

**PORT OF BENTON
COMMISSION MEETING MINUTES
February 12, 2025**

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, Cassie Hammond, Angela Saraceno-Lyman

ALSO PRESENT: John O'Leary, Gravis Law; Jon Ray, Richland; Aaron DeWitt, Butler Loop Mini Storage, LLC; David Reeploeg, Hanford Communities; Rob Ellsworth, SVN; Cory Herron, Prosser

The following attendees attended via remote communications: Sheri Collins; Bryan Condon, Century West Engineering; Wendy Culverwell, Tri-City Herald; Jeff (no last name given); Ashley Garza; Josh Woodson, Washington State Department of Commerce; Jen Cash, Washington State Department of Commerce; Teresa Hancock; Rachel Visick, Tri-Cities Area Journal of Business; Bryan Bell

The Commission meeting was noticed as required by RCW 42.30.070.

B. PLEDGE OF ALLEGIANCE: Summers Miya led those present to recite 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 February 12, 2025, Commission meeting, approval of minutes from the January 15, 2025, Commission meeting, approval of vouchers and certifications, including payroll, for the month of January totaling \$1,872,223.59 and approval of Resolution 25-06, to cancel warrant no. 084105, in the amount of \$55.80, issued to Stoneway Electric, and warrant no. 081736, in the amount of \$25.00, issued to Foodies on the Go, both warrants have been deemed lost.

D. PUBLIC COMMENT:

Rob Ellsworth, SVN, requested Commission consideration for the port to sell the land under the Sigma 3 building at 3160 George Washington Way. The tenant would like to own the land where their business sits, which would allow the client to invest in significant renovations.

E. ITEMS OF BUSINESS

1. Resolution 25-09, Authorizing Support of an Application to the National Science Foundation Engines Program for the Northwest Energy Accelerator Regional Nuclear Innovation Engine

Executive Director Diahann Howard explained that this resolution authorizes support for an NSF application under the Engines program.

Howard explained that the State of Washington's initial leadership was to be through the Clean Tech Alliance, but due to organizational changes, leadership has shifted to VERTICAL.

Howard added that the first two years of the grant would be \$15 million and up to \$160 million throughout the next ten years, contingent on its success. Howard added that the purpose of the grant is to enhance workforce and entrepreneurship and support the supply chain to support advanced reactors.

Howard noted that the application's results are expected mid- to late fall, and initial support of \$50,000 in-kind through staff time will be offset by grant funds.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 25-09, authorizing support of an application to the National Science Foundation Engines Program for the Northwest Energy Accelerator Regional Nuclear Innovation Engine.

2. Welcome and Update from David Reeploeg, Hanford Communities

Executive Director Diahann Howard introduced Hanford Communities' Executive Director David Reeploeg.

David Reeploeg provided an overview and update on Hanford Communities, including providing background on the formation of Hanford Communities, the organization structure, cleanup overview, progress highlights, federal administrative changes, challenges and future plans.

3. Approval of Contract Amendment to KPFF, State Route 240 Rail Crossing Project

Engineering and Development Manager Brandin Lopez explained that the original estimate received from KPFF for the State Route 240 Rail Crossing Project, for construction services only, was \$50,000, but this amendment would update the total to \$70,550.

Brandin Lopez noted that the engineering team is coordinating with the City, State and Bechtel to align schedules and detour impact. Lopez noted that the project is planned for one weekend, Thursday to Sunday, with routing adjustments.

Lopez noted that a communications plan for the project is forthcoming.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving a contract amendment to KPFF, for the State Route 240 Rail Crossing Project.

4. Resolution 25-07, Approving a Ground Lease Modification Schedule with DBM, Inc. – Richland Airport

Executive Director Diahann Howard explained that the lease with DBM, Inc. would be a reduction of land lease from 1.66 acres to .86 acres. Howard noted that it is a five-year lease with a 3% annual stair-step escalation with rent reduction considerations for economic growth and employment retention. Howard noted that the tenant is installing fencing and improving the parking lot.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission, approving Resolution 25-07, approving a ground lease modification schedule with DBM, Inc. at the Richland Airport.

5. Resolution 25-08, Approving a 30-Year Lease Agreement with Two 10-Year Options to Renew with Bulter Loop Mini Storage, LLC – Richland Airport

Executive Director Diahann Howard overviewed the two types of leases at the Richland Airport, CPI leases and fair market value leases.

Howard explained how each of the lease rates are determined, including the formula to determine adjustments.

Howard explained that each airport lease is different and there are several legacy leases at the airport. Howard explained that it has been discovered in recent years that there have been no adjustments made to many airport leases over the years and many of the leases were ineffectively and inconsistently managed. Howard added that the current staff has now inherited 20-30+-year-old leases with issues.

Howard thanked the Commission for approving the stair-step approach on the fair market value leases.

Howard explained that with the implementation of the new software and new requirements like GASB 87 have brought the airport lease rate issue to light.

Howard added that the port wishes to honor standing lease agreements and make progress going forward, with the intent to work with each tenant, if necessary, to find a path forward.

Howard overviewed all current airport lease rates.

Howard introduced airport tenant, Butler Mini Storage, LLC owner, Aaron DeWitt and noted that the port is in support of giving Butler Loop Mini Storage, LLC a new lease.

Aaron DeWitt addressed the Commission with his concerns, pointing out the inequality in lease rates with the other mini-storage businesses located at the airport. He noted that he has researched the current leases at the airport and has learned that his rates are significantly higher than similar businesses. DeWitt reviewed several concerns related to lease management, fairness, and inequity, particularly in lease rates.

Discussion amongst port staff, Commission and DeWitt ensued related to airport leases and lease management.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Scott Keller, and opposed by Commissioner Roy Keck, approving Resolution 25-08, approving the new lease including a temporary five-year lease agreement period and granting the executive director authority to approve the agreement going forward, with the understanding that the rates will be averaged from nearby businesses at the Richland Airport along with review by FAA.

F. INFORMATION REPORTS:

1. Grants Update

Airport Manager Quentin Wright stated that he received confirmation that the grant for the apron reconfiguration design at Richland Airport is being moved forward soon.

2. Facilities Update

Director of Facilities & Operations Ron Branine provided a summary of current projects:

- 2579 Stevens Drive – Flooring
- 2345 Stevens Drive – Veolia space turnover
- 3100 George Washington Way – Added mag holders to hallway doors
- 2880 Lee Road – Replacing fire alarm panels

Branine provided updates on other ongoing issues, including rail, leaf pickup, underground sprinkler systems and installation of lighting and safety equipment on vehicles.

Branine provided an update on the work order system, pointing out that nearly 5,000 work orders have been entered since June 2023, which provides enhanced transparency and efficiency.

Branine noted that over 4,200 inspections have been performed since June 2023, which helps ensure compliance and regulations.

Branine provided an update on capital expenditures, including the purchase of new vehicles, infrastructure repairs and upgrades and fire and fire system installations at various buildings.

G. COMMISSIONER REPORTS/COMMENTS

Commissioner Scott D. Keller attended the recent Prosser Community Awards banquet held at the Clore Center and complimented the facility, noting it is a great asset of the port. Keller also commented on a recent meeting he had with a vehicle wrap business that had also had a recent, unsatisfactory meeting with the port.

Commissioner Lori Stevens said she also attended the Prosser Community Awards Banquet and announced that the Prosser Memorial Hospital was now open.

Commissioner Roy D. Keck announced that he attended the AAPA POWERS Summit, where the transition to nuclear and clean energy initiatives was a main topic. Commissioner Keck stated there was information on small modular reactors on barges tied up to ports, which would power ports and local PUD companies.

Commissioner Keck commented that he recently watched Nuclear Now and encouraged everyone to do the same. He also complimented the Clean Energy event in Olympia, where he had a good conversation with the new port tenant, Kate Kelly of Avalanche.

H. DIRECTOR REPORTS/COMMENTS:

1. FINANCE DIRECTOR:

Director of Finance Jeff Lubeck provided a financial status report.

Lubeck noted that cash balances fluctuate due to grant-related costs and added that close to \$1 million in grant reimbursements is expected.

Lubeck provided an update on accounts payable, noting that there is currently \$492,000 outstanding, which includes \$392,000 in grant reimbursements. Lubeck stated that ongoing efforts are to reduce overdue receivables to \$20,000.

Lubeck provided audit updates, updates to lease management and pointed out several action items, including the granular reconciliation of general ledger accounts, the finalization and submittal of

financial statements for audit and the enhancement of the integration between work order and financial systems for better tracking.

2. PORT ATTORNEY:

Contract Port attorney John O’Leary informed the Commission that Resolution 25-01, which was approved at the January 2025 Commission meeting, and was presented with the intent to adopt a delegation of authority that was consistent with the 2024 delegation and no changes were proposed. O’Leary noted that the resolution was presented with some typographical errors related to contract approval and the amount was reduced to \$50,000 inadvertently. O’Leary noted that the number was supposed to be \$150,000, consistent with 2024.

Commissioner Scott Keller stated that the resolution was passed at \$50,000, and he did not feel the number needed to be \$150,000.

Commissioner Roy Keck stated that he understood he was voting for the consistent delegation from 2024.

Commissioner Keller stated that the \$50,000 delegation of authority was the pre-COVID authority amount and any purchases higher than \$50,000 should be brought forward for Commission approval.

Staff advised that was the case, but it was then increased (2023) to keep projects moving.

Executive Director Diahann Howard noted that two vehicles were purchased in January for over \$50,000.

Discussion ensued on whether or not items that were approved in the budget would need approval. The vehicles were identified within the budget as a line item for 2025.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Scott Keller, and unanimously passed by the Commission, approving the purchase of two port vehicles in January.

Commissioner Scott Keller said he would like to discuss this topic further in executive session.

3. EXECUTIVE DIRECTOR:

Executive Director Diahann Howard provided an overview of recent meetings and events she has participated in, including attending the AAPA Foundation Board meeting virtually, pre-planning for the M-84 Spring Conference, which she has been asked to lead due to Port of Pasco’s Randy Hayden upcoming retirement. Howard added that the team met with Amazon regarding support for the NSF grant and presented at the National Academies of Sciences on host communities’ perspectives, highlighting the work at the Northwest Advanced Clean Energy Park.

Howard provided real estate updates on current tenants, monthly leases and pending leases and sales and complimented the Director of Governmental Affairs for her work during the legislative session.

Howard added that two real estate items, related to the industrial land exchange and the Technology and Business Center site, are reserved for the executive session.

Howard added that she recently found out that she was named as one of the Tri-Cities Journal of Business’s Top 25 People of Influence for 2025.

I. FOR THE GOOD OF THE ORDER

Executive Director Diahann Howard inquired if the Commission desired to attend the Ag Startup mission in Sacramento. The mission concerns the work that Port of Pasco's Randy Hayden and the Regional Chamber have been conducting regarding the feasibility of an Ag Innovation Center in the region.

Howard noted that this mission was not budgeted for.

Commissioner Lori Stevens noted that she felt it was important for Howard to attend since the feasibility study includes two port properties.

A motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck, and unanimously passed by the Commission, approving Port staff travel to attend the Ag Startup Engine mission in Sacramento.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 10:55 a.m. It was announced that an Executive Session would commence at 11:00 a.m. for 45 minutes to discuss real estate and personnel. It was noted that the regular meeting would be reconvened at 11:45 a.m.

The regular Commission meeting was reconvened at 11:46 a.m.

K. ADJOURNMENT: No action was required. The meeting was adjourned at 11:46 a.m. with an announcement that the next regular Port of Benton Commission meeting would be held at 8:30 a.m. on Wednesday, March 19, 2025, at the Clore Center, 2140 Wine Country Road, Prosser, Washington.



Roy D. Keck, Commission Secretary