



1. CALL TO ORDER

Commissioner Marzano called the meeting to order at 10:00 a.m.

Roll was taken and a quorum confirmed.

Port of Seattle Commissioners:

Stephanie Bowman – *(Present for executive session only)*
Ryan Calkins – Present
Sam Cho – Present
Fred Felleman – Present
Peter Steinbrueck – Present

Port of Tacoma Commissioners:

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

2. EXECUTIVE SESSION

The Managing Members immediately recessed into executive session pursuant to RCW 42.30.110(1)(i)(i) to discuss with legal counsel litigation to which the agency is likely to become a party when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. The executive session lasted one hour and 43 minutes. At 10:55 a.m. the presiding officer extended the executive session by 30 minutes via live stream slide announcement, there were no callers on the line for the public session. At 11:30 a.m., the executive session was extended for another 15 minutes via live stream. Again, there were no callers from the public to attend the public session. No votes were taken during executive session.

3. RETURN TO ORDER AND FLAG SALUTE

The Managing Members reconvened in public session at 11:48 a.m. Roll was taken and a quorum confirmed.

Port of Seattle Commissioners:

Stephanie Bowman – Excused
Ryan Calkins – Present
Sam Cho – Present
Fred Felleman – Present
Peter Steinbrueck – Present

Port of Tacoma Commissioners:

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

Commissioner Marzano led the Pledge of Allegiance.

4. ACTION

John Wolfe, CEO, stated that ongoing discussions

The NWSA has been in discussions with CMA CGM over CMA CGM's outstanding contractual obligations to the NWSA. The obligations are a result of a termination agreement with the Port of Seattle at Terminal 5 which predated the NWSA. Although negotiations continue, thus far there has been no solution.

The current outstanding amount due from CMA CGM is approximately \$7.5 million with additional obligations that will come due August 1, 2021.

At a previous meeting the Managing Members directed staff to pursue full collection of amounts due and, if needed, file suit no later than June 30, 2021 is a satisfactory change the contractual obligation was not agreed to.

- Commissioner McCarthy opposes extending the date to file suit stating the following:
 - CMA CGM owes approximately \$14.5 million with another \$9 million payment due August 1, 2021. Their failure to pay has resulted in reduced contribution from the NWSA to the Homeports of Seattle and Tacoma and has impacted the Port of Tacoma's budget.
 - The past due amounts are not due to an inability to pay. This is a very large carrier that has gone through a substantial year of maritime traffic.
 - The NWSA Managing Members have a fiduciary obligation to not lend the state credit. To date no proposal at all near the value of the amounts owed, has been presented.
- Legal counsel clarified the amounts due as of today include:
 - \$7 million remaining on an annual payment of \$9 million, plus interest.
 - A vessel call shortfall payment of \$1.3 million (by NWSA calculations), plus interest.

It was moved and seconded (Keller/Ang) to direct counsel to sue CMA CGM no later than July 15, 2021 for all amounts past due, including interest unless CMA CGM pays the remaining \$7 million annual payment plus interest by July 14, 2021.

The motion passed 2-0 by the following vote:

Port of Seattle – 1

Bowman (*excused*)

Calkins – Aye

Cho – Aye

Felleman – Aye

Steinbrueck – Aye

Port of Tacoma – 1

Ang – Aye

Keller – Aye

McCarthy – No

Marzano – Aye

Meyer – Aye

- Commissioner Keller is willing to support allowing until July 15, 2021 for CMA CGM to pay the amount past due before filing suit. She is willing to support negotiating the lease for the lift requirements, but not until they pay what is owed.
- Legal counsel clarified the effect of the motion is that if CMA CGM pays the \$7 million past due, with interest (approximately \$860,000) by July 14, 2021, that the NWSA will not file suit at this time. The NWSA would not be waiving any amounts past due. If they do not make that payment by July 14, 2021, the Managing Members direction to counsel is to sue for all amounts past due, which would include the \$7 million, plus interest, vessel call short fall and any amounts that become past due over the course of litigation.
- Commissioner Meyer will support the motion despite the non-payment, stating the parties need to work through this, and the proposed action of the motion is reasonable.
- Commissioner Ang echoed Commissioner Keller and Commissioner Meyer's comments.
- Commissioner Keller does not recommend bringing this issue back before filing suit

5. ADJOURNMENT

There being no further business, the meeting adjourned at 1:04 p.m.



Fred Felleman, Co-Chair
The Northwest Seaport Alliance

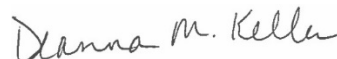


Richard Marzano, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Deanna Keller, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance