MINUTES
MANAGING MEMBER REGULAR – PORT OF SEATTLE SPECIAL MEETING
Tuesday, November 2, 2021
9:00 AM Executive/FMC Closed Session
11:00 AM Open Public Meeting
Remote. No in-person attendance.
Call in information: Dial: 1-253-617-4257 Conference ID: 102 157 638#

1. CALL TO ORDER
Commissioner Felleman called the meeting to order at 9:02 a.m.

| **Port of Seattle Commissioners Present**: | **Port of Tacoma Commissioners Present**: |
|---|---|
| Stephanie Bowman – **Excused** | Kristin Ang – Present |
| Ryan Calkins – Present | Deanna Keller – Present |
| Sam Cho – Present | John McCarthy – Present |
| Fred Felleman – Present | Don Meyer – Present |
| Peter Steinbrueck – Present | Dick Marzano – Present |

*2.* RECESS TO EXECUTIVE SESSION

Two items pursuant to RCW 42.20.110(1)(i) to discuss 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.

3. RETURN TO ORDER
The Managing Members reconvened in public session at 11:04 a.m. Roll was taken.

| **Port of Seattle Commissioners Present**: | **Port of Tacoma Commissioners Present**: |
|---|---|
| Stephanie Bowman – **Excused** | Kristin Ang – Present |
| Ryan Calkins – Present | Deanna Keller – Present |
| Sam Cho – Present | John McCarthy – **Absent** |
| Fred Felleman – Present | Don Meyer – Present |
| Peter Steinbrueck – **Excused** | Dick Marzano – Present |

4. FLAG SALUTE
The Pledge of Allegiance was recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER
- John Wolfe, CEO, provided a preview of the meeting agenda topics. He provided an update on the Gateway Congestion.
- Co-Chair Marzano and Commissioner Meyer provided comments in recognition of the passing of Paul Chilcote.

6. PUBLIC COMMENT
- Public comments were received from the following regarding agenda item 9C: the first reading of the Northwest Ports Clean Air Strategy NWSA implementation plan.
- Eric Ross – Spoke in support of item 9C.
- Jordan Royer, Pacific Merchant Shipping Association – Spoke in support of item 9C.
- Sheri Call, Washington Truckers Association – Spoke in support of item 9C.
- Sarah Mourino, SSA Marine – Spoke in support of item 9C.

7. CONSENT AGENDA
**It was moved and seconded** (Meyer/Cho) to approve the consent agenda as presented:

A. Approval of the minutes
B. Check Certification
C. DUAL ACTION NWSA AND PORT OF SEATTLE
Request Managing Members of the NWSA authorization to approve payment of a renewal fee in the total amount of $103,686 required to enter into an Easement Renewal Agreement for the Terminal 10 Aquatic Lands Outfall Easement for the first of two potential ten (10) year renewal terms for use of state-owned aquatic land at Terminal 10. Jointly request the Commissioners of the Port of Seattle authorization for the Executive Director or their delegate to enter into an Easement Renewal Agreement for the Terminal 10 Aquatic Lands Outfall Easement for the first of two potential ten (10) year renewal terms for use of state-owned aquatic land at Terminal 10.

**The motion carried 2-0** by the following vote:

| Port of Seattle – 1 | Port of Tacoma – 1 |
|---|---|
| Bowman – Excused | Ang – Aye |
| Calkins – Aye | Keller – Aye |
| Cho – Aye | McCarthy – Technical Issues |
| Felleman – Aye | Marzano – Aye |
| Steinbrueck – Excused | Meyer – Aye |

8. BRIEFING AGENDA

A. Terminal 5 Quarterly Briefing
Presenters: Thais Howard – NWSA, Emma Del Vento, Catherine Chu, Arthur Kim – Port of Seattle

Discussion

- Commissioner Cho asked if our using Terminal 5 for empty containers has affected construction work on the terminal? No. Staff has been in constant contact with SSA. Are we still planning on using the south end of T-5 for empties after Phase I opens? CEO Wolfe answered that it's not clear, yet. We're hopeful with the opening of Phase I we can slowly close the need for storage of inbound loads and empties and free that space for completing construction of Phase II.
- Commissioner Meyer questioned subtracting grant funding from the total cost of the project. It's all public money and we should show a true accounting of the total cost of the project. He also wants to ensure the intermodal yard opens at the same time as the terminal. Staff explained we are on track for the intermodal yard to be functional at the completion of Phase I but there is still work to be done in the yard, but it will be functioning.

9. ACTION AGENDA

A. MARAD PIDP T-5 Grant Agreement Approval
Request authorization to accept a Federal Maritime Administration (MARAD) 2020 PIDP Grant in the amount of $10,687,333 for the Terminal 5 Modernization Program.

**It was moved and seconded** (Keller/Cho) to accept a Federal Maritime Administration (MARAD) 2020 PIDP Grant in the amount of $10,687,333 for the Terminal 5 Modernization Program.

Discussion

- Commissioners thanked staff for the work they did in obtaining this grant.

**The motion carried 2-0** by the following vote:

| Port of Seattle – 1 | Port of Tacoma – 1 |
|---|---|
| Bowman – Excused | Ang – Aye |
| Calkins – Aye | Keller – Aye |
| Cho – Aye | McCarthy – Technical Issues |
| Felleman – Aye | Marzano – Aye |
| Steinbrueck – Excused | Meyer – Aye |

Commissioner Steinbrueck returned to the meeting.

B. **Port of Seattle Vote:** Request authorization for Environmental Remediation Liability (ERL) funds for upland soil disposal of T-5 dredge material.

**It was moved and seconded** (Cho/Calkins) to authorize Environmental Remediation Liability (ERL) funds for upland soil disposal of T-5 dredge material.

Discussion

- Commissioner McCarthy returned to the meeting after having technical difficulties and computer issues.
- Commissioner Felleman wanted to clarify that this was an existing pollution problem and asked if this would have been an Alliance dredge project other than the upland expense.
- Staff explained there are two reasons why this is being requested as a Port of Seattle environmental remediation liability project:
    - The high cost to investigate why the sediment came back unsuitable for in-water disposal and,
    - It's not likely we would have conclusive evidence to determine if the soil contamination was the result of legacy or recent activities.
- Commissioner Felleman asked if the regulations change or did additional sampling occurred that resulted in the identification of this hotter sediment than was originally envisioned.
- Staff answered this was a common occurrence when they go out and do sampling for dredging. It's not uncommon in the sampling process.
- Commissioner Felleman asked for the driving pollutant causing this.
- Staff answered that it was PCB's.

**The motion carried** by the following vote:

Port of Seattle
Bowman – Excused
Calkins – Aye
Cho – Aye
Felleman – Aye
Steinbrueck – Aye

C. First Reading: Resolution 2021-08: NWPCAS NWSA Implementation Plan: Request approval to advance to second reading for adoption.

**It was moved and seconded** (Meyer/Calkins) to advance proposed resolution adopting the NWSA's 2021-2025 Clean Air Implementation Plan to a second reading.

Discussion

- Commissioner Steinbrueck asked for clarification of the requirement that shore power capable ships plug in. How nailed down is that? This is the first time he's heard that we were going to require plug ins. Is this something that's done through lease agreements? Will we be met with resistance if diesel fuel is much cheaper than electric power? When can we expect the requirement to take place?
- Staff explained it is new and it's the proposal in this final draft. It would be enacted through lease agreements.
- Commissioner Cho asked if we are opening the leases just for this requirement? Or would we be renegotiating these leases anyway?
- CEO Wolfe gave the example of negotiating with SSA with for Phase II and hope to add this requirement as part of a revision to the agreement. In the case of Husky terminal, with the authorization of that infrastructure improvement, we are in discussion with Husky to include this requirement in the agreements.
- Commissioner Cho doesn't feel we need to give anything up in order to require them to plug in.
- Commissioner Meyer asked if the requirement to plug in to shore power in San Pedro already exists?
- Staff confirmed it does by state legislation.
- Commissioner Keller thanked staff for adding the community engagement part of the plan. It's important to bring the entire community in with us with this plan.
- Commissioner Ang thought we were leaning on legislation to assist with the shore power requirement so we wouldn't have to go through the contracts. She echoed Commissioner Keller's comments about community engagement.
- Commissioner Steinbrueck has been advocating a just, fair, and equitable transition to clean energies. Those are terms that mean a lot to industries that are being expected to re-tool and replace fossil fuel burning equipment to clean energy equipment and I would hope to see that in the resolution. The transition has to consider the equity and fairness including the drayage trucks and other trucks. There will always be a big cost to these things.
- Staff will insert that language into the final resolution.
- Commissioner Meyer asked why we've got Zero emission infrastructure planned out to 2024?
- Staff answered it's not an uncomplicated exercise. We've got to work with Tacoma Power what the implications will be on their energy supply and on the grid. We need a better handle on where this infrastructure will be located especially for drayage trucks.
- Commissioner Felleman asked where Terminal 18 was on the list of emission reductions.
- Staff explained it wasn't on the list because they didn't think it would be done in 5 years.
- Commissioner Steinbrueck asked if the sources on the estimated emission reductions list are Scope 3 sources or any other sources.
- Staff confirmed they were Scope 3 sources. There were no sources other than Scope 3 on the chart.
- Commissioner Steinbrueck asked if there were any other ports going down this path in the absence of any regulatory authority outside of California?
- Staff commissioned a bench-marking study that looked at programs at the Alliance and ports in our Gateway and 10 other ports across the country and will share that with the Managing Members.

- Commissioner McCarthy pointed out that if you expand the list from the current 5-year plan to include T-18 you have to equally add WUT and PCT.
- Commissioner Steinbrueck noted the 65% gap in funding which is a potential obstacle if we're not making progress with the largest chunk expected from external sources. How is it possible to get industry to contribute to these costs? What is our fall back if we're not able to raise the money in the timeframe to meet our 2030 goal?
- Staff mentioned the partnership with Rail Management Services to bring 6 all-electric yard tractors to the south intermodal yard and being able to bring grant money for the project. Tacoma power is helping to defray the cost of the installation of the charging infrastructure. Most of the costs are being borne by the industry partner, Rail Management Services.
- Commissioner Calkins asked how difficult would it be to incorporate a significant innovation in particulate or carbon emission captures that would allow us to accelerate this work? Is the plan agile?
- Staff answered, yes.

**The motion carried 2-0** by the following vote:

| Port of Seattle – 1 | Port of Tacoma – 1 |
|---|---|
| Bowman – Excused | Ang – Aye |
| Calkins – Aye | Keller – Aye |
| Cho – Aye | McCarthy – Aye |
| Felleman – Aye | Marzano – Aye |
| Steinbrueck – Aye | Meyer – Aye |

D. Second Reading: T103 General Construction Lease
Request authorization to execute a new lease agreement with General Construction Company at Terminal 103.

**It was moved and seconded** (Marzano/Cho) to authorize a new lease agreement with General Construction Company at Terminal 103.

Discussion

- Commission asked for clarification regarding the subtitle lands.
- Staff is seeking to acquire the subtitle lands.

**The motion carried 2-0** by the following vote:

| Port of Seattle – 1 | Port of Tacoma – 1 |
|---|---|
| Bowman – Excused | Ang – Aye |
| Calkins – Aye | Keller – Aye |
| Cho – Aye | McCarthy – Aye |
| Felleman – Aye | Marzano – Aye |
| Steinbrueck – Aye | Meyer – Aye |

E. Possible Action: Regarding NWSA Vaccine Mandate

**It was moved and seconded** (Marzano/McCarthy) to adopt a NWSA COVID-19 Vaccination Policy.

Discussion

- Commissioner Steinbrueck asked why this wasn't an administrative order and what is the test of a sincere religious exemption and who is the judge of that?
- Staff responded we were following the lead of the action the Port of Tacoma took by having their commission approve the policy direction. For those seeking sincerely held religious beliefs, there is a team that will administer that. We expect them to be fair and even if how they determine that.

- Commissioner Meyer noted he will be voting against this since we are in a significant crisis with cargo on our terminals. The last thing he wants to see is us laying off people during this time or even contemplating laying off people. The guidelines aren't well defined. It can still bring COVID into the workplace. I don't see this as a good action on our behalf at a time we're at a crisis.
- Commissioner Steinbrueck asked what the consequence would be by not complying with the federal mandate. Would there not be financial consequences if we ignored the mandate?
- Staff is not recommending we not comply with the mandate.
- Commissioner Marzano doesn't know of anyone who wants to let anybody go. In Tacoma, they made the mandate based on legal advice. He prefers to be on the legal front in this regard.
- Commissioner Calkins commented he realizes this can be a very polarizing issue. For him, the reasoning through, is to think of precedent of how society has handled previous outbreaks of previous diseases. You must have a compelling reason for not doing this. It's not the institution's fault if someone choses not to get vaccinated. It is the institution's responsibility to ensure a safe workplace.
- Commission Cho doesn't feel this should be a political, polarizing issue. Anyone who attended public school in their life dealt with vaccination requirements.
- Commissioner McCarthy feels our compliance with the federal mandate is appropriate in these circumstances.

**The motion carried 2-0** by the following vote:

| Port of Seattle – 1 | Port of Tacoma – 1 |
|---|---|
| Bowman – Excused | Ang – Aye |
| Calkins – Aye | Keller – Aye |
| Cho – Aye | McCarthy – Aye |
| Felleman – Aye | Marzano – Aye |
| Steinbrueck – Aye | Meyer – Nay |

10. GENERAL BUSINESS

A. CEO Announcements

B. Commissioner Comments

- Commissioner Steinbrueck encouraged commissioners attend the upcoming Alaska Chamber Forum as a great opportunity to gain insight into the working dynamics of the state.
- Commissioner Calkins reminded people to vote today. He invited everyone to the grand opening of the Maritime High School. It's a virtual event and he encouraged everyone to attend.
- Commissioner Cho encouraged people to vote.
- Commissioner Ang spoke about the Seafarers and the collaboration with Discovery Health, Seafarer's Mission to Seattle and Seafair Center Tacoma to close the vaccine equity cap and provided vaccines. There is a drive to provide care packages to the Seafarer's. This will be a continued effort.
- Commissioner Keller gave a shout out to Eric Wright with the Washington Trucking Association and Jim Contreras with Whiplash, a logistical company, Ross & TJ Maxx, and Eddie Olerton, a truck owner/operator who took her on a ride-along. It was a great experience, and she recommends other commissioners do the same.
- Commissioner Felleman expressed his concern and sadness over the loss of containers in the Stait of Juan de Fuca.
- Commissioner McCarthy wishes everyone the best and good luck on election day.

11. ADJOURNMENT

There being no further business, the meeting adjourned at 2:27 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