



Minutes
Managing Member Meeting – Regular
Tuesday, May 7, 2024
9:30 a.m. Closed Session
11:30 a.m. Open Public Meeting
The Fabulich Center, 3600 Port of Tacoma Road, Tacoma, Washington
Live streamed on the meetings page at www.nwseaportalliance.com

Commissioners present:

Port of Seattle:	Port of Tacoma:
Ryan Calkins	Kristin Ang
Sam Cho	Deanna Keller
Fred Felleman	John McCarthy
Toshiko Hasegawa (remote)	Dick Marzano
Hamdi Mohamed	Don Meyer

1. Call to Order

The meeting was called to order by NWSA Co-Chair Hamdi Mohamed at 9:35 a.m.

2. Recess

The Managing Members immediately recessed for an executive session pursuant to RCW 42.30.110(1)(g) to review the performance of a public employee, the CEO's annual review. The executive session was extended and ended at 11:10 a.m. Immediately following, the Managing Members held a closed discussion allowable under Federal Maritime Commission (FMC) regulations and related laws found at 46 U.S.C. section 40306, 46 C.F.R. sections 538.608 and 535.701(i)(1) and pursuant to the Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement No. 201228. The closed session ended at 12:23 p.m.

3. Return to Order

The Managing Members reconvened in public session and Co-Chair Mohamed called the meeting back to order at 12:32 p.m.

4. Flag Salute

The Pledge of Allegiance was recited.

5. Chief Executive Officer's Report

CEO, John Wolfe, provided a summary of the meeting agenda. The Terminal 5 Modernization Program Phases 1 and 2 are delivered. Punchlist items remain and the Alliance is working closely with SSA and TIL to complete those. Today's Terminal 5 Program Wrap Up presentation concludes the regular quarterly updates. CEO Wolfe thanked the Alliance's Labor partners and terminal partner, PCMC, for their help in the success at Terminal 46.

6. Public Comment

Kesa Sten, International Longshore and Warehouse Union (ILWU) Local 52 President provided comments in support of last month's Managing Member vote to fund an extended gate hours program.

Matt Ventoza, ILWU Local 19 Vice President, commented on a recent trip by Labor and the Alliance to a breakbulk conference in New Orleans and the need to continue to work together to bring customers to both the North and South Harbors.

7. Committee / Work Group Reports

A. Audit Committee

Commissioner Calkins provided the report. All financial audit reports issued were clean. The Alliance's auditors will return in the Fall to provide the entrance presentation for the 2024 audit. In October, the State Auditor's Office will begin its accountability audit of the Alliance for the years 2021 – 2023.

B. Environmental Work Group

Commissioner Ang provided the report.

The purpose of the work group meeting was to receive an update and provide input on staff's current strategy on the pursuit of federal/state grants related to reducing drayage truck emissions as part of the Alliance's clean air strategy. The Alliance and the Homeports continue to work collaboratively on identifying projects for these rapidly released funding opportunities. The work group focused their conversation on the multiple and rapidly developing programs in the clean truck space, including the on-going work of the Puget Sound Zero Emission Truck Collaborative. Staff are participating in and providing support to the Collaborative, engaging with truckers, developing a demonstration program and coordinating with grant awarding agencies. The work group directed staff to continue this work and look for opportunities to partner with the Homeports.

C. Legislative Work Group

Commissioner Hasegawa provided the report. The work group received a preview of potential topics that may be of interest to the Alliance during the 2025 legislative session. Staff plans to discuss the topics with lawmakers and other stakeholders over the interim. Additional information to the Managing Members was provided in the weekly CEO briefing memo.

8. Consent Agenda

It was moved and seconded (Meyer/Ang) to approve the consent agenda including:

A. Approval of the March 29, 2024 minutes

B. Approval of the April 2, 2024 minutes

C. Approval of disbursements on checks 712513 through 712659 and electronic payments in a total combined amount of \$19,977,457.07 for the period of March 21, 2024 through April 26, 2024.

D. 2020 Industrial Stormwater General Permit (ISGP) Appeal Authorization Increase
Request the Managing Members increase project authorization in the amount of \$200,000 for a total authorized amount of \$807,890 for the 2020 ISGP Appeal project (MID 201093.01); and further authorize the contract for outside legal services with Tupper Mack Wells firm in connection with that project.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer - Aye

9. Actions

A. 2024 Vessel Service Agreements

Andre Elmaleh, Senior Manager, Business Development and David Morrison, CFO provided a presentation on the key terms of proposed Vessel Service Agreements (VSAs) and explained VSAs and their intended uses.

The ILWU and Pacific Maritime Association (PMA) West Coast Labor Agreement expired in July of 2022. It took the greater part of 2023 to negotiate a new contract. Since neither staff nor the shipping lines could know the impact of the new ILWU/PMA Agreement Interim Service Agreements were entered into.

The VSAs will cover the period from May 8, 2024 through September 30, 2024. Future VSAs will be multi-year VSAs designed to align with the July 1 ILWU/PMA rate change. These retroactive agreements will result in approximately \$500,000 of non-operating revenue in 2024 for the amount applicable to 2022 and 2023. The 2024 budget assumed the increase in rates

It was moved and seconded (Marzano/Cho) to authorize the CEO to enter into Vessel Services Agreements with MOL (Americas) LLC on behalf of Mitsui O.S.K Lines, LTD, "K" Line Americas, Inc. on behalf of Kawasaki Kisen Kaisha, Ltd. ("K" Line), Hyundai-Glovis Co., Ltd. And Liberty Global Logistics, LLC.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Aye

B. CEO Evaluation and Action Regarding Compensation

It was moved and seconded (Cho/Ang) to approve per the terms of the CEO's employment agreement and in recognition of his good performance, a COLA increase of three percent to the CEO's base salary that totals \$389,868 and a one-time lump sum payment of \$4000 for exceeding the goals and targets of the Alliance, effective April 1, 2024.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - Aye

Sam Cho - Aye

Fred Felleman - Aye

Toshiko Hasegawa - Aye

Hamdi Mohamed - Aye

Port of Tacoma:

Kristin Ang - Aye

Deanna Keller - Aye

John McCarthy - Aye

Dick Marzano - Aye

Don Meyer – Aye

10. Briefings

A. Terminal 5 Modernization Program (Program) Wrap Up

Stefan Wynn, Capital Program Leader, Port of Seattle and Thais Howard, Director of Engineering, NWSA.

CEO Wolfe thanked the team for its collective efforts in bringing Terminal 5 to market place. The Managing Members have received quarterly updates since 2019. With substantial completion and delivery of Terminal 5 Phase 2, quarterly updates will cease. Managing Members will continue to be updated on remaining Program upland projects via semi-annual reporting per the Alliance’s Delegation of Authority Master Policy.

Mr. Wynn described accomplishments including delivery of two berths, three successful vessel shore power connections with a fourth to occur this week, achieving a -55 full dredge depth at the North and South berths as certified by Puget Sound Pilots, and crane power and the North and South berths.

Staff reported on the Program budget and informed the Managing Members that it does not expect to require any additional funds beyond the authorized \$454 million to complete the Program. There is 85 percent probability of the Program coming in under the total authorized amount.

Improvements to Jack Block Park are mitigation for Terminal 5, but not part of the Program. Those improvements are to be completed under separate project and budget. The design for that project begins this year.

Elements of the Quiet Zone were described. The remaining items should be complete by July 2024.

Private investment by SSA and TIL for cranes and yard equipment for the Terminal is estimated to be in excess of \$100 million.

11. General Business

A. Terminal 46 Update

Mr. Elmaleh and Bob Meyer, Director of Port Operations provided an update on non-container cargo activity in the Seattle Harbor at Terminal 46 beyond autos.

The discussion included questions about infrastructure limitations to and from the pier that do not exist in the Tacoma Harbor. Staff is working with Seattle engineers on berth strength.

PCMC's role at Terminal 46 was discussed. Deputy CEO Esterbrook commented on the Alliance's role moving toward terminal operator. Currently, PCMC is doing a good job facilitating and is the means to payroll Labor. CEO Wolfe added that typically, in both Harbors, the Alliance partners with stevedoring companies. Once cargo is at its place of rest, the Alliance acts as operator.

Commissioner Felleman expressed that operation by the Alliance of Terminal 46 is being presented as *fait accompli*. He commented on the large number of repairs needed and whether repair design incorporates plans for accommodating heavy project cargo.

Commissioners requested edits to the North Harbor Breakbulk brochure.

Commissioner Marzano noted that being a non-PMA company leaves the Alliance without advantages of PMA member companies with regard to benefits that the ILWU have.

CEO Wolfe clarified that currently when speaking of the Alliance as operator of Terminal 46, they are speaking of specific opportunities where the Alliance can step into gate yard operations exclusively, not a major investment in capital and equipment to stand up a full operation.

B. CEO Announcements

Deputy CEO, Don Esterbrook provided brief highlights in terms of commercial and operational initiatives.

COO, Jeff Bellerud provided an update on the operational health of the Alliance gateway and progress toward achieving best in class service. Three targets were established as defining best in class service (1) vessel productivity at 30 moves an hour, (2) rail dwell of two days and (3) 60 minute overall trucking turn time. After the first four months of the year, Mr. Bellerud reports the Alliance is trending positive on all three metrics. The push continues for five-day a week minimum gates with extended hours when needed. More information to come on that initiative. He provided an update on the Port Community System (PCS).

Ms. Zhu commented union contract negotiations for East and Gulf Coast ports and a pending strike in Canada effecting Class I railroads. She reported that all carriers are participating in the Alliance's rail cargo and vessel on-time performance incentives. Staff is reaching out to potential customers as Portland closes its container terminal.

Commissioner Marzano encouraged Labor leadership to increase productivity and to ask the help of the Alliance if needed. He commented that Labor has capable people that can do wonders, but the perception of the Alliance gateway must improve.

CEO Wolfe announced the May 14, 2024 Peak Planning event. This is a signature event where customers come to the Alliance gateway and the Alliance shares its plans to respond to the peak season. Commissioners were invited to attend.

AgTC will be in Tacoma again. This is a signature industry event for the agriculture export market. It draws in agriculture exporters and ocean carriers. Co-Chair Ang and CEO Wolfe will attend. Commissioners were invited to attend specific meetings.

An Eastern Washington trip is in the planning stage.

C. Commissioner Comments

Co-Chair Mohamed informed on commissioner travel on behalf of the Alliance.

- May 13 – 16 Commissioner McCarthy will be in Washington DC as part of the Puget Sound Day on the Hill and participating in the Coalition for Americas Gateways and Trade Corridor. Several commissioners plan to attend AgTC sessions.

Commissioner Hasegawa excused at 2:16 p.m.

Co-Chair Ang encouraged attendance at AgTC and the WPPA meeting in Skamania, WA. She and Commissioner Cho will both attend the Washington Council on International Trade Summit. Co-Chair Ang recommended adding the Tax Incremental Financing (TIF) to the Legislative Work Group's 2024 work plan.

Commissioner Keller commented that this was a positive meeting having heard the Managing Members are committed to the CEO and his staff, that Labor partners are committed to making the Alliance gateway best in class, that there is new activity at Terminal 46, and the Terminal 5 Modernization Program has been delivered.

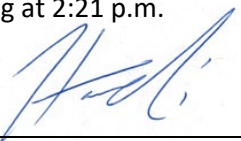
Commissioner Felleman commented on NWSA Political Activity Restrictions Policy (GA01) item 5 which he said appears to restrict commissioners from speaking to colleagues about Alliance and Port operations.

Commissioner Marzano announced the Tacoma Propeller Club will have its annual Chow Down on May 17, 2024.

Commissioner McCarthy commented on the NWSA Political Activity Restrictions Policy (GA01). He states there is State law on the issue that has been interpreted by the Public Disclosure Commission. He does not see a need for a separate Commission policy on it. He also expressed concern that a policy was adopted that impacts the commissioners that did not come before the commission to adopt. He also disagrees with certain language in the policy.

12. Adjournment

With no further business before the Managing Members, Co-Chair Mohamed adjourned the meeting at 2:21 p.m.

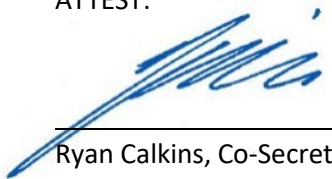


Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance



Kristin Ang, Co-Chair
The Northwest Seaport Alliance

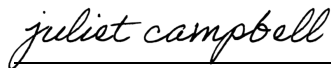
ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance