



MANAGING MEMBER SPECIAL MEETING / PORT OF SEATTLE SPECIAL
MEETING MINUTES

Monday, May 2, 2022

9:00 AM Executive Session/FMC

11:30 AM Open Public Meeting

Fabulich Center (3600 Port of Tacoma Rd., Tacoma, WA)

9:00 AM

1. CALL TO ORDER

Co-Chair Meyer called the meeting to order at 9:00 a. m.

Port of Seattle Commissioners Present:

Ryan Calkins – Present
Sam Cho – Present
Fred Felleman – Present
Toshiko Grace Hasegawa – Present
Hamdi Mohamed – Excused

Port of Tacoma Commissioners Present:

Kristin Ang – Present
Deanna Keller – Present
Dick Marzano – Present
John McCarthy – Present
Don Meyer - Present

2. RECESS CLOSED EXECUTIVE SESSION IMMEDIATELY FOLLOWED BY A FEDERAL MARITIME COMMISSION (FMC) SESSION

Immediately after calling the meeting to order, Co-Chair Meyer announced that the Managing Members would recess into closed Executive Session pursuant to RCW 42.30.100, to discuss one item with legal counsel, litigation to which the agency is likely to become a party when public knowledge of such discussion is likely to result in adverse legal or financial consequences to the agency. The executive session will last 30 minutes.

He also announced that immediately after the Executive Session, the commissioners would turn to a closed FMC session protected pursuant to laws and regulations found at 46 U.S.C. § 40306, 46 C.F.R. § 538.608, 46 C.F.R. § 535.701(l)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement #201228.

Co-Chair Meyer announced that the closed session, including both Executive Session and FMC closed session were expected to last a combined total of two and one-half hours. Closed sessions will end at 11:30 a. m. No final actions will be taken during Executive Session and no action will be considered in the public session which follows, as a result of these discussions.

11:30 AM

3. RETURN TO ORDER

Co-Chair Meyer reconvenes public session at 11:38 a. m.

4. FLAG SALUTE

The Pledge of Allegiance is recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER

A. Gateway Operational Update:

Tom Bellerud, Chief Operating Officer provided an update on Gateway Operations.

- Heavy vessel activity at Terminal 5.
- Rail service performance is improving.
- Extreme congestion at Terminal 18 is lessening.
- Shipping delays due to Covid-19 at Asia ports are having less of an impact.
- The Puyallup Tribe is considering leasing 8 acres to the NWSA.

Don Esterbrook, Deputy CEO, shares that a successful military operation recently took place at the Port of Tacoma. One of the largest military operations with 800 armored tanks and equipment moved through the Port of Tacoma with additional operations later this month and next month. He also noted that the USDA established a program to assist agricultural exporters at Terminal 46. The USDA will be establishing a staging area at Hylebos Marina at the Port of Tacoma.

John Wolfe, CEO shared that MSC cargo and Syntosis Service, that were discontinued due to the pandemic, have been reinstated utilizing both Husky Terminal and Terminal 5. Our team has been working with SWIRE to provide direct service from Vietnam to Seattle.

- Commissioner Meyer brings up the importance of exporting agriculture.
- Commissioner Cho asks if SWIRE are utilizing other ports as well? Answer: Yes, Port of Oakland.
- Commissioner Hasegawa asks since NWSA is at the front end of the impacts from the voided sails from Asia; as a result of the pandemic, if that is specifically from Covid-19, or a new variant with the greater restrictions? Answer by Tom Bellerud, Chief Operations Officer advised that it is his understanding that there is a new variant. Don Esterbrook, Deputy CEO, responded by saying the significance of the new variant is that it is happening in Shanghai, which is one of the largest ports in the world.
- Discussion regarding operational impacts on terminals. May have to expand off-site storage areas.
- Commissioner Hasegawa asks what kind of break bulk service is provided by NWSA? Answer: A wide variety of heavy equipment including farm equipment, road construction equipment and heavy trucks.

6. PUBLIC COMMENT

To deliver comments by phone during the public comment portion of the meeting, please send an email to nwsacomment@nwseaportalliance.com by 9:00 a.m. Monday, April 29, 2022 that includes your name, and the agenda topic you wish to speak to. Please include "speaker" in the subject line. Written comments may be submitted to the same email address.

None.

7. CONSENT AGENDA

A. Check Certification

Approve the payment of checks 709329 through 709402, and wire transfers during the period from February 26, 2022, through March 18, 2022, in the total amount of \$3, 538,137.72.

Co-Chair Meyer calls for the vote.

Port of Seattle Commissioners Present:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
Toshiko Grace Hasegawa – Aye
Hamdi Mohamed – Not present

Port of Tacoma Commissioners Present:

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
John McCarthy – Aye
Don Meyer - Aye

Carried 2 -0

8. **AUDIT COMMITTEE REPORT**

Commissioner Keller gives an update on the Audit Report. NWSA received a clean audit from both RSM and the State's Auditor's Office.

9. **ACTION AGENDA**

A. Amend 2016 Audit Committee Charter

(Presenter: Leilani Berinobis, Acting Clerk)

Request Managing Members of the Northwest Seaport Alliance (NWSA) approve proposed amendment to the 2016 NWSA Audit Committee Charter to allow the Audit Committee Meetings to meet virtually without in-person attendance by the public.

Discussion

- Commissioner Hasegawa asks if people will be allowed to make public comment virtually?
Answer: Yes, but historically no one has attended an Audit Committee Meeting.
- Commissioner Hasegawa understands the options are to either operate under a State of Emergency or abide by the requirements of OPMA. Staff notes that at this point, NWSA does not qualify to act under a State of Emergency under the 2-prong requirements, because the commissioners are meeting with the public in person now, so it has been deemed to be sufficiently safe to meet in person.
- Dana Henderson, General Counsel also notes that the Audit Committee does not have to operate under OPMA because it does not take public testimony and has no independent decision making authority.
- Commissioner Hasegawa stresses the importance of an opportunity to allow for public comment at the Audit Committee Meeting. There is a commitment and understanding that NWSA will continue to post Notice of the meeting.
- Commissioner McCarthy asks if the public will have access to previous Audit Committee Meetings on our website. Answer: Yes.
- Commissioner Marzano would like this item tabled until there is full agreement of Managing Members.
- Managing Members discuss the importance of transparency.
- Commissioner Ang asks what the procedure is for the public to make a comment.
Answer: For Managing Member Meetings, the procedure is to submit their comment by e-mail or appear in person to speak.
- Commissioner McCarthy states he agrees with Commissioner Marzano and would like more time to think this over.

It was moved and seconded (Cho/Hasegawa) to Amend the Proposed Amendment to the 2016 NWSA Audit Committee Charter to notify the public in advance of the meeting and allow for public comment.

Port of Seattle Commissioners:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
Toshiko Grace Hasegawa – Aye
Hamdi Mohamed – Not present

Port of Tacoma Commissioners:

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
John McCarthy – Aye
Don Meyer - Aye

Motion carried 2-0

Co-Chair Meyer calls on the vote to the Amendment to the 2016 NWSA Audit Committee Charter, as amended:

Port of Seattle Commissioners:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
Toshiko Grace Hasegawa – Aye
Hamdi Mohamed – Not present

Port of Tacoma Commissioners:

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
John McCarthy – Aye
Don Meyer - Aye

Motion carried 2-0.

B. T-46 Substation #1 Replacement Project - (Dual Action Vote)

Presenters: Arthur Kim, Capital Project Manager, POS & Jennifer Maietta, Director, Real Estate

- a. Request Managing Member Authorization to use design-build as an alternative to design-bid-build for the T46 Substation #1 Replacement Project.
- b. Request Managing Members of the NWSA authorization for the Chief Executive Officer or their delegate to approve the total costs not to exceed \$6,700,000, 20% of which is to be allocated to the Port of Seattle for the replacement of Substation No. 1 located on Terminal 46 servicing both areas of Terminal 46 licensed to the NWSA and the Terminal 46 North Pier under Port of Seattle management.
- c. **PORT OF SEATTLE VOTE:** Request Port of Seattle Commission authorization for the Executive Director or their delegate to approve 20% of the total costs not to exceed \$1,340,000 for reimbursement to the NWSA for the replacement of Substation No. 1 located on Terminal 46 licensed to the NWSA and the Terminal 46 North Pier under Port of Seattle management.

Staff present on the T46 substation replacement project.

It is moved and seconded by Port of Seattle Commissioners (Cho/Hasegawa) to approve:

1. Authorization to use design-build as an alternative to design-bid-build for the T46 Substation #1 Replacement Project.
2. Authorization for the Chief Executive Officer or their delegate to approve the total costs not to exceed \$6,700,000, 20% of which is to be allocated to the Port of Seattle for the replacement of Substation No. 1 located on Terminal 46 servicing both areas of Terminal 46 licensed to the NWSA

and the Terminal 46 North Pier under Port of Seattle management.

3. Authorization for the Executive Director or their delegate to approve 20% of the total costs not to exceed \$1,340,000 for reimbursement to the NWSA for the replacement of Substation No. 1 located on Terminal 46 licensed to the NWSA and the Terminal 46 North Pier under Port of Seattle management.

Discussion

- Commissioner Cho questions the reason for change in the procurement method they are switching to.
- Commissioner Hasegawa asks how far they are until completion of the project? Answer: It is in substantial completion.
- Commissioner McCarthy notes the increase in price from the original estimated price to the cost now. Answer: Prices have doubled.
- Commissioner Felleman asks during the tenure of the NWSA, what other than the lighting at the North part of the terminal has the Port of Seattle been using? Answer: Staff makes clear that this is not related to the ILA for the cruise. That 20% is separate. This is related to the North Pier which is outside the Terminal 46 boundary and is managed by the Port of Seattle.
- Discussion about the use of cranes and if the Port of Seattle is the only one that owns them. Port of Seattle owns the crane and leases the crane and in exchange, foregoes the maintenance costs for the crane and the costs incurred in bringing it up to operations.

Co-Meyer calls for a Dual Action Vote of the NWSA Managing Members and the Port of Seattle Commission:

Port of Seattle Commissioners:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
Toshiko Grace Hasegawa – Aye
Hamdi Mohamed – Not present

Port of Tacoma Commissioners:

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
John McCarthy – Aye
Don Meyer - Aye

Motion carried 2-0 for the NWSA; carries unanimously by a vote of 4-0 for the Port of Seattle.

10. BRIEFING AGENDA

- A. Terminal 5 Modernization Program Quarterly Update Q1 2022
Presenters: Thais Howard, Director, Engineering & Emma Del Vento, Capital Program Lead, POS
 - The concrete strike is affecting the anticipated completion date of the project.
 - Commissioner Keller comments how proud she is of staff for all of the community outreach, especially Lindsay Wolpa, Sr. Manager, Strategic Projects, by going around to different neighborhoods and keeping them up to date on the construction and keeping them updated.

11. GENERAL BUSINESS

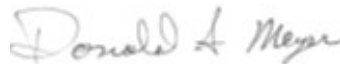
- A. CEO Announcements
John Wolfe, CEO, has no announcements today.
- B. Commissioner Comments
No commissioner comments today.

12. ADJOURNMENT

There being no further business the meeting is adjourned at 1:07 p. m.



Ryan Calkins, Co-Chair
The Northwest Seaport Alliance



Don Meyer, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Kristin Ang, Co-Secretary
The Northwest Seaport Alliance

Toshiko Hasegawa, Co-Secretary
The Northwest Seaport Alliance

Leilani Berinobis

Leilani Berinobis, Acting Clerk
The Northwest Seaport Alliance