly completed.

I. FOR THE GOOD OF THE ORDER

Executive Director Diahann Howard reviewed a list of upcoming meetings and events and confirmed that this report meets the Commission's expectations.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 9:40 a.m. It was announced that an Executive Session would commence at 9:45 a.m. for 60 minutes to discuss personnel, potential litigation and real estate. It was noted that the regular meeting would be reconvened at 10:45 a.m.

At 10:45 a.m., it was announced that an additional 15 minutes was needed.

At 11 a.m., it was announced that an additional 10 minutes was needed.

At 11:10 a.m., it was announced that an additional 10 minutes was needed.

The regular Commission meeting was reconvened at 11:15 a.m.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving a 5% raise for the Executive Director.

K. ADJOURNMENT: The meeting was adjourned at 11:16 a.m. with an announcement that the next regular Port of Benton Commission meeting would be held at 8:30 a.m. on Wednesday, January 15, 2025, at the Port of Benton Commission meeting room located at 3250 Port of Benton Blvd., Richland, Washington.



Commission Secretary