



**MINUTES
MANAGING MEMBER REGULAR MEETING
TUESDAY, NOVEMBER 3, 2020**

The meeting was held remotely in compliance with the governor's 'Stay Home, Stay Health' proclamation and Proclamation 20-28.11. The meeting was live streamed on the Alliance's website and a call-in number of 1-253-671-4257 Conference ID No.: 456 164 153# was provided to the public to listen live by telephone.

SEATTLE COMMISSIONERS PRESENT:

Ryan Calkins
Sam Cho
Fred Felleman
Peter Steinbrueck

EXCUSED:

Stephanie Bowman

STAFF PRESENT:

John Wolfe, CEO
Kurt Beckett, Deputy CEO
Don Esterbrook, Deputy CEO
Dana Henderson, NWSA General Legal Counsel
Tong Zhu, Chief Commercial and Strategy Officer
Mike Reilly, Director, Business Development
Graham VanderSchelden, Environmental Project Manager II
Steve Balaski, Sr. Business Development Manager
Jason Jordan, Director Environmental Programs
Thais Howard, Director of Engineering
Lindsay Wolpa, Senior Manager, Waterfront Redevelopment Programs External Relations POS
David Morrison, Director Financial Planning and Treasury
Juliet Campbell, Clerk
Leilani Berinobis, Executive Assistant

TACOMA COMMISSIONERS PRESENT:

Kristin Ang
Deanna Keller
John McCarthy
Dick Marzano
Don Meyer

EXECUTIVE / FMC CLOSED SESSION: The meeting was called to order at 9:00 a.m. and immediately recessed to executive session for two hours to discuss three litigation or potential litigation items pursuant to RCW 42.30.110(1)(i) (i) and (iii). One discussion topic was also protected and confidential pursuant to 46 U.S.C. § 40306; 46 C.F.R. § 535.608; 46 C.F.R. § 535.701(i)(1) and authorized by the Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228. No votes or actions were taken.

PUBLIC SESSION:

- 1. RETURN TO ORDER AND PLEDGE OF ALLEGIANCE:** Commissioner Steinbrueck reconvened the special meeting at 11:30 AM and lead the Pledge of Allegiance. The Managing Members observed a moment of silence in remembrance of former Port of Seattle commissioner Jack Block and acknowledged his contribution to the Port and the common good. May he rest in peace.
- 2. CHIEF EXECUTIVE OFFICER'S REPORT:** Staff has updated the Q3 CEO Goals and Expectations report for commissioners to review. He invited comments and questions both now and after the meeting. No commissioners offered comments at this time. Steve Balaski, Sr. Manager, Business Development for the NWSA was then invited to present an update on the NWSA's strategic initiative to establish an Inland Rail Hub with the focus being to support growth of export volumes through the NWSA gateway. A new intermodal service from Minot, ND to the NWSA has been launched. The company running the operation is Rail Modal Group (RMG). The first train will be arriving at Terminal 18 today. RMG's president, Greg Obering provided an overview of the services.
- 3. CONSENT AGENDA:**
It was moved and seconded to approve consent agenda items 3A, the minutes of September 29 and October 6, Managing Member meetings and 3B, the payment of checks 707494 through 707569 and wire transfers in the total amount of \$7,393,298.71 during the period of September 26, 2020 through October 16, 2020.
The motion carried.

4. **PUBLIC COMMENT:** None.

5. **ACTIONS:**

A. **DERA Grant and Tacoma Power Incentive Funds to Support Electric Yard Tractors at the SIM Yard**

Presented by Mike Reilly and Graham Vandershelden

John Gray, President, Rail Management Services (RMS) and Ed Morgenthaler, Vice President Rail Management Services were introduced and offered an overview of RMS's plans for the implementation of six all electric yard tractors and associated charging infrastructure at the South Intermodal (SIM) yard.

It was moved and seconded to authorize the acceptance of grant funds in the amount of \$782,482 from the EPA Diesel Emission Reduction Act (DERA) grant program and \$132,000 in incentive funds from the Tacoma Power's Cargo/Material Handler Equipment and Hostler Trucks program to support the implementation of six (6) all electric yard tractors by Rail Management Services and associated charging infrastructure at the SIM yard and to enter into a sub-agreement with RMS to pass through grant funds.

The motion passed unanimously.

Discussion:

- The project marks a major milestone for the NWSA as it would be the first deployment of zero emission cargo handling equipment in the NWSA gateway at a cargo facility.
- The commercial and environmental motivation for the project includes customer need and increased operational efficiency. The project is environmentally in line with the Northwest Ports Clean Air Strategy and the NWSA's greenhouse gas emissions resolution.
- The project is essentially two parts, the remanufacture of the tractors themselves, replacing six diesel drive trains with electric drive trains and batteries, and the charging infrastructure project that will allow the units to charge on a daily basis. RMS will manage the remanufacture of the tractors. The NWSA/Port of Tacoma staff will manage the infrastructure project. The costs will be reimbursed by the Tacoma Power Incentive funds, DERA funds, and any cost difference will be made up by RMS. The net cost to the NWSA is \$0 (excluding staff costs to manage the grant and incentive).
- The proposed project schedule was described. Staff expects design to be complete around March 2021, at which time staff intends to return to the Managing Members for construction authorization. Staff anticipates all six of the terminal tractors to be in operation by Q4 2021.
- Environmental benefits include reduced diesel fuel consumption of 22,990 gallons annually. Monetized health benefits are estimated to be \$860,000 annually.
- Staff estimated that there are approximately 700 pieces of cargo handling equipment in the NWSA gateway. The infrastructure project proposed with this action is for six charging stations at the one facility. The costs for other electrification projects can only be determined on a case-by-case per facility. Staff hopes to take a more detailed look at how to scale up electrification through the Seattle Waterfront Clean Energy Strategy and the South Harbor Electrification Roadmap studies.
- Commissioner Felleman thanked staff for continuing to pursue grant funds and sees this as further rational for supporting the \$100,000 allocation to look at electrification of Terminal 18.
- Commissioner Keller noted the power of public-private partnerships.
- Commissioner Felleman also commented that the DERA funds are federal funds and the NWSA should write its delegation informing them of how the NWSA is using the funds and encourage the continued funding of DERA.

B. West Seattle Bridge (WSB) Discussion – [No action].

Commissioner Steinbrueck made introductory comments.

A presentation was made by Lindsay Wolpa

Discussion:

- Commissioner Steinbrueck opened the discussion by commenting on a July 16, 2020 Seattle Times op-ed he and Commissioner McCarthy co-authored titled *Chart a Statewide Course for Replacing the West Seattle Bridge* which set the tone for the public's awareness of the importance of the West Seattle Bridge to the entire region and state of Washington. It's repair or replacement demands a regional vision and support from every level of government and the marshalling of all resources to bring Washington's economic return.
- Commissioner Steinbrueck recognized Mayor Durkin for her leadership. The NWSA is currently in line with the Mayor's goals for finding the safest, fastest solution which provides the greatest certainty into the future. More information is needed on the choices before deciding.
- Staff provided an update of the City of Seattle's project and high-level staff analysis comparing top alternatives. The presentation included NWSA and Port of Seattle's goals and strategies to address the bridge, mitigation efforts, references to Seattle's 2020 Bridge Audit and a high-level review of the Seattle Department of Transportation's cost-benefit analysis. Outreach efforts were described.
- The low bridge provides access into Terminal 5. The current policy for the lower bridge access includes placards enforced by Seattle Policy Department. Allowed users include maritime/industrial users proximate to Harbor Island. West Marginal Way is another option for trucks coming out of Terminal 5. With the closure of the West Seattle High Bridge it has become a major commuter route as well.
- Commissioners and staff clarified that the NWSA is in support of the crosswalk and light at the Duwamish Longhouse, a project fully funded by SDOT. The NWSA/Port of Seattle is not in support of a dedicated freight lane. The crossing is moving forward. The bike lane piece is the open question. Active conversations are taking place on that issue and includes members of the Duwamish Tribe as stakeholders.
- The cost-benefit analysis (CBA) performed by SDOT's consultant WSP did score different alternatives, however staff underscored that it was not a study to lead to a picking of the alternatives, that would be the result of a type, size and location study.
- The elements of the identified alternatives were discussed along with a reminder that they are all at zero percent design. The alternatives include:
 1. Shoring
 2. Repair
 3. *Partial superstructure replacement was eliminated by WSP as prohibitively difficult to make continuous connections between concrete and steel.*
 4. Superstructure replacement (*Variation of Rapid Replacement Alternative*)
 5. Full Replacement
 6. Immersed Tube Tunnel

Rapid replacement was discussed further. It was noted that this option was not fully vetted through the CBA but was described as comparable under replacement strategies. Commissioner Steinbrueck has asked the City of Seattle to provide a critical path for alternatives 4 including the variation of rapid replacement.

- Commissioner Calkins appreciates the efforts on this issue, but also noted a need to move faster on this decision. It has been an issue for seven months. No ground has been broken and it is not even clear what permits may be needed. Even once a decision is made, the process could take years.

- McCarthy noted that he was impressed with the rapid replacement option. If money weren't an issue his preference would be rapid replacement, if money is an issue, he supports getting it repaired. He stressed the urgency to making a decision in moving forward.
- Commissioner Meyer emphasized the priority of the freight access for the lower bridge. He cautioned about putting any financial obligations on the table in supporting the projects noting the Port of Tacoma's SR 167.
- Commissioner Steinbrueck reported that there are 47,000 bridges in critical condition across the United States. The WSB is the top priority bridge according to consultants but there will be competition for funding. The NWSA shouldn't be the first entity forward with any funding. Where the NWSA can assist the city is with supporting their efforts toward funding.
- Commissioners agreed it would be appropriate for the co-chairs, on behalf of the NWSA, to draft a letter to the mayor that lays out the NWSA's position regarding its recommendations for the path forward, narrowing down the alternatives to repair and rapid replacement with conditions for those alternatives. The letter would be circulated to the commissioners prior to sending.

6. GENERAL BUSINESS:

A. 2021 Commission Work Groups

Presented by Kurt Beckett

- No assignments have been made to work groups for 2021.
- There is only one committee (the Audit Committee). Work groups are separate and function differently. No actions are taken in the work groups.
- Proposed changes to the work group categories included:
 - Environmental would consolidate with the ORCA Task Force and sustainability would be added to the scope of this work group's discussions.
 - Offshore floating wind discussions would be added to the scope of the Growing the Gateway discussion as business innovation discussions take place in that group.
 - The Internal Governance work group would be changed to add Internal Governance and Finance. Staff recommended the Co-Chairs of any given year be automatic members of this group.
 - Gateway Competitiveness would be added to the Legislative work group.
 - Tribal Liaisons remain unchanged.
- Membership in work groups is guided by commissioner interest and expertise. However, it was noted that if expertise were the only guiding principle it doesn't achieve a commitment to rotation every one to two years to promote growth of knowledge, diversity and experience.
- Commissioners were encouraged to consider the work groups and decide through their homeport who will serve from each homeport.
- Commissioner Felleman commented more thought is needed on how best to engage the work groups and bring the discussion back to the greater body.
- Commissioner Ang would like an in-depth competition study work group.

B. CEO Announcements, Events, Recognitions

- Thais Howard presented a change of schedule for the capital contributions of the homeports to the Terminal 5 program. The program is still within budget, but in order to mitigate risk of future cost, staff made the decision to purchase some materials in 2020 and expedite some of the works in 2021. Increases in 2020 and 2021 and decreases in 2022 and 2023. Homeports are looking at their budget impacts.
- CEO Wolfe announced some 'wins' including the Intermodal Incentive Program, Inland Rail Hub in Minot ND and the electrification of trucks and the SIM Yard.
- Commissioner Felleman commented on Ms. Howard's update. He noted the NWSA takes first bite of the apple at budget time, and decisions about its budget has impacts on everything else the homeports do and I find the last minute decision addition of this topic surprising and lacking in information regarding the magnitude of the changes.

C. Commissioner Comments:

- Commissioner Ang commented on election day. Urged all to vote. WPPA is going forward with carbon fees and cap and trade. Staff will be meeting with the Puyallup Tribal Council on an update on business.
- Commissioners Calkins and Cho encouraged all to vote.
- Commissioner Felleman suggested that Managing Member meetings not take place on election day. He appreciates what CEO mentioned regarding 'wins' for the NWSA and wants a letter sent to Congress outlining the accomplishments and needs moving forward. He wants it sent by the end of the year.
- Commissioner Keller encouraged all to vote. She commented she is grateful to be serving the public and is thankful for the staff.
- Commissioner Marzano thanked Commissioner Steinbrueck for recognizing Mr. Block.
- Commissioner McCarthy agreed that Managing Member meetings shouldn't be on election day.
- Commissioner Meyer thanked all for the support in making the SIM project happen. He would like more information regarding the financial performance of the NWSA. He notes revenue is down, but expenses are at the same level as 2019.
- Commissioner Steinbrueck thanked all commissioners for their engagement in this meeting. Commented that this will be a historic election.

7. ADJOURNMENT: The meeting ended at 2:07 p.m.



John McCarthy, Co-Chair
The Northwest Seaport Alliance



Peter Steinbrueck, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Don Meyer, Co-Secretary
The Northwest Seaport Alliance



Juliet Campbell, Clerk
The Northwest Seaport Alliance