

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>9B</u>
Date of Meeting	<u>May 2, 2023</u>

DATE: April 21, 2023

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tong Zhu, Chief Commercial & Strategy Officer

Project Manager: Arthur Kim, Capital Project Manager III

SUBJECT: Maintenance Dredging at T18, T30 and T46 Project Authorization

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2020-02, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., Managing Member authorization is required for Projects where the total estimated Project cost exceeds \$300,000 or when actual costs of a previously approved Project exceed \$300,000, including Projects previously authorized by the CEO.

Request project authorization in the amount \$900,000, for a total authorized amount of \$1,000,000, for work associated with the Maintenance Dredging at Terminal 18, Master Identification No. N10204.

Request project authorization in the amount \$575,000 for a total authorized amount of \$675,000, for work associated with the Maintenance Dredging at Terminal 30, Master Identification No. N10205.

Request project authorization in the amount \$675,000, for a total authorized amount of \$775,000, for work associated with the Maintenance Dredging at Terminal 46, Master Identification No. N10206.

B. SYNOPSIS

To ensure compliance with lease agreements and design depths, it is necessary to perform maintenance dredging at Terminal 18 (T18), Terminal 30 (T30), & Terminal 46 (T46) berths to achieve a depth of -50' MLLW at each location. This will ensure NWSA compliance with design depths, lease agreements and ability to accept larger vessels for continued competitive marine cargo operations.

C. BACKGROUND

Regular maintenance dredging is necessary to prevent sedimentation from negatively impacting cargo operations at NWSA facilities. Proactively addressing sedimentation can minimize disruptions and ensure compliance with designed depth, leading to safe and efficient port operations.

The depth of the waterway at terminal berths is critical to maintaining the competitiveness of the NWSA Gateway. Container vessels continue to increase in overall size, which results in greater vessel draft requirements and the need to proactively maintain our berth depths.

As an export-dependent gateway, meeting vessel draft requirements is key to ensuring that vessels can be stowed without restricting heavy export containers. This allows ocean carriers to maximize cargo stowage and space utilization on container vessels. If draft restrictions are in place due to insufficient waterway depth, ocean carriers may have increased wait times to sail the higher tides and even forego loading the vessels to capacity, departing without their full complement of export cargo. These high spots have already impacted operations at our terminals.

The NWSA's 2022 bathymetric survey highlighted several areas at T18, T30, & T46 berths that do not meet the design depths of -50'. T18 was last dredged in 2016. T30 was last dredged in 2009. It is unknown when T46 was last dredged.

D. PROJECT DESCRIPTION AND DETAILS

This project will restore the berths at T18, T30, & T46 to their permitted depth to improve access for deep-draft cargo vessels. The NWSA's 2022 bathymetric survey highlighted several areas at T18, T30, & T46 berths that do not meet the permitted depth of -50'. There are high spots at each terminal that affect the operating depths for each berth with high spots up to -47.6' at T18, -47.0' at T30, and -47.5' at T46 as reviewed and confirmed by the Puget Sound Pilots.

Project Objectives

- Restore berths to design depth of -50' for T18, T30, and T46.
- Compliance with all permit conditions.

Scope of Work for This Request

The scope of work for this request includes:

- Design documents for maintenance dredging of berth areas
- Sediment characterization to determine if dredged material can be disposed of in-water or at an approved upland disposal facility.
- All permitting associated with dredging.
- Cost estimating

- Coordination with EPA
- Staff time

Schedule for Project

Design & Sediment Characterization	Q2 2023 – Q1 2025
Project Authorization for Construction	Q2 2025
Dredging Window 1	Q4 2025 – Q1 2026
Dredging Window 2	Q4 2026 – Q1 2027
Substantial Completion	February 15, 2027
Final Completion	August 15, 2027

E. FINANCIAL IMPLICATIONS***Project Cost Details – T18***

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$100,000	\$0	\$100,000
Pre-Design	\$0	\$100,000	\$2,000	\$98,000
Design	\$900,000	\$900,000	\$0	\$900,000
Construction	\$0	\$7,000,000	\$0	\$7,000,000
Total	\$900,000	\$8,100,000	\$2,000	\$8,098,000

Project Cost Details – T30

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$100,000	\$0	\$100,000
Pre-Design	\$0	\$100,000	\$2,000	\$98,000
Design	\$575,000	\$575,000	\$0	\$575,000
Construction	\$0	\$3,500,000	\$0	\$3,500,000
Total	\$575,000	\$4,275,000	\$2,000	\$4,273,000

Project Cost Details – T46

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$100,000	\$0	\$100,000
Pre-Design	\$0	\$100,000	\$2,000	\$98,000
Design	\$675,000	\$675,000	\$0	\$675,000
Construction	\$0	\$3,250,000	\$0	\$3,250,000
Total	\$675,000	\$4,125,000	\$2,000	\$4,123,000

Project Cost Details – T18, T30, & T46

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Procurement	\$0	\$300,000	\$0	\$300,000
Pre-Design	\$0	\$300,000	\$6,000	\$294,000
Design	\$2,150,000	\$2,150,000	\$0	\$2,150,000
Construction	\$0	\$13,750,000	\$0	\$13,750,000
Total	\$2,150,000	\$16,500,000	\$6,000	\$16,494,000

Source of Funds

The current Capital Investment Plan (CIP) Budget allocates \$8,540,000 for the Terminal 18 Maintenance Dredging Project.

The current Capital Investment Plan (CIP) Budget allocates \$4,749,000 for the Terminal 30 Maintenance Dredging Project.

The current Capital Investment Plan (CIP) Budget allocates \$4,708,000 for the Terminal 46 Maintenance Dredging Project.

Financial Impact

The cost to design and complete the dredging will be expensed as incurred. Staff recommends that Fiscal Year 2023 and future year HMT funds be used as much as possible to fund the dredging subject to Managing member authorization of the request to transfer all Fiscal Year 2023 and future year HMT funds to the NWSA. The 2023-2027 budget includes total expenses of \$1,463,000 in 2023, and \$16,484,000 in 2024.

F. ENVIRONMENTAL IMPACTS/REVIEWPermitting:

- SEPA review will be required.
- In-water work permits and approvals will be required from The US Army Corps of Engineers; Washington State Departments of Fish & Wildlife, Ecology and Natural Resources; Dredge Material Management Program; and City of Seattle.
- The project will be carefully coordinated with the Muckleshoot Indian Tribe and Suquamish Tribe to ensure impacts on treaty-reserved fisheries are avoided to

the maximum extent possible. Unavoidable impacts will be offset through development of a project-specific agreement.

- The Port of Seattle has an existing dredging programmatic permit with USACE (expiring in 2026) that may be used for the construction of this project.

Remediation:

- Sediment characterization will be performed to determine suitability for in-water disposal or disposal at an approved upland facility as well as compliance with Washington State's sediment anti-degradation requirements.
- Portions of this project (T18, T30, and a portion of T46) are in the East Waterway Superfund Site and will require concurrence from the EPA.

Stormwater: N/A

Air Quality:

- No new emissions will be generated by this project except for short-term emissions from dredging and construction equipment. Maintaining the berths at their design depth will have a positive impact on air quality by reducing idling from vessels waiting to sail the tides to get to and from the terminal.

G. ATTACHMENTS TO THIS REQUEST

N/A

H. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 2, 2023	Executive Authorization: Pre-Design for Terminal 18 Maintenance Dredging	\$100,000
	<u>Total</u>	\$100,000
<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 2, 2023	Executive Authorization: Pre-Design for Terminal 30 Maintenance Dredging	\$100,000
	<u>Total</u>	\$100,000
<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 3, 2023	Executive Authorization: Pre-Design for Terminal 46 Maintenance Dredging	\$100,000
	<u>Total</u>	\$100,000
<u>Date</u>	<u>Action</u>	<u>Amount</u>
February 2 & 3, 2023	Executive Authorization: T18, T30, & T46	\$300,000
	<u>Total</u>	\$300,000

I. NEXT STEPS

Complete design and permitting and return to Managing Members for authorization for construction of the maintenance dredge projects.

Item No.: 9B

Date of Meeting: 5/02/2023

Maintenance Dredging at T18, T30 and T46 Project Authorization



THE NORTHWEST
SEAPORT ALLIANCE

SEATTLE + TACOMA

Arthur Kim, PMP, CM
Capital Project Manager III

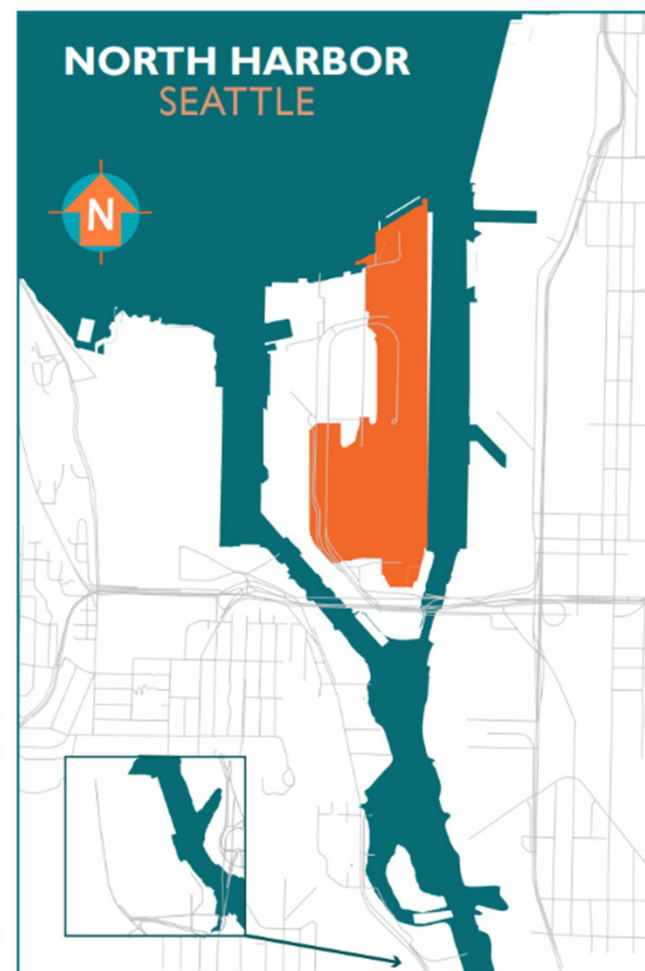
May 2, 2023

ACTIONS REQUESTED

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Terminals 18, 30 & 46



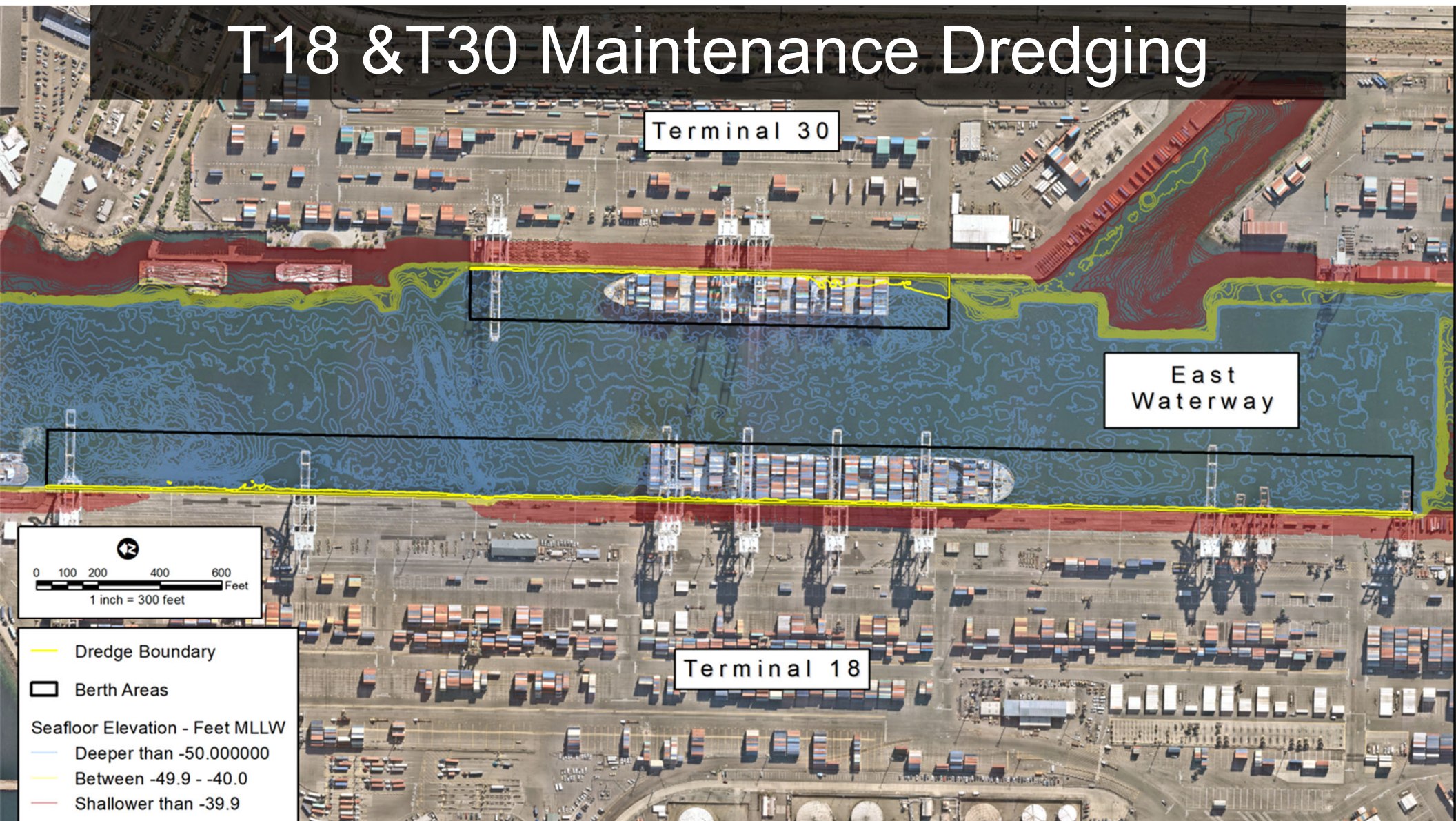
Background

- Regular maintenance dredging is necessary to prevent sedimentation from negatively impacting cargo operations at port facilities & maintain competitiveness of the NWSA Gateway.
- Restore the berths at T18, T30, & T46 to their permitted depth to improve access for deep-draft cargo vessels that call at the terminal.
- The NWSA's 2022 bathymetric survey highlighted several areas at T18, T30, & T46 berths that do not meet the design depths of -50' MLLW

Project Description and Details

- Design documents for maintenance dredging of berth areas
- Sediment characterization to determine if dredged material can be disposed of in-water or at an approved upland disposal facility
- All permitting associated with dredging
- Cost estimating
- Coordination with EPA
- Staff time

T18 & T30 Maintenance Dredging



T46 Maintenance Dredging



Project Schedule

Activity	Timeframe
Design & Sediment Characterization	Q2 2023 – Q1 2025
Project Authorization for Construction	Q2 2025
Dredging Window 1	Q4 2025 – Q1 2026
Dredging Window 2	Q4 2026 – Q1 2027
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Source of Funds

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Financial Summary - T18

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Pre-Design	\$0	\$100,000	\$2,000	\$98,000
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Project Total:	\$900,000	\$8,100,000	\$2,000	\$8,098,000

Financial Summary – T30

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Procurement	\$0	\$100,000	\$0	\$100,000
Pre-Design	\$0	\$100,000	\$2,000	\$98,000
Design	\$575,000	\$575,000	\$0	\$575,000
Construction	\$0	\$3,500,000	\$0	\$3,500,000
Project Total:	\$575,000	\$4,275,000	\$2,000	\$4,273,000

Financial Summary – T46

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Procurement	\$0	\$100,000	\$0	\$100,000
Pre-Design	\$0	\$100,000	\$2,000	\$98,000
Design	\$675,000	\$675,000	\$0	\$675,000
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Project Total:	\$2,150,000	\$16,500,000	\$6,000	\$16,494,000

Environmental Impacts / Review

- Permitting:
 - SEPA review may be needed
 - This project will also require in-water work permits and coordination with the Tribes
 - The Port of Seattle has an existing dredging programmatic permit with USACE (expiring in 2026)
 - 401 Water Quality Certification (takes at least a year)
 - Department of Fish and Wildlife Hydraulic Project Approval

Environmental Impacts / Review

- Remediation:
 - Sediment characterization will be performed to determine in-water disposal or at an approved upland facility.
 - T18, T30, and a portion of T46 are in the East Waterway Superfund Site and will require coordination with EPA and further potential testing.
- Stormwater:
 - N/A
- Air Quality:
 - No new emissions will be generated by this project except for short-term emissions from dredging and construction equipment. Maintaining the berths at their design depth will have a positive impact on air quality by reducing idling from vessels waiting to sail the tides to get to and from the terminal.

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