



MANAGING MEMBER REGULAR / POS and POT SPECIAL MEETING MINUTES

Tuesday, August 2, 2022

9:00 AM Executive Session/FMC

11:00 AM Open Public Meeting

SeaTac Conference Center, SeaTac, WA

9:00 AM

1. CALL TO ORDER

Co-Chair Calkins calls the meeting to order at 9:03 a. m.

Port of Seattle Commissioners Present: Port of Tacoma Commissioners Present:

Sam Cho – Present

Ryan Calkins – Present

Fred Felleman – Present

Toshiko Grace Hasegawa - Present

Hamdi Mohamed - Present

Kristin Ang – Present

Deanna Keller – Present

Dick Marzano – Present

John McCarthy – Present

Don Meyer - Present

Immediately after calling the meeting to order, Co-Chair Calkins announced that the Managing Members would recess into closed executive session to discuss one item pursuant to RCW 42.20.110(1)(i) to discuss with legal counsel, litigation to which the agency is likely to become a party when public knowledge of such discussion is likely to result in adverse legal or financial consequences to the agency.

He also announced that immediately after the executive session, the commissioners would turn to a closed FMC session protected 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 Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement #201228.

Co-Chair Calkins announced that the closed session, including both executive session and FMC closed session were expected to last a combined two hours and that public session would reconvene at 11:00 a.m.

2. RECESS TO CLOSED EXECUTIVE / FEDERAL MARITIME COMMISSION (FMC) SESSION

One item pursuant to RCW 42.20.110(1)(i) to discuss with legal counsel, litigation to which the agency is likely to become a party when public knowledge of such discussion is likely to result in adverse legal or financial consequences to the agency.

Immediately followed by a closed and confidential discussion protected 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 Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement #201228.

11:00 AM

3. RETURN TO ORDER

Co-Chair Calkins reconvenes in public session at 11:07 a.m.

4. FLAG SALUTE

The Pledge of Allegiance is recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER

A. CEO John Wolfe outlines the agenda.

B. T-18 Emergency Declaration Update

Thais Howard, Director, Engineering

- CEO John Wolfe declared an Emergency on Tuesday, July 7, 2022, as Terminal 18 had a failure in the electrical sub-station. Seattle City Light and Port of Seattle Marine Maintenance Dept. responded. Two tenants were impacted by the outage: SSAT and Kinder Morgan. Both tenants have since been able to resume operations. Investigation is going on as to what caused the switch to fail.

C. Gateway Operations Update

Tom Bellerud, Chief Operations Officer

- Terminal 5 operations are fluid and going well. MSC is being added to Terminal 5.
- Terminal 30 also encountered electrical issues. The tenant communicated well with Terminal 46 and was able to coordinate services well.
- Trucker Outreach Program to be held on August 23, 2022, by NWSA.
- Break-bulk business in Tacoma had a record year, last year. We are tracking 40-50% over last year's volume.
- Working with the Puyallup Tribe to rent land from them that adjoins our break-bulk terminal. Tribal Council approved the lease and NWSA is prepping that land for use. It will consolidate operations into one location.
- EB-1 Terminal is being fully utilized. Operations team is commended for their organization at that facility.
- Commissioner Mohamed inquired regarding the status of vessels plugging into shore power at Terminal 5, and CEO Wolfe responded that while some vessels do have that capability, there is a labor/jurisdictional issue in dispute regarding plugging in vessels at this time. This issue is expected to be taken up during the labor negotiations.
- Commissioner Meyer noted the decline in agriculture statistics. COO Bellerud commented that the commercial team at NWSA is attuned to the issue, and there is a planned Eastern Washington trip to address any issues.
- Commissioner Felleman asked about congestion in Vancouver and its impact on NWSA operations? COO Bellerud responded that that some vessels leaving Vancouver were supposed to have their next port of call at our Gateway and are missing our Gateway to make their schedule elsewhere. This could be the result of being delayed in Vancouver due to no berth availability. Some ships remain docked for several weeks at some ports. NWSA is continuing to communicate with the carriers to address the issue.

6. PUBLIC COMMENT – Written comments may be submitted to nwsacomment@nwseaportalliance.com
None.

7. CONSENT AGENDA

A. Approval of the minutes:

- July 6, 2022

B. Check Certification

Approve the payment of checks 709895 through 71003 and wire transfers during the period from June 18th, 2022, through July 22nd, 2022, in the total amount of \$16,624,649.28.

It was moved and seconded (Cho/Keller) to approve Consent Agenda Items 7(A) and 7(B).

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

8. BRIEFING AGENDA

A. T-5 Quarterly Briefing

Presenter: Anne Porter, Director, Waterfront Project Management Maritime Division, Port of Seattle provides an update and overview of the T5 Modernization Program, and progress towards completion of the Phase 2 work.

Commissioner Hasegawa inquired about community outreach around Terminal 5, particularly those communities in West Seattle. Lindsay Wolpa, Sr. Manager, Strategic Projects, NWSA, responded by providing information about staff efforts to meet with the South Park Neighborhood Association in August, and noted that many groups are on hiatus for summer. Ms. Wolpa also noted that staff is working on the Quiet Zone and have been reaching out to many communities. Commissioners were invited to participate in meetings to be held in the fall.

Commissioner Hasegawa also encouraged staff to be engaged in proactive outreach in environmental stakeholder groups or groups representing people of color or immigrants or refugees.

Commissioner Ang asks if the Program team was expecting the need for additional budget increases. It was noted by Ms. Porter and Thais Howard, Director, Engineering, that based on the current Risk Analysis, there is a high likelihood that the project will be delivered within the previously approved budget amount, and that the risk of the toe wall has been included in the Risk Analysis.

9. ACTION AGENDA

- A. Third Amendment to Terminal 5 Lease (Phase 2); Intermodal Yard Agreement; and 9th Amendment to Terminal 18 Lease

Third Amendment to Terminal 5 Lease Agreement: Request authorization for the Chief Executive Officer or their delegate to approve the Third Amendment to the Terminal 5 Lease with SSA Terminals (Seattle Terminals), LLC to commit early to the Phase 2 of the Terminal 5 Lease eliminating Phase 1 Plus premises and to certain improvements and the financial responsibility for such improvements and to commence Phase 2 operation on January 1, 2024.

Long Term Intermodal Yard (IY) Agreement for Terminal 5: Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to approve the Intermodal Yard Agreement for Terminal 5 for SSAT's long-term use and management of the Terminal 5 IY yard.

Ninth Amendment to the Terminal 18 Lease: Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to approve the Ninth Amendment to the Terminal 18 Lease with SSA Terminals (Seattle Terminals), LLC to waive the Container Volume Lift Rate Fee over the Annual MAG Lifts at Terminal 18 for the calendar years of 2022 and 2023.

Presenter: Jennifer Maietta, Director of Real Estate presented the terms of the above agreements, which all relate to the commitment by SSA to Phase 2 of Terminal 5.

It was moved and seconded (Felleman/Keller) to approve the Third Amendment to the Terminal 5 Lease, the Intermodal Yard Agreement, and the 9th Amendment to the Terminal 18 Lease.

Discussion

- Commissioner Marzano asks how many tracks are part of the Intermodal Yard? Curtis Stahlecker, Capital Project Manager, Port of Seattle says there are 6 tracks on the intermodal yard and 4 tracks on the storage yard plus an escape track.
- Commissioner Meyer inquiries about the non-functional property located at Terminal 5 and if it is possible to be rented out. Ms. Maietta responds that staff is evaluating options for renting it.
- Commissioner McCarthy asks if the start date is January 1, 2024? Yes. He asks about a comparative analysis of Phase 1 lease verses Phase 2 lease. 65 acres under Phase 1 of lease. Rate is being revisited and staff are in constant communication with SSAT. Expresses appreciation for staff's efforts.
- Dana Henderson, General Counsel for NWSA, notes that the SSA says that the cranes expect to be delivered sooner than previously expected, and that the lease amendment would provide for a commencement date sooner than January 1, 2024, if the cranes have been commissioned and other conditions have been met.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

B. South Marine Building Construction Authorization

Request authorization to advertise and construct the South Marine Building and the supporting utilities at Terminal 5.

Presenter: Amy Kiessling, Capital Project Manager, Port of Seattle presented on the T5 South Marine Building Construction project.

It was moved and seconded (McCarthy/Keller) to approve authorization to advertise and construct the South Marine Building and the supporting utilities at Terminal 5.

Discussion

- Commissioner Ang inquiries about cost differences if they had done both the North and South building together back in 2020 as opposed to now, and the response is that doing this work now is more expensive due to inflation.
- Commissioner Felleman asks if we ran the electrical for this building. It was noted that the utilities were built in the North building, but they were not installed for the South building since staff was not certain that the South Building would be used.
- Commissioner Meyer would like additional information on whether construction costs include utilities. Staff to provide that to Commissioner Meyer.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

- C. T-5 Intermodal Yard Improvements Additional Design and Construction Funding
Request project authorization in the amount of \$3,253,000, for a total authorized amount of \$9,807,000, to complete the design and installation of the work associated with the T5 Intermodal Yard Improvements Master Identification Number U00668 and related projects.

Presenter: Curtis Stahlecker, Capital Project Manager, Port of Seattle presented on the need for additional funding for IY improvements.

It was moved and seconded (Marzano/McCarthy) to approve T-5 Intermodal Yard Improvements Additional Design and Construction Funding.

Discussion

- Commissioner Meyer thinks it is noteworthy to provide to the Managing Members the amount of our investment, the amount of private investment, and the job impact on the community. It is good to remind ourselves of what we have embarked on.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

D. Interlocal Agreement with the University of Washington for the Washington Sea Grant Fellowships

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to enter an Interlocal Agreement (ILA) between The Northwest Seaport Alliance (NWSA) and the University of Washington (UW) Sea Grant Hershman Fellowship Program, under which the NWSA would host two full-time Fellows for one year, from September 2022 to September 2023.

Presenter: Graham VanderSchelden, Environmental Project Manager II (NWSA & POT) and Allison Lu, current Washington Sea Grant Fellow presented regarding the Sea Grant Fellow program and about Ms. Lu's experience as a fellow.

It was moved and seconded (Cho/Keller) to approve Interlocal Agreement with the University of Washington for the Washington Sea Grant Fellowships.

Discussion

- Commissioners express thanks, gratitude, and support for this program.
- Commissioner Hasegawa requests that commissioners are included on all communications about this program and that an exit interview be conducted with our Fellow. We should offer our fellows a forum to provide constructive criticism and feedback.
- Commissioner Felleman says Sea Grant Fellowship Program is a great integration between policy and science.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

E. Third Amendment to the SSAT West Sitcum Terminal Lease

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to execute the Third Amendment to the SSAT West Sitcum Terminal Lease.

Presenter: Curt Stoner, NWSA Sr. Manager, Real Estate presents on the need for and terms of a Third Amendment to the West Sitcum Lease, including project cost-sharing and an extension of the term of the Lease.

It was moved and seconded (Felleman/Keller) to approve the Third Amendment to the SSAT West Sitcum Terminal Lease

Discussion

- Commissioner McCarthy asks when the lease expires? Terminates on December 31, 2032.
- Commissioner Meyer inquires how the rate is set under the existing term. The current rate for West SSAT is \$80,100.00 per acre, per year. That rate is increased on January 1st of every year through January 1st of 2028. On July 1, 2028, a fair market adjustment will be made.
- Specifics of the West Sitcum Lease are discussed. Rates are set and adjusted annually by CPI.
- Commissioner McCarthy speaks in support of compelling vessels to use shore power.
- Commissioner Ang noticed that air quality was a consideration and supporting our programs for shore power. Are there foreseeable issues with truckers with the Clean Truck Program? Jason Jordan, Director, Environmental and Planning Programs for NWSA comments that 85% of the trucks in our Gateway meet our Clean Truck Program. Staff are targeting a domestic scrap and replacement program to help truckers convert. They are working with truckers to transform.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

F. Can Am Warehouse Roof Truss Repair Authorization Increase

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to increase the reimbursement amount and spending authorization by \$240,957, from \$750,000 to a total amount of \$990,957 for the Can Am Roof Truss Repair Project as a Tenant improvement.

Presenter: Curt Stoner, NWSA Sr. Manager, Real Estate

It was moved and seconded (Cho/Meyer) to approve the Can Am Warehouse Roof Truss Repair Authorization Increase

Discussion

- A commissioner believes this Item should be on consent agenda.
- Commissioner Ang asks if maintenance policies are the same for the North Harbor and the South Harbor? They have two separate maintenance policies for each Home Port. Working on being more consistent.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye

Sam Cho – Aye

Fred Felleman – Aye

Toshiko Grace Hasegawa - Aye

Hamdi Mohamed - Aye

Kristin Ang – Aye

Deanna Keller – Aye

Dick Marzano – Aye

John McCarthy – Aye

Don Meyer - Aye

- G. Memorandum of Agreement and Interlocal Agreements for two (2) National Marine Fisheries Service (NMFS) Liaison Positions

Request Managing Members of the Northwest Seaport Alliance (NWSA) authorization for the Chief Executive Officer or their delegate to enter into a Memorandum of Agreement (MOA) with the National Marine Fisheries Service (NMFS) for up to two liaison positions.

Presenter: Jason Jordan, Director, Environmental and Planning Services

DUAL ACTION VOTE: Request Port of Seattle Commission authorization for the Executive Director or their delegate to enter into an ILA with NWSA and the Port of Tacoma for a NMFS liaison position.

DUAL ACTION VOTE: Request Port of Tacoma Commission authorization for the Executive Director or their delegate to enter into an ILA with NWSA and the Port of Seattle for a liaison position.

Request NWSA Managing Member authorization for the CEO or their delegate to enter into an ILA with Port of Seattle and the Port of Tacoma for a NMFS liaison position.

Request Managing Members of NWSA authorization for the Chief Executive Officer or their delegate to enter into an Interlocal Agreement (ILA) with the Washington State Public Ports Association (WPPA) and certain member ports for the hiring, management, and full reimbursement of a NMFS Liaison Position.

It was moved and seconded by (Meyer/Cho) to authorize the Homeports' Executive Director(s) and the NWSA CEO to enter into and execute the Memorandum of Agreement (MOA) with the National Marine Fisheries Service (NMFS), the Interlocal Agreement between NWSA and the Homeports for a NMFS liaison position, and an Interlocal Agreement with the WPPA and certain member ports for a second NMFS liaison position.

Discussion

- Commissioner Meyer comments in favor of working with other ports, and NWSA's leadership role in this instance.
- Commissioner Felleman expresses concern on the benefits of us having a paid employee inside the permitting office to prioritize the processing of our permits. He differentiates between this and a scenario where we would fund a FTE that did not report to us.
- Commissioner McCarthy says he is concerned about the fact that we are funding something that the federal government should be funding. It causes him great concern. Has concerns about delays continuing without proper management.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
John McCarthy – Aye
Hamdi Mohamed - Aye

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
Toshiko Grace Hasegawa - Aye
Don Meyer - Aye

- H. Code of Governance and Conduct for Commissioners: Second Reading: Request approval of Resolution 2022-02 establishing a Code of Governance and Conduct for Commissioners.

Presenter: Dana Henderson, NWSA General Counsel, presented the work of the Internal Governance Work Group and the work group’s recommendation of a Code of Conduct and Governance for Commissioners. She noted that no substantive changes had been requested by commissioners since the first reading.

It was moved by (Meyer) to approve the Internal Governance Work Group’s recommended Resolution 2022-02 establishing a Code of Governance and Conduct for Commissioners. (No second required since recommendation is coming from work group).

Discussion

- Commissioner Marzano confirms that he and Ms. Henderson had spoken, and he was no longer concerned with the issue he brought up in the prior meeting regarding the ability of the Conduct Committee to handle smaller issues confidentially and without more formal process or reporting.
- Commissioner Felleman brings up the issue of confidentiality. He expresses concern that someone may bring a complaint for political purposes and there is a certain level of exposure an elected official has and that was something we did not address.
- Commissioner McCarthy says he had reservations over process and procedure but will support it.

Co-Chair Calkins called for a vote.

Motion carried by a vote of 2-0 by the following vote:

Ryan Calkins – Aye
Sam Cho – Aye
Fred Felleman – Aye
Toshiko Grace Hasegawa - Aye
Hamdi Mohamed - Aye

Kristin Ang – Aye
Deanna Keller – Aye
Dick Marzano – Aye
John McCarthy – Aye
Don Meyer - Aye

10. GENERAL BUSINESS

- A. CEO Announcements
Reminder: on August 29 and 30, 2022, we are visiting our export customers in Eastern Washington.

- B. Commissioner Comments
Commissioner Calkins attended the annual commissioners meeting with the Washington Public Port Association with fellow commissioners. He strongly recommends attendance by commissioners.

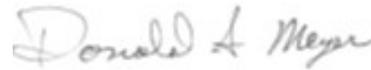
Commissioner Cho advises that he and several commissioners flew down to Irvine, California a few weeks ago and met with GLOVIS. It was very positive.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 1:36 p.m.



Ryan Calkins, Co-Chair
The Northwest Seaport Alliance



Don Meyer, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Kristin Ang, Co-Secretary
The Northwest Seaport Alliance

Toshiko Hasegawa, Co-Secretary
The Northwest Seaport Alliance

Leilani Berinobis

Leilani Berinobis, Acting Clerk
The Northwest Seaport Alliance