



THE NORTHWEST SEAPORT ALLIANCE
MANAGING MEMBER MEETING MINUTES
TUESDAY, APRIL 3, 2018

The Conference Center at Sea-Tac International Airport, Room International A
17801 International Blvd. Seattle, Washington 98158

SEATTLE COMMISSIONERS PRESENT:

Courtney Gregoire, Co-Chair
Stephanie Bowman, Vice President
Fred Felleman, Co-Secretary
Ryan Calkins, Commissioner
Peter Steinbrueck, Commissioner

TACOMA COMMISSIONERS PRESENT:

Don Meyer, Co-Chair
Clare Petrich, Vice President
Don Johnson, Co-Secretary
Dick Marzano, Commissioner
John McCarthy, Commissioner

NWSA STAFF PRESENT:

John Wolfe, CEO
Don Esterbrook, Deputy CEO
Kurt Beckett, Deputy CEO
Carolyn Lake, Legal Counsel
Tom Tanaka, Legal Counsel
Sara Cederberg, Sr. Project Manager, Environmental
Andre Elmaleh, Sr. Manager, Business Development
Erin Galeno, CFAO
Mark Little, Director, Contracts and Purchasing
Jan Shawyer, Project Manager I, Engineering
Graham VanderSchelden, Project Manager, Environmental
Hughes Wike, Project Manager II, Engineering
Lindsay Wolpa, Regional Government Affairs Manager
Tong Zhu, CCO and CSO

9:30 AM: EXECUTIVE SESSION:

1. CALL TO ORDER:

Co-Chair Meyer called the Regular Managing Member Meeting for April 3, 2018 to order at 9:30 a.m. and recessed into Executive Session for approximately two hours.

2. ADJOURN INTO EXECUTIVE SESSION:

- A. One (1) performance of a public employee item – RCW 42.30.110(1)(g)
- B. One (1) real estate selling/leasing item – RCW 42.30.110(1)(c)
- C. One (1) litigation/potential litigation item – RCW 42.30.110(1)(i)

No decisions were made and no votes were taken.

11:30 AM: MANAGING MEMBER MEETING PUBLIC SESSION:

1. RETURN TO ORDER:

Co-Chair Meyer reconvened the Regular Managing Member Meeting for April 3, 2018 at approximately 11:36 a.m. and a flag salute was performed.

2. CONSENT AGENDA:

- A. Minutes of March 20, 2018
- B. Check/Wire Certification: Approving the payment of checks 703080 through 703151 and wire transfers in the total amount of \$744,983.68 during the period of March 10, 2018 through March 25, 2018

Motion was made by Commissioner Petrich, seconded by Commissioner Johnson:
“Approve the Consent Agenda.”

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Petrich Aye
Commissioner Johnson Aye
Commissioner McCarthy Aye
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 5-0

3. PUBLIC COMMENT: None.

4. ACTION AGENDA:

A. SECOND READING: Master Policy Resolution No. 2018-01

*Motion was made by Commissioner Gregoire, seconded by Commissioner McCarthy:
"Table item 4A to the May 2018 Managing Member Meeting."*

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Petrich Aye
Commissioner Johnson Aye
Commissioner McCarthy Aye
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 5-0

B. West Sitcum Terminal Stormwater Treatment Project Authorization

*Motion was made by Commissioner Petrich, seconded by Commissioner Johnson:
"Project authorization in the amount of \$7,621,000 for a total authorized amount of
\$12,848,000 for work associated with the West Sitcum Terminal Stormwater Treatment
project, Master Identification No. 201024.01."*

Discussion Included:

1. The background and status of the project were discussed. The former tenant provided notice of lease termination August 25, 2017 effective September 30, 2017 – approximately one month's notice.
2. Challenges as a result of lease termination timing were discussed and included the need to ensure uninterrupted container operations to the gateway's third largest carrier.
3. The need to obtain an Industrial Stormwater General Permit from Ecology was discussed as were terms of an Agreed Order with Ecology requiring substantial completion of stormwater treatment systems by September 30, 2018.
4. Commissioner McCarthy expressed concern that project costs have increased from approximately \$8 million to over \$12 million in a short period of time. The bid climate and the aggressive schedule set by the Agreed Order may contribute toward increased cost. His additional concerns surround an agreement with the current terminal operator which capped their payment for associated costs at \$4 million, while the NWSA's costs have gone up over one third.
5. Commissioner Gregoire emphasized that leases must provide a mechanism to hold terminal operators accountable when exceeding their stormwater discharge levels.
6. Commissioner Felleman provided context of the importance of stormwater treatment.

PORT OF SEATTLE VOTE:

Commissioner Gregoire Aye
Commissioner Bowman Aye
Commissioner Felleman Aye
Commissioner Calkins Aye
Commissioner Steinbrueck Aye

PORT OF TACOMA VOTE:

Commissioner Meyer Aye
Commissioner Petrich Aye
Commissioner Johnson Aye
Commissioner McCarthy Nay
Commissioner Marzano Aye

MOTION CARRIES 5-0 / 4-1

C. Pier 7 Berths A through D Fender Enhancements and Rehabilitation

Motion was made by Commissioner McCarthy, seconded by Commissioner Johnson:

“Project authorization in the amount of \$2,100,000 for a total authorized amount of \$2,300,000 for advance purchase of materials to support the work associated with the Pier 7 Berths A through D Fender Enhancements and Rehabilitation project, Master Identification No. 201048.01.”

Discussion Included:

1. The structures were built in the 1970s to support 2500 TEU vessels, not the larger vessels now calling.
2. Pier 7 generates approximately \$13,200,000 in net income annually.
3. It is anticipated that the enhanced fender system will last 10 years with maintenance.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 5-0

D. 2017 Northwest Seaport Alliance CEO Evaluation and Salary Increase

Motion was made by Commissioner Bowman, seconded by Commissioner Marzano:

“Accept the letter of evaluation of NWSA CEO John Wolfe for 2017.”

Discussion Included:

1. As a result of the last election there are three new commissioners whose terms began January 1, 2018. The evaluation of the CEO is for 2017. Only the seven 2017 commissioners will vote whether to accept the letter of evaluation of CEO John Wolfe for 2017.
2. The letter of evaluation includes a recommendation for a performance pay increase. This will be determined by a separate vote that will include all current commissioners.
3. The letter of evaluation was read into the record and a summary will be included on the NWSA public website.
4. CEO Wolfe’s strong and steady leadership was acknowledged. Priorities for the next 12 months were highlighted.
5. Commissioner Felleman noted with regard to handling of the Clean Truck Program, that the NWSA is on a good path toward resolution and the issues are challenging.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Abstain (term began 2018)
Commissioner Steinbrueck	Abstain (term began 2018)

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	Abstain (term began 2018)
Commissioner Marzano	Aye

MOTION CARRIES 3-0 / 4-0

Motion was made by Commissioner Gregoire, seconded by Commissioner Petrich:
“Authorize a salary adjustment of 2.75 percent for CEO Wolfe to take effect on April 1, 2018.”

Discussion Included:

1. The recommended adjustment is for a performance pay increase of 2.75 percent, for an annual salary of \$317,000.

PORT OF SEATTLE VOTE:

Commissioner Gregoire	Aye
Commissioner Bowman	Aye
Commissioner Felleman	Aye
Commissioner Calkins	Aye
Commissioner Steinbrueck	Aye

PORT OF TACOMA VOTE:

Commissioner Meyer	Aye
Commissioner Petrich	Aye
Commissioner Johnson	Aye
Commissioner McCarthy	Aye
Commissioner Marzano	Aye

MOTION CARRIES 5-0 / 5-0

5. STAFF BRIEFINGS

Commissioner Meyer changed the order of the agenda to accommodate guest speaker availability. Staff briefings began with item 5B, followed by 5A.

- B. 2016 Puget Sound Maritime Emission Inventory, 2016 NWSA Greenhouse Gas Inventory, and NWSA Greenhouse Gas Glidepath

Discussion Included:

1. The NWSA and regional maritime emissions decreased significantly for all pollutants. Diesel particulate matter (DPM) is down 80 percent and greenhouse gas (GHG) emissions are down 17 percent per ton of cargo since 2005.
2. The NWSA surpassed 2020 Northwest Ports Clean Air Strategy emission reduction targets nearly four years early.
3. Moving forward the goal is to make sure emission reduction strategies focus on both DPM reductions and GHG emissions and prioritize projects with that co-benefit.
4. Shore power capability was discussed. CEO Wolfe noted a need to move toward an international standard. Terminal 5 will be shore power capable.

- A. Sound Transit 3 – West Seattle and Ballard Extension Project Briefing

Discussion Included:

1. Sound Transit CEO Peter Rogoff and Central Corridor Director Cathal Ridge presented Sound Transit's West Seattle and Ballard extension plans. The projected timeline for the West Seattle project is service by 2030, for Ballard 2035.
2. Commissioner Bowman is the sole port representative on the Elected Leadership Group. Its purpose is stakeholder engagement from the start of project development. Sound Transit has an ambitious schedule for completion. Early engagement and an understanding of the impacts to the ports are imperative.
3. The project has some alignment issues with the NWSA. For example, Harbor Island is significant to the NWSA and homeport Seattle operations. Considerations, such as the type of vehicles accessing the terminals, need to be relayed to staff engineers as the projects are developed. The NWSA needs to protect the approximately \$600 million investment it is making into Terminal 5 and other investments.
4. Other projects in the Sound Transit 3 package of importance to both the NWSA and the homeports include the extension link from Federal Way to the Tacoma Dome, increased Sounder passenger service on rail lines shared with freight rail, the replacement of existing service connecting the airport with West Seattle and the east side I-405 rapid bus service.
5. The merits of federal funding for projects of this kind were discussed including the ability of such projects to increase freight mobility to two of the most important international gateway ports in the United States.

6. Commissioner Felleman mentioned there is already a bridge over the ship canal that heavy rail travels and public land at Shilshole, Golden Gardens and Myrtle Edwards Park.

6. GENERAL BUSINESS

A. CEO Announcements, Events and Recognitions

The annual NWSA customer breakfast will be held April 4, 2018. It is an opportunity to thank customers and highlight key initiatives the NWSA is working on. The keynote speaker will be Dr. Walter Kemmsies who will provide an update on trade and economic topics.


7. COMMISSIONER COMMENTS

Commissioner Felleman: Will be attending the Salish Sea Ecosystem Conference. There is a tremendous and growing interest in reducing noise in the water associated with ships due to the presence of killer whales. He is being approached by colleagues inquiring what the alliance's engagement might be in this subject.

Commissioner Calkins: Attended the Women's Legacy of Leadership Award luncheon. The award was presented by, and was named after, former Port of Seattle Commissioner Pat Davis. The award recipient was recently retired Maritime Director for the Port of Seattle, Lindsay Pulsifer. Former Commissioner Davis also renamed the award, "The Lindsay Pulsifer Women's Legacy of Leadership Award."



Donald G. Meyer, Co-Chair
The Northwest Seaport Alliance



Stephanie Bowman, Acting Co-Chair
The Northwest Seaport Alliance

ATTEST:


Donald C. Johnson, Co-Secretary
The Northwest Seaport Alliance



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk of the Port
The Northwest Seaport Alliance

