



MINUTES

Tuesday, February 2, 2021

Managing Member Regular Meeting and Special Port of Seattle (POS) Meeting
Virtual/teleconference in accordance with Senate Concurrent Resolution 8402 and
Governor's Proclamation 20-28. Dial in: 1 253 617 4257 Conference ID: 627 802 28#

CALL TO ORDER

The meeting was called to order at 9:31 a.m. Port of Seattle Commissioners Stephanie Bowman, Ryan Calkins, Sam Cho, Fred Felleman and Peter Steinbrueck were all present. Port of Tacoma Commissioners Kristin Ang, Deanna Keller, John McCarthy, Dick Marzano, and Don Meyer were all present.

RECESS TO EXECUTIVE SESSION

After calling the meeting to order, the Managing Members immediately recessed for an executive session to discuss with legal counsel, two items relating to litigation or potential litigation pursuant to RCW 42.30.110(1)(i) and one item related to litigation or the legal or financial risks associated with a proposed course of action pursuant to RCW 42.30.110(1)(i)(iii). The executive session lasted one hour and 43 minutes. No votes or actions were taken during executive session.

RETURN TO ORDER / PLEDGE OF ALLEGIANCE

The Managing Members reconvened in public session at 11:32 a.m. Today's meeting is also a special meeting of the Port of Seattle Commission. All legally required public notice requirements were followed.

Roll call was taken and all commissioners were present.

Commissioner Felleman lead the Pledge of Allegiance. He then acknowledged Black History Month which underscores the need to commit to justice for all. He also and acknowledged that many of the commissioners and staff are joining this meeting from the ancestral lands and waters of the coastal Salish people with whom the Managing Members share a commitment to stewardship for future generations.

Item 5A1, the Quarterly Update of the Terminal 5 (T5) Modernization Program, was pulled from the agenda without objection.

CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer provided a summary of the agenda. He reported that due to congestion challenges on the West Coast, both north and south of the Seattle-Tacoma gateway, have resulted in the NWSA entertaining inquiries from the shipping lines to bring extra cargo through its gateway. Q1 2021 looks to be a strong quarter for NWSA container volumes.

CONSENT AGENDA

It was moved and seconded (Bowman/Cho) to approve the consent agenda excluding item 3B2 which includes:

- 3A Approve of the minutes of January 5, 2021.
- 3B1 Approve the payment of checks 707730 through 707843, excluding check 707803, and wire transfers in the total amount of \$15,857,910.33 during the period of December 12, 2020 through January 15, 2021.
- 3C Increase authorization for legal services for the appeal of the 2020 Industrial Stormwater General Permit by \$180,000 from \$291,771 to \$471,771 (MID: 201093.01) and for outside legal services for the West Sitcum litigation matter by \$359,523 from \$1,052,230 to \$1,411,753 (MID: 201046.01).
- 3D Accept the notification of the Chief Executive Officer's decision to extend the duration of paid leave benefits available to NWSA employees pursuant to the Family First Coronavirus Response Act (FFCRA) through March 31, 2021.

The motion passed unanimously.

It was moved and seconded (Bowman/Cho) to approve item 3B2 of the consent agenda, approving the payment of check number 707803 in the total amount of \$5,541.90 during the period of December 12, 2020 through January 15, 2021.

The motion passed 2-0. (McCarthy abstained).

PUBLIC COMMENT

Marci Kever, Director, Oceans and Vessels Program, Friends of the Earth U.S. commented on the Northwest Ports Clean Air Strategy (NWPCAS) and efforts toward installing more shore power at the ports in the region.

Leah Missik, Washington Transportation Policy Manager, Climate Solutions commented the NWPCAS timeline is inadequate for climate goals.

Captain Mike Moore, Pacific Merchant Shipping Association commented on the NWPCAS goals and the need to also remain competitive and offered some key principles.

Jeremy Stewart, Tacoma Power expressed support for the NWPCAS and commented he is excited to partner with the Port of Tacoma regarding a long-term electrification plan.

Adrienne Hampton, Climate Policy and Engagement Manager, Duwamish River CleanUp Coalition provided written comments stating elements of the NWPCAS need to be stronger and more transparent, particularly regarding health disparities in near-port communities.

Brandon Beetham, Vice President, Washington Trucking Associations and WTA Services, Inc. commented on the NWPCAS and concerns that the strategy reflects unachievable goals and mandates ahead of technology availability for the heavy truck sector.

ACTIONS

5A. Terminal 5 (T5) Modernization Program

1. **Item 5A1, the Quarterly Update was postponed to a future meeting.*

2. Construction Authorization – T5 Uplands Improvement Project.
Presenters: Thais Howard, Director Engineering and Amy Kiessling, Project Manager

It was moved and seconded (Cho/Marzano) to authorize the Chief Executive Officer or his delegate to authorize construction of three elements of the T5 Uplands Improvement Project:

- South Reefer Repairs (MID No. U00656)
- Clean Truck Program (MID No. U00620)
- Radiation Portal Monitors (RPM) /U.S. Customs and Border Protection (CBP) Booth Power Infrastructure (MID No. U00635)

The motion passed 2-0 by the following vote:

Port of Seattle

Bowman	Aye
Calkins	Aye
Cho	Aye
Felleman	Aye
Steinbrueck	Aye

Port of Tacoma

Ang	Aye
Keller	Aye
McCarthy	No
Marzano	Aye
Meyer	Aye

Discussion

- The Managing Members and homeports authorized overall funding for the T5 Modernization Program in 2019 in an amount of \$340 million. That amount included the T5 Uplands Improvement Project; however the action memo only reflected a request for the T5 Uplands Improvement Project's design and permitting. It was not clear in the action requested that the construction of the projects was also authorized. So, last year the project team requested authorization for the North Marine Building which was the first element of the Uplands Project that was ready for construction. Staff believes it has program authorization for all of the work, and even though the Master Policy doesn't require a separate authorization for the construction of each of the elements that are part of the larger program, to remain consistent and offer transparency, staff is requesting construction authorization for three of the remaining elements of the Uplands Project. Staff will continue to come to the Managing Members for construction authorization as the other elements are ready to be constructed.
- Staff emphasized that today's request is not for funding, the costs are being managed within the \$340 million previously authorized.
- The NWSA is responsible for installing the equipment and software that will manage the Clean Truck Program element as part of its lease obligations. Installation of the electrical infrastructure to CBP and Tenant agreed locations for the RPM truck lanes and one CBP booth is also a NWSA lease obligation. The reefers were not called out in the lease, but it is part of the work that was generally covered under Uplands Projects and it was something that was determined not to be operational after the lease was signed.

- Commissioner Meyer asked why the Clean Truck Program and RPM/CBP elements were not included in the original bid by the general contractor and asked for clarification whether the authorization requested is for a bidding process for a new contractor or a change order. For the South Reefers staff will do a change order to the wharf construction contract because they are doing similar work in the same area with similar materials. The other two projects will be executed by Port of Seattle crew.
- Commissioner Meyer expressed concern with the program going over budget and that the change orders be competitive. In addition to the contractor's cost proposal, staff conducts its own construction estimate. Staff reported that the savings in this instance are due to the same work being done in the same area, with similar materials.
- Commissioner McCarthy also expressed budget concerns. He commented though the three elements staff is asking the Managing Members to approve today may not put the program over budget, the remaining elements will. He noted that the South Reefers are estimated to cost \$800,000. Commissioner McCarthy reminded all that while he supports the program, he voted against it initially due to concerns the program would not come in on time or on budget.

5B. First Reading NWSA/POS: Northwest Ports Clean Airs Strategy (NWPCAS) Joint Resolution
Presenters: Steve Nicholas, Environmental Senior Project Manager and Alex Adams, Senior Manager Environmental Programs, POS

NWSA Action:

It was moved and seconded (Meyer/Keller) that the NWSA Managing Members advance the NWPCAS Joint Resolution to a second reading.

The motion passed unanimously (Marzano was not present for the vote).

Port of Seattle Action:

It was moved and seconded (Steinbrueck/Bowman) that the Port of Seattle Commission approve the introduction of the NWPCAS Joint Resolution.

The motion passed unanimously.

Discussion

- Staff provided a history and description of the NWPCAS. It is a voluntary collaboration among the Port of Seattle, Port of Tacoma, The Northwest Seaport Alliance, and the Vancouver-Fraser Port Authority. The purpose is to reduce air and climate pollution from seaport activities throughout the Georgia Basin-Puget Sound airshed.
- The renewed 2020 NWPCAS vision is stated, "Phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5° C.
- Commissioner Steinbrueck noted that oceangoing vessels produce the lion's share of DPM and GHG emissions and individual ports have very limited influence over their decisions. The importance of working with existing hardware, for example 'slow steaming' as well as engaging with the International Maritime Organization (IMO) and the International Association of Ports and Harbors was discussed.

- Commissioners discussed the need for, and benefits of, setting incremental goals. Commissioner Calkins stated that King and Pierce County constituencies have made it clear that in order to continue to have social license for the NWSA and ports to do what they do, they need to take climate change very seriously. He commented that the NWSA and homeports need to take the lead in these conversations.
- Commissioners also discussed the importance of being financially capable of implementation. The need for public involvement, collaboration with other entities, and the significance of the new administration's emphasis on climate change were all discussed.
- Prior to second reading, Commissioner Bowman would like to have a clear set of priorities identified and Commissioner McCarthy wants associated cost estimates provided.

BRIEFINGS

6A. NWSA and POS Maritime Access and Impact Agreements with the Muckleshoot Indian Tribe and the Suquamish Tribe

Presenter: Michael McLaughlin, Director Maritime Cruise and Marketing POS and Lindsay Wolpa, Senior Manager, Waterfront Redevelopment Programs, External Relations

The agreements with each individual tribe expired at the end of 2020. The agreements had clauses that would allow them to be extended for a five year period. As part of the T5 permit, there were nuances linked to these agreements that suggested that the agreements be extended 10 years and that a pilot program that was part of the T5 agreement would be added into the extension period of the mitigation agreements. Those two additions required amendments to the agreements as opposed to just extending the agreements.

The purpose, intent and goals of these agreements were discussed, and a background including the pre-2016 approach was provided by staff.

Discussion:

- Commissioner McCarthy offered that he does not see these agreements as an obligation of the NWSA. These agreements are more akin to legacy issues between the Port of Seattle and tribes in and near Elliot Bay than to operational costs.
- Additionally, Commissioner McCarthy stated he understands why the Port of Seattle would resolve by contract the specific impacts shipping activities have had on the Muckleshoot Indian Tribe in terms of damaged nets, loss of opportunity, and other impacts, however, to his understanding, the Suquamish Tribe, though they have fishing rights, they do not exercise them. He has concerns that paying the Suquamish for not exercising an opportunity could be considered the lending of state credit. He also believes doing so sets a dangerous precedent for ports and other governments. He expressed serious concerns with paying by contract an amount that has nothing to do with interference with fisheries.
- Commissioner Bowman provided that these tribal obligations were discussed at the formation of the NWSA and were assumed to be a cost of doing business. She noted practice of the federal government of paying farmers not to farm. She stated whether a tribe chooses to fish or not is their choice.

- Commissioner Ang commented the agreements contribute to operational efficiency and likely reduce costs. She stated while she does not argue that there is an obligation, she would like further conversation regarding the cost sharing of the obligation between the NWSA and the Port of Seattle.
- Commissioner Felleman commented that comparing legacy contamination issues with an ongoing operational recognition of the NWSA and Port of Seattle's coexistence with sovereign treaty tribes is comparing apples to oranges. He noted tribal staff administrations costs associated with permitting, etc. Commissioner McCarthy sees paying the tribes for impacts on their fisheries is appropriate by virtue of the relationship and what is being done. However, reimbursing tribes for consultation and time expended on permitting and/or other projects and development that impacts fisheries is a totally separate issue.

GENERAL BUSINESS

7A. Terminal 30 Electrical Equipment Failure Update

Presenter: Thais Howard, Director, Engineering

Staff provided an update to the Notice of Emergency Declaration provided to the Managing Members on December 8, 2020 and a Staff Briefing memorandum of January 15, 2021. There was an electrical failure at T30 on November 29, 2020. The terminal was closed November 30, 2020. Generators were brought in to provide temporary power to the facility. A solicitation has been issued to continue to provide temporary generators while staff looks into a permanent solution. Work continues under the Emergency Declaration. Costs so far are \$248,000 and are mainly associated with the temporary generator solution. The NWSA is currently covering the cost for the generators, the tenant is covering the cost of the fuel. Less costly interim solutions, are being sought. A consultant has been engaged to do a root cause analysis which will inform a permanent solution and help assign responsibility to costs. The report is expected in March.

7B. Operational Update – Port Community System (PCS)

Presenters: Don Esterbrook, Deputy CEO and Zack Thomas, Director Operations Service Center

Staff provided an overview of the concept behind PCS platforms and enhancements made to the NWSA's PCS platform (its website). Benefits to the customer and supply chain partners of a real time data access of a PCS system were discussed as well as future opportunities and challenges. Traffic management, dwell times, truck turn times and container tracking were all discussed.

7C. Announcements, Events, Recognitions

Former NWSA Deputy CEO, Kurt Beckett was recognized for his many contributions to the NWSA.

7D. Commissioner Comments

Commissioner Ang recognized Black History Month and thanked the environmental team for the work on the NWPCAS.

Commissioner McCarthy looks forward to an end of the pandemic and hopes to be able to meet in person.

Commissioner Meyer wants the T5 Quarterly Briefing brought heard as soon as ready, adding he is vitally concerned over the overall project.

Commissioner Felleman expressed appreciation for co-chairing with Commissioner Marzano. He commented that while he was not involved with the formation of the NWSA, he has served since its inception. He recalled Mr. Beckett pointing out the redlines adding language regarding the environment into the founding documents. He expressed thanks for environmentally minded colleagues.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:54 p.m.



Fred Felleman, Co-Chair
The Northwest Seaport Alliance

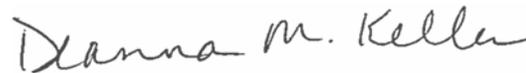


Richard Marzano, Co-Chair
The Northwest Seaport Alliance

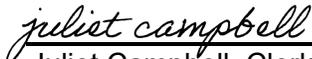
ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Deanna M. Keller, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance