



Minutes
Managing Member Meeting - Special
Friday, March 8, 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 (Remote)	John McCarthy
Toshiko Hasegawa (Remote)	Dick Marzano
Hamdi Mohamed (Remote at 10:10 a.m.)	Don Meyer

1. Call to Order
Co-Chair, Kristin Ang, called The Northwest Seaport Alliance (NWSA) Managing Members meeting to order at 9:40 a.m.
2. Recess to executive session and closed discussion.
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 and RCW 42.30.110(1)(i) to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or 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 ended at 10:50 a.m.

The executive session was immediately followed by a closed session allowable pursuant to laws and regulations found at 46 U.S.C. § 40306, 46 C.F.R. § 538.608, 46 C.F.R. § 535.701(i)(1) and as authorized by the Port of Seattle/Port of Tacoma Alliance Agreement (Federal Maritime Commission (FMC) Agreement Number 201228. The closed session ended at 11:30 a.m.
3. Return to Order
The Managing Members reconvened in public session at 11:45 a.m. Co-Chair Ang called the meeting back to order.
4. Flag Salute
The Pledge of Allegiance was recited.
5. Chief Executive Officer's Report
CEO Wolfe provided a summary of the agenda items.
6. Public Comment
Matt Ventoza, Vice President ILWU 19 Seattle commented in support of NWSA plan to develop one, three, and five-year plans for the expansion of breakbulk and project cargo in Seattle.

Thanked those involved in bringing auto ships to Terminal 46 for the first time in 20 years and the importance of cargo diversity.

7. Work Group Reports

None.

8. Consent Agenda

The Consent Agenda consisted of the following items:

- A. Approval of the minutes of the February 6, 2024 meeting.
- B. Approval of the payment of checks 712240 through 712354 and wire transfers during the period of January 26, 2024 through February 23, 2024 in the total amount of \$18,625,378.70 as certified by The Northwest Seaport Alliance’s auditor.

The Consent Agenda was approved by the following vote:

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

9. Actions

- A. First Reading of Resolution 2024-05, the 2024 Master Benefits and Salary Resolution (MBSR).

A presentation was given by Jean West, Chief Human Resources Officer; Trish Perez, Human Resources Manager; and Jeniann Kaelin, Human Resources Manager on proposed changes to the Master Benefit and Salary Resolution. The proposed changes include an adjustment of 3% to non-represented salary wages effective April 1, 2024 to the NWSA’s salary schedule. Staff also recommended removing certain administrative details from the Master Policy and Salary Resolution and instead incorporating those details in the Human Resources policy and procedure document.

It was moved and seconded (Ang/Cho) to waive two readings of Resolution 2024-05, the Master Benefit and Salary Resolution.

[Commissioner Calkins temporarily stepped away from the meeting at 12:04 p.m.]

Discussion:

- Commissioner Meyer opposes waiving two readings. He noted there is significant amount of language that is being extracted from the proposed MBSR to an administrative policy and wants a better understanding of any implications.
- Commissioner And asked staff the effect of taking this to a second reading on operations. Staff informed the Managing Members that implementation of changes to salary range, classifications and title changes would be delayed until after

Managing Member approval. The next Managing Member regular meeting is scheduled for April 2, 2024.

- Commissioner McCarthy’s expressed his concern that the proposed changes turn the benefit issues over to an administrative decision which he states is not transparent to the commissioners or to the public. He noted references to specific health care benefits and post-employment benefits for retirees and that transparency to the details are significant.
- Commissioner Ang asked for the substantial differences for the proposed changes. For staff responded they do not want to change anything, just where the information belongs, whether it belongs in the MBSR or whether that information is consolidated into the Human Resources policies and procedures. The proposed changes to the MBSR to not change the benefits.
- Commissioner Marzano noted, that if the MBSR were to be adopted at the next regular meeting, it would only delay the effective date by one day. He supports two readings.
- Commissioner Meyer echoed concerns regarding transparency of the details.

The motion failed by the following vote:

Port of Seattle:	Port of Tacoma:
Ryan Calkins – not present	Kristin Ang - Aye
Sam Cho - Aye	Deanna Keller - Aye
Fred Felleman - Aye	John McCarthy - Nay
Toshiko Hasegawa - Aye	Dick Marzano - Nay
Hamdi Mohamed - Aye	Don Meyer – Nay

Because the motion to waive two readings failed, this remained a first reading only. No vote is taken at first reading. A second reading prior to consideration for final passage may occur at a future meeting.

B. Washington United Terminals (WUT) Shore Power Design Authorization

Kyle Smith, Engineering Project Manager gave a presentation. This project is in the early design phase. Northwest Ports Clean Air Strategy (NWPCAS) interim goal is to install shore power at major international container terminals by 2030. WUT is the next terminal in line after Husky, Pier 3, Pier 4 and Terminal 18 projects. Project description and details were presented. The current estimated cost of the project is \$22 million to \$42 million.

It was moved and seconded (McCarthy/Keller) that the Managing Members grant project authorization in the amount of \$1,850,000 for a total authorized amount of \$2,200,000 for work associated with the Washington United Terminals Shore Power Project (MID 201173.01).

Discussion:

- Commissioner Meyer regarding the high cost of design. Staff responded that each property presents a unique set of circumstances and challenges. He noted that WUT does not have the existing infrastructure that some of the other terminals have.
- Commissioner Meyer asked if the design team was required to have any experience with shore power. Staff responded there was a competitive selection process for the design team. It is the same team that did Pier 3 and 4 and Terminal 18.
- Commissioner Felleman asked about alternatives and about berths at WUT. Staff commented that a barge solution is under consideration. WUT has two berths (north and south) and optionally berths in the center. The design need flexibility to power two ships side-by-side as well as a single ship in the middle of the terminal.

[Commissioner Calkins returned to the meeting at 12:27 p.m.]

- Commissioner Ang commented on the range in estimated cost. Staff responded that at this point there is much uncertainty and alternatives could save costs if they pan out. The estimated cost range presented represents a ‘worst case scenario’ to an ‘everything goes right scenario.’
- Jason Jordan, Director of Environmental and Planning Services confirmed that staff has committed to finding at least 50% grant funding for all of these projects. David Morrison, Chief Financial Officer, added that Managing Member approval is for the full cost of a project.
- Commissioner Calkins mentioned benefits of fixed terrestrial infrastructure versus a power barge alternative.

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

- C. Auto Warehousing Co. (AWC) Lease and Operating Agreement – 10th Amendment
Andre Elmaleh, Senior Manager Business Development and David Morrison, Chief Financial Officer, gave a presentation. AWC surpassed its record year for volume in 2023 by 1929 units. It is seeking additional first point of rest property to meet customer demand. The 10th Amendment adds 1701 Port of Tacoma Way and 2302 Ross Way as first place of rests for AWC. CFO Morrison added that the expenses will be funded through operating cash of the NWSA. The NWSA auto line of business is budgeted to provide \$4.7 million income in 2024. AWC has the appropriate Industrial Stormwater General Permit.

It was moved and seconded (Meyer/Marzano) that the Managing Members authorize NWSA Chief Executive Officer, or his delegate, to execute the Tenth Amendment to Lease and Operating Agreement by and between The Northwest Seaport Alliance and Auto Warehousing Co. in substantially the same form as presented and reimburse Auto Warehousing Company for any expenditures allowable under the Parties' Access Agreements but in excess of the CEO's delegated contracting authority.

Discussion:

- Staff confirmed that there will be expenses associated with the operation of the two added yards, but those expenses are significantly less than paying the drayage to and from the main yard.
- Staff informed that 346 cars processed through the NWSA gateway in 2023. Staff conservatively projects 3% growth for 2024.
- The NWSA auto financial performance was discussed.

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. Offshore Wind Supply Chain Feasibility Briefing

Lindsay Wolpa, Senior Manager Strategic Projects introduced Kate Nolan, Communications and Outreach Manager and guest and consultant Shane Phillips, Senior Civil/Coastal Engineer and Pacific Northwest Business Unit Lead, from Moffat & Nichols. The group presented the scope and approach of a feasibility study the NWSA will be moving forward with. Including background, financial implications and next steps. Mr. Phillips provided information about the Moffat & Nichol firm.

Discussion:

- Commissioner Cho requested that as part of the scope include a SWAT analysis of the NWSA against other ports. Staff commented on the need to balance collaboration versus competition among ports.
- Discussion took place regarding which properties will be looked at in the study. That decision has not been made but will be part of what is determined by the study. Commissioner Felleman suggested that which properties are included is foundational.
- Commissioner Calkins noted there is a federal push to force collective approach. He commented that all ports on the west coast ports need to be part of the supply chain. The NWSA needs to identify where it might have an advantage and provides focus for the commercial team.

- Commissioner McCarthy commented that he hopes the study will result in something definitive and not just set the NWSA up for another study.
- Commissioner Meyer commented that the study approach should focus on industry need. He struggles with all the elements and whether there is a market. Regarding the collective collaboration of ports, he notes he has heard from other ports that they want nothing to do with off shore wind.
- Commissioners Ang commented on the enormity of the plans at Long Beach for floating 400 acres being created. She noted the NWSA is not competing with Long Beach but helping supply Long Beach. She commented on ports as clean energy hubs and that ports may need to look at their properties in a different way. The NWSA may need to rethink what 'highest and best' use means regarding its properties and to accelerate addressing contaminated property. She emphasized the need for support from Washington's governor. She stated this study represent the NWSA beginning its due diligence regarding the industry.
- Infrastructure readiness along with other projects and educational trips were discussed.

[Commissioner Hasegawa was excused at from the meeting at 12:48 p.m.]

B. Clean Truck Program Update

Steve Nicholas, Senior Manager, Air Quality & Sustainable Practices and Kate Nolan, Communications and Outreach Manager, Public Affairs gave a presentation focused on the NWSA's strategy for a just and equitable transition to zero-emission drayage and trucking in the NWSA gateway. Staff noted that while there are strong state policies, the trucking industry is moving in the direction of zero-emissions, and there is 10 years of experience to draw on from California and that state and federal funding is beginning to flow in, that this will be a difficult transition for the NWSA gateway. Particularly, the gateway has no zero-emission trucks in the drayage fleet, there is no charging or fueling infrastructure in the region and the NWSA business model is sensitive changes in operations/cost, etc. Staff presented on the two core elements of the NWSA's strategy include developing, funding and implementing zero emission drayage demonstration program and leading the formation of a zero-emission truck collaborative to develop a regional decarbonizing drayage roadmap.

Discussion:

- Listening sessions were held as part of the Collaborative work under the scope for the subconsultant doing the community engagement piece. No further listening sessions are scheduled at this time. Staff recognized the value of the listening sessions and hopes to hold more and will include an invitation to commissioners. Detailed shareable notes from the listening sessions already held will be made available.
- There is hesitancy across the trucking industry in any enthusiasm for the technology due to softening of the market.

- Commissioner Felleman would like a direct report from the truck collaborative to the Managing Members. He asked about underutilized reefer terminals as related to truck driving. In response to a question from Commissioner Felleman regarding renewable diesel fuel, staff responded that that technology is getting closer to reality for drayage and cargo handling equipment.
- Commissioner McCarthy expressed concern regarding funding being used on staff and process before getting to the project which he sees to be the demonstration project. Staff ensured the commissioners that the vast majority of the state and federal money that staff is securing is to get the work done on the ground and not staff and process.
- Commissioner Calkins commented on the enormity of the cost of the transition to zero-emission. The NWSA needs to figure out how to unlock the private capital that will usher in the zero-emission truck revolution.
- Commissioner Ang shared experience from a recent IMC logistics demonstration on electric trucks. Once the technology is affordable to truckers, it could be enjoyable.

11. General Business

A. CEO Announcements

- There is strong interest in bringing auto vessels and cargo back to Terminal 46. Staff has been presented with a challenge regarding the camera system and will be looking for a solution.
- He provided reflection on the TPM24 conference in Long Beach, CA.
- He acknowledged International Women’s Day and the women in the industry and on the NWSA team.

B. Commissioner Comments

- Commissioner Marzano commented on the success of TPM24. He thanked ILWU 19 for the success at Terminal 46.
- Commissioner Meyer requested a legislative summary.
- Commissioner Ang reported that she received information that the NWSA received \$14 million in funding contingent upon the Climate Commitment Act not being repealed.
- Commissioner Felleman commented on the success of TPM24 and thanked staff for their efforts.
- Commissioner Ang also thanked executive, commercial, marketing and environmental staff for their work. She will be speaking on port decarbonization at the World Ocean Summit in Lisbon. She contributes this to the good work of the environmental staff, the decisions made by the Managing Members that is only now being highlighted on the world stage.

12. Adjournment

With no further business before the Managing Members, the meeting was adjourned at 2:01 p.m.

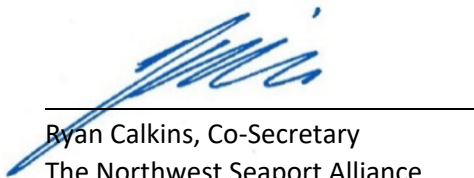


Hamdi Mohamed, Co-Chair
The Northwest Seaport Alliance



Kristin Ang, Co-Chair
The Northwest Seaport Alliance

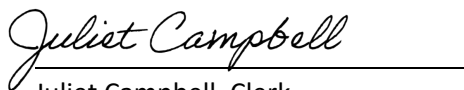
ATTEST:



Ryan Calkins, Co-Secretary
The Northwest Seaport Alliance



Dick Marzano, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance