

THE NORTHWEST SEAPORT ALLIANCE
REGULAR MEETING MINUTES
TUESDAY, NOVEMBER 5, 2019
The Fabulich Center
3600 Port of Tacoma Road, Tacoma, Washington

SEATTLE COMMISSIONERS PRESENT:

Stephanie Bowman
Ryan Calkins
Fred Felleman
Courtney Gregoire
Peter Steinbrueck

TACOMA COMMISSIONERS PRESENT:

Don Johnson
John McCarthy by telephone
Dick Marzano
Don Meyer
Clare Petrich

STAFF PRESENT:

John Wolfe, CEO
Kurt Beckett, Deputy CEO
Don Esterbrook, Deputy CEO
Carolyn Lake, Legal Counsel
Tom Tanaka, Legal Counsel
Dustin Stoker, COO
Zach Thomas, Dir. Operations Service Center
Tom Bellerud, Dir. Container Business Development (CTB)
Graham VanderSchelden, Environmental PM II
David Morrison, Dir. Financial Planning and Treasury
Sean Eagan, Dir. Government Affairs
Tong Zhu, Chief Commercial and Chief Strategy Officer
Judi Doremus, Executive Assistant to CEO and Managing Members
Juliet Campbell, Clerk

9:45 A.M. – EXECUTIVE SESSION:

1. **CALL TO ORDER and RECESS TO EXECUTIVE SESSION:** Commissioner Petrich called the regular meeting to order at 9:45 a.m. and immediately recessed into executive session to discuss two litigation/potential litigation items (RCW 42.30.110(1)(i)), to review negotiation on the performance of a publicly bid contract (RCW 42.30.110(1)(d)), and one real estate leasing item (RCW 42.30.110(1)(c)). The executive session lasted 92 minutes. No votes or actions were taken.

11:30 A.M. - PUBLIC SESSION:

1. **RETURN TO ORDER AND PLEDGE OF ALLEGIANCE:** Commissioner Petrich reconvened the regular meeting at 11:36 a.m. and lead the pledge of allegiance.
2. **CHIEF EXECUTIVE OFFICER'S REPORT:**
CEO Wolfe updated on efforts surrounding Harbor Maintenance Tax (HMS) reform legislation. Today marks the 101st anniversary of the Port of Tacoma. He then summarized the agenda.
3. **CONSENT AGENDA:**
 - It was moved and seconded to approve consent agenda items 3A, the minutes of the October 1, 2019 regular meeting, and 3B the payment of checks 706103 through 706252 (excluding check 706245 to the State Auditor's Office), and wire transfers in the total amount of \$18,940,751.64 during the period of September 21, 2019 through October 25, 2019.
The motion passed unanimously 10-0.

It was moved and seconded to approve consent agenda item 3C the payment of check 706245 in the total amount of \$6,676.67 during the period September 21, 2019 through October 25, 2019 to the State Auditor's Office for audit services.
The motion passed 9-0. Commissioner McCarthy abstained.

4. PUBLIC COMMENT:

Cam LeHouillier, Mgr. Energy Research and Development, Tacoma Power. Power spoke in support of item 5B the Shore Power Program.

5. ACTIONS:

- A. Agency Agreements for Use of Federal Congestion Mitigation and Air Quality (CMAQ) Grant Funds.
Presenters: Dustin Stoker, COO and Zach Thomas, Dir. Operations Service Center.

It was moved and seconded to authorize the NWSA CEO, or his delegate, to enter into three (3) agency agreements necessary to use federal (CMAQ) grant funds:

1. Local agency agreement with Washington State Department of Transportation (WSDOT) to administer CMAQ grant funds on behalf of the Federal Highway Administration.
2. Interlocal Agreement with Seattle Department of Transportation (SDOT) for the purchase, installation, maintenance and replacement of fourteen (14) closed-circuit television (CCTV) cameras.
3. ILA with SDOT detailing the approach to sharing CCTV images and data, and to ensure that use of the images provided by SDOT complies with the City of Seattle's privacy rules.

The motion passed unanimously 10-0.

- B. Shore Power Program Overview and Authorization to Accept Diesel Emission Reduction Act (DERA) Grant for Husky Shore Power

Presenters: Tom Bellerud, Dir. Business Development (CTB) and Graham VanderSchelden, Environmental PM II.

It was moved and seconded to authorize acceptance of grant funds in the amount of \$1,000,000 from the US Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA) program, which can fund up to 25% of a shore power project, to support the installation of shore power at Husky Terminal, project number 2020-19.

The motion passed unanimously 10-0.

Discussion included:

Substations, equipment and infrastructure need to be sufficient for the higher level of demand of shore power. Clean energy planning efforts will include making sure infrastructure is in place.

Mandates for shore power in China will be a game changer. Almost all calls to the Pacific Northwest also call China.

Partnership for attractive rates through service provider Tacoma Power Utility is a good approach.

- C. The 2020 Northwest Seaport Alliance Rail Cargo Incentive Program

Presenter: Tom Bellerud, Dir. Business Development (CTB)

This item was postponed to a future meeting.

6. GENERAL BUSINESS:

- A. Inland Rail Hub Initiative

Presented by Don Esterbrook, Deputy CEO and Steve Balaski, Sr. Mgr. Business Development

Staff provided a brief update on the NASA's inland rail hub initiative, including drivers of the initiative, advantages, challenges. Past and current efforts were discussed.

B. 2020 BUDGET DISCUSSION:
Presented by David Morrison, Dir. Financial Planning and Treasury

Staff went over changes made to the draft budget since the October budget study session and questions raised at the October study session were addressed.

Staff presented the draft budget to the Commission using the Budgeting, Accounting and Reporting System instead of by line item as presented at the previous study session.

Discussion took place regarding the Capital Investment Plan (CIP) and lists of required projects versus discretionary projects. Conversation took place on how the list was developed and whether any of the projects are truly discretionary. How the NWSA budget impacts the maneuverability for homeport projects was discussed.

C. ANNOUNCEMENTS, EVENTS, RECOGNITIONS:
It is election day and reminder was given to go vote.

7. COMMISSIONER COMMENT:

Commissioner Steinbruck reported the annual Alaska Chamber event was productive.

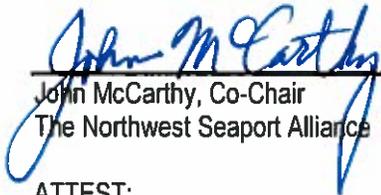
Commissioner Gregoire commented on a draft of a letter addressed from NWSA to the Growth Management Policy Board stating consultation with the Port of Seattle was needed. Staff reported drafts were circulated and it is not clear the version she referenced was the final draft or if the letter had been sent.

Commissioner Johnson reported that entrance interviews took place by the State Auditor's Office and the NASA's independent financial auditor RMS. The results should be out in December. Also, the NWSA had its first operational audit on T4 and review was excellent.

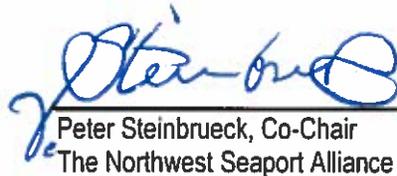
Commissioner Petrich was in an all-day conference in Los Angeles where 700 high school students attended for workforce training information in maritime and other industry.

Commissioner Felleman commented on kelp aquaculture and kelp legislation.

8. ADJOURNMENT: There being no further business, Commissioner Bowman adjourned the meeting at 3:13 p.m.



John McCarthy, Co-Chair
The Northwest Seaport Alliance



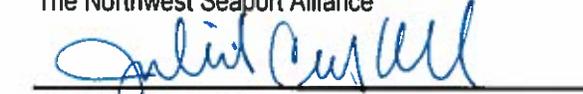
Peter Steinbrueck, Co-Chair
The Northwest Seaport Alliance

ATTEST:


Co-Secretary **Don Meyer**
The Northwest Seaport Alliance



Co-Secretary **SAM CHO**
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance