



Minutes

Managing Member Meeting Regular | Port of Tacoma Special

Tuesday, August 6, 2024

9:30 a.m. Closed Session

11:30 a.m. Open Public Meeting

The Conference Center at SEA, 17801 International Blvd. Seattle, WA

Live streamed on the meetings page at www.nwseaportalliance.com

Commissioners present:

Port of Seattle:

Hamdi Mohamed (remote)

Sam Cho

Fred Felleman

Toshiko Hasegawa

Port of Tacoma:

Kristin Ang (remote)

Deanna Keller

John McCarthy

Dick Marzano

Don Meyer

Commissioners excused:

Port of Seattle:

Ryan Calkins

1. Call to Order

The meeting was called to order at 9:36 a.m. by Acting Co-Chair, Commissioner McCarthy.

2. Recess

The Managing Members immediately recessed to hold an executive session pursuant to RCW 42.30.110(1)(i) to discuss two matters related to litigation or potential litigation and the legal and financial risks of proposed course of action. The executive session ended at 11:15 a.m.

3. Return to Order

The Managing Members reconvened in public session at 11:36 a.m. and Acting Co-Chair McCarthy returned the meeting to order.

4. Flag Salute

The Pledge of Allegiance was recited.

5. Chief Executive Officer's Report

CEO Wolfe provided a summary of the day's action and briefing agendas.

6. Public Comment

Eric ffitch, Executive Director, Washington Public Ports Association (WPPA), spoke in support of agenda item 8D.

Al Muehlenbruch, PCC Logistics, provided written comments and spoke in support of its position regarding rent negotiations at Terminal 104.

Jordan Royer, Vice President, Pacific Merchant Shipping Association (PMSA), spoke in support of agenda item 8D and provided comments on expansion of the 2025 Industrial Stormwater General Permit (ISGP).

Sean Dixon, Executive Director, Puget Soundkeeper, provided written comments disagreeing with the description of resolution efforts as presented in the agenda materials for agenda item 8D. He provided oral comment related to discussions on the 2025 ISGP and provided Puget Soundkeeper's position regarding timing and discussions related to agenda item 8D.

Matt Ventoza, Vice President, International Longshore & Warehouse Union (ILWU) Local 19 Vice President provided comments regarding sources of stormwater runoff pollution outside the ports and potential competitive disadvantages to Washington ports of matters related to agenda item 8D.

7. Work Group Reports

None.

8. Consent Agenda

It was moved and seconded (Meyer/Keller) acting on behalf of the Homeport Port of Tacoma for items 8C and 8D, and the Managing Members of the Alliance for items 8A, 8B, 8C and 8D to approve the consent agenda as follows:

- A. Approve the minutes from the July 2, 2024 Managing Member meeting.
- B. Approve disbursement on checks 712892 through 713045 and electronic payments in the total combined amount of \$24,932,807.23 during the period of June 22, 2024 through July 26, 2024 certified by the Northwest Seaport Alliance auditor.
- C. **Dual Action** of the Port of Tacoma and the Managing Members of the Alliance. Approve the First Amendment to the 2024 Interlocal Agreement for Support Services By and Between the Port and the NWSA Alliance.
- D. **Dual Action** of the Port of Tacoma and the Managing Members of the Alliance. Direct legal counsel to file a petition for writ of certiorari in the U.S. Supreme Court (SCOTUS) of the U.S. Court of Appeals for the Ninth Circuit's decision in *Puget Soundkeeper Alliance v. Port of Tacoma et al.*, and further that the Managing Members authorize the NWSA to fund such effort in an amount up to \$250,000.

The motion carried for the Managing Members and the Homeport Tacoma by the following vote:

Port of Seattle:	Port of Tacoma:
<i>Ryan Calkins - absent/excused</i>	Kristin Ang - Aye (remote)
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Aye
Toshiko Hasegawa - Aye	Dick Marzano - Aye
Hamdi Mohamed - Aye (remote)	Don Meyer - Aye

9. Actions

A. Wooden Light Pole Replacement Program

Curt Stoner, Sr. Real Estate Manager and Brett Ozolin, Project Manager II, Engineering gave the presentation. Forty-seven wooden high mast utility poles spread between seven

locations in the South Harbor need replacing due to an average loss of 50% of structural capacity.

It was moved and seconded (Meyer/Marzano) to grant project authorization in the amount of \$10,270,000 for a total authorized amount of \$10,900,000 for the Wooden Light Pole Replacement Program Project – Master Identification Number 201148.01.

Discussion:

- The pole installations are over 40 years old. Additional electrical and communication infrastructure have been attached over the years. In order to provide a biddable public works construction package, staff needs to understand where all the wiring goes, all disconnect points are and what services are impacted. That along with multiple permitting packages needed for the many facilities and sites contribute to the approximately \$1 million in design.
- Grants offering a reimbursement mechanism for transitioning to Light Emitting Diodes (LED) fixtures may be available, however staff clarified the focus of this project is on the poles themselves and the electrical infrastructure.
- Longevity of the various pole material options were discussed. Timber service life is about 40 years. With upgraded coatings, suppliers are quoting a 50-year service life. The estimated service life of steel poles is not clearly defined as the first maintenance cycle is from 60 to 65 years. Timber offers more flexibility for forecasting what facilities will look like in 50 years.
- When asked why not use steel poles and just fewer of them, staff clarified that the scope of the project is to replace 47 individual wooden poles, that are at the end of their service life creating potential safety risk. The poles are spread throughout the terminals at various locations. The time to look at transitioning to steel poles, would be when looking at a major redevelopment.
- Commissioner Felleman noted cross-laminated timber (CLT) was not included as an alternative and asked if it had been priced-out as part of the alternatives analysis. Staff did not price CLT. In speaking with installers and with Tacoma Power, CLT is trickier to use and is used in very specific applications. Limitations of CLT for this project were briefly outlined.
- Commissioner Marzano commented on the importance of accounting for the different conditions at facilities when looking at light output and blind spots. For example, daytime vs. nighttime conditions, the height of stacked containers at various locations.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - absent/excused
Sam Cho - Aye
Fred Felleman - Aye
Toshiko Hasegawa - Aye
Hamdi Mohamed - Aye (remote)

Port of Tacoma:

Kristin Ang - Aye (remote)
Deanna Keller - Aye
John McCarthy - Aye
Dick Marzano - Aye
Don Meyer - Aye

- B. Tenth Amendment to the Terminal 18 Lease between SSA (Seattle Terminals), LLC and NWSA.

Erin DeBroux, Sr. Real Estate Manager, gave the presentation. SSA Terminals (Seattle Terminals) LLC (SSAT) and the NWSA seek to remove the Market Rate provision related to Terminal 46 from the Terminal 18 Lease, add language regarding Tariff No. 300/149 related to the use of shore power, and that SSAT will complete a capital improvement project to install transtainer runs.

It was moved and seconded (Meyer/Keller) to authorize the Chief Executive Officer or his delegate to execute the Tenth Amendment to the Terminal 18 Lease between SSA Terminals (Seattle Terminals), LLC and the NWSA.

Discussion:

- SSAT will perform the work to install transtainer runs at Terminal 18. NWSA will reimburse SSAT for actual project costs, and SSAT will then reimburse the NWSA through rent. This temporarily results in less Distributable Income to the Homeports.
- The automatic market rate adjustment that occurs every five years remains in the lease. This amendment removes the additional market rate adjustment tied to Terminal 46.
- If project costs go over \$4 million, SSAT is required to notify and discuss with the NWSA; overage is not automatically paid. Commissioner Meyer wants the Managing Members notified before staff takes any action regarding exceeding the \$4 million. He noted that 6% interest is a bargain rate.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - absent/excused
Sam Cho - Aye
Fred Felleman - Aye
Toshiko Hasegawa - Aye
Hamdi Mohamed - Aye (remote)

Port of Tacoma:

Kristin Ang - Aye (remote)
Deanna Keller - Aye
John McCarthy - Aye
Dick Marzano - Aye
Don Meyer - Aye

- C. Grant Acceptance of Climate Commitment Act Funding and Expenditure of Funds
Nicola Graham, Environmental Project Manager, Air Quality & Sustainable Practices, gave the presentation. This is the first authorization request of several grants coming forward for the deployment of Zero-Emission (ZE) Trucks in the gateway as part of the NWSA's ZE Truck Incentive Program. The Incentive Program is one component of the NWSA's strategy to facilitate transition to ZE drayage trucks by 2050. The \$6.3 million supports the development, funding and implementation of the NWSA's ZE Drayage Demonstration Program. The goals, approach, and structure of the Program were described.

It was moved and seconded (Cho/Keller) to authorize the Chief Executive Officer or his delegate to accept Climate Commitment Act funding in the amount of \$6,300,000 from the

Washington State Department of Transportation (WSDOT) and to expend subject funds to support the NWSA’s Zero Emission Truck Incentive Program.

Discussion:

- Commissioner Keller requested staff provide more information regarding hydrogen and biofuels.
- Staff confirmed for Commissioner Meyer, that for this particular grant, 100% will be passed through on capital expenditure – trucks and chargers. WSDOT is responsible for its administrative costs. Some related grants budget 2-5% on consultancy.
- Commissioner Felleman emphasized prioritizing grant opportunities to develop and incentivize use of zero emission truck parking on Homeport-owned properties.

The motion carried by the following vote:

Port of Seattle:

Ryan Calkins - absent/excused
Sam Cho - Aye
Fred Felleman - Aye
Toshiko Hasegawa - Aye (remote)
Hamdi Mohamed - Aye (remote)

Port of Tacoma:

Kristin Ang - Aye (remote)
Deanna Keller - Aye
John McCarthy - Aye
Dick Marzano - Aye
Don Meyer - Aye

[Commissioner Hasegawa left the public meeting room at 12:43 p.m. and joined remotely]

[Commissioner Mohamed left the meeting at 1:20 p.m.]

10. Briefing

A. Grants Update

Cassandra de Kanter, Grants Specialist, provided an update on grant efforts since the June 2024 Managing Member meeting.

11. General Business

A. Cargo Update

Tong Zhu, Chief Commercial & Strategy Officer and Jeff Bellerud, COO provided an update on cargo operations and volumes.

B. CEO Comments

- An Eastern Washington trip to visit the export community is scheduled for August 26 through August 28, 2024.
- A trip to Korea and Taiwan is scheduled for the week of September 22, 2024.

C. Commissioner Comments

- Commissioner Felleman commented on Highline Colleges Supply Chain Management course of study and invitation to speak.
- Commissioner Felleman is heartened by comments from CEO Wolfe and Puget Soundkeeper Executive Director, Sean Dixon, regarding working toward a mutually acceptable solution prior to any decision by the SCOTUS on certiorari.

- Commissioner Keller commented on engagement and teamwork of Commissioners, staff, and labor.
- Commissioner Ang commented on market share and cargo increases and gave kudos to the grants team.
- Commissioner Cho commented on a recent Eastern Washington trip by the Homeport of Seattle Commissioners to the Port of Benton. He encouraged the NWSA to reexamine collaboration with the Port of Benton related to the development of a two-loop intermodal facility inland.
- Commissioner Hasegawa also commented on the Homeport of Seattle’s trip to Eastern Washington. She is inspired by the work being done there toward decarbonization and efforts in transforming the market. She commented on Washington’s iconic and cutting-edge ideas and practices.
- Commissioner McCarthy commented on the Homeport of Tacoma Commissioners trip to Eastern Washington for the WPPA Conference. Commissioners visited the Ports of Pasco and Benton and toured a Darigold facility. He commented on their alternative fuel and intermodal efforts.

12. Adjournment

With no further business, the meeting adjourned at 1:46 p.m.



Kristin Ang, Co-Chair
The Northwest Seaport Alliance



Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance

Prepared by:



Juliet Campbell, Clerk
The Northwest Seaport Alliance