

**MINUTES
MANAGING MEMBER SPECIAL MEETING
TUESDAY, JANUARY 14, 2020
The Fabulich Center, Room 104
3600 Port of Tacoma Road, Tacoma, Washington**

SEATTLE COMMISSIONERS PRESENT:

Stephanie Bowman
Ryan Calkins
Sam Cho
Fred Felleman
Peter Steinbrueck

TACOMA COMMISSIONERS PRESENT:

Kristin Ang
Deanna Keller
John McCarthy
Dick Marzano
Don Meyer

STAFF PRESENT:

John Wolfe, CEO
Kurt Beckett, Deputy CEO
Don Esterbrook, Deputy CEO
Dana Henderson, NWSA General Legal Counsel
Carolyn Lake, NWSA Counsel / Port of Tacoma General Legal Counsel
Mark Little, Director of Contracts and Purchasing
Jason Jordan, Director Environmental Programs
Sean Eagan, Director, Government Affairs
Trevor Thomsley, Sr. Project Manager, Engineering
Andre Elmaleh, Sr. Manager Business Development
Graham VanderSchelden, Environmental Project Manager II
Norman Gilbert, Engineering Project Manager II
Dustin Stoker, COO
Emma Del Vento, Capital Program Leader POS
Dakota Chamberlain, Chief Facilities Development Officer
Judi Doremus, Executive Assistant
Juliet Campbell, Clerk

10:15 A.M. – EXECUTIVE SESSION:

1. **CALL TO ORDER and RECESS TO EXECUTIVE SESSION:** Commissioner McCarthy called the special meeting to order at 10:15 a.m. and immediately recessed into executive session to discuss one litigation item and to review negotiations of two publicly bid contract items as authorized by RCW 42.30.110(1)(i) and (d), one of which also relates to real estate leasing price as authorized under (RCW 42.30.110(1)(i) and (c). The executive session lasted 56 minutes. No votes or actions were taken.

11:30 A.M. - PUBLIC SESSION:

1. **RETURN TO ORDER AND PLEDGE OF ALLEGIANCE:** Commissioner McCarthy reconvened the special meeting at 11:30 a.m. and lead the pledge of allegiance.
2. **CHIEF EXECUTIVE OFFICER'S REPORT:**
CEO Wolfe introduced new NWSA staff member Dana Henderson, NWSA General Legal Counsel and Port of Tacoma staff member Mark Miller, Director of IT who will also support the NWSA. He then proceeded to provide a summary of the four action items before the Managing Members. Briefings will include a change order to the Terminal 5 Modernization Program.
3. **CONSENT AGENDA:**
It was moved and seconded to approve consent agenda items 3A, the minutes of the November 5, November 12, December 3, and December 13, 2019 Managing Member meetings and 3B the payment of checks 706392 through 706503, and 706505 through 706556, and wire transfers in the total amount of \$37,180,093.71 during the period of November 23, 2019 through January 3, 2020.
The motion passed unanimously.

It was moved and seconded to approve consent agenda item 3C the payment of check 706504 in the total amount of \$3,503.50 during the period November 23, 2019 through January 3, 2020 to the State Auditor's Office.

The motion passed by the following vote:

In favor: Ang, Bowman, Calkins, Cho, Felleman, Keller, Marzano, Meyer, Steinbrueck

Opposed: N/A

Abstain: McCarthy

4. PUBLIC COMMENT: None.

5. ACTIONS:

A. Auto Warehousing Co. (AWC) 7th Amendment to the Lease Operating Agreement

Presenter: Andre Elmaleh

It was moved and seconded to authorize the Chief Executive Officer or their delegate to enter into the 7th Amendment to the Lease and Operating Agreement with Auto Warehousing Co. (AWC).

The motion passed unanimously.

Discussion included:

Commissioner Cho emphasized that the action to extend the terms of Amendment 3 of the Lease Operating Agreement on a month-to-month basis should not be interpreted as an incentive for AWC to keep their former contract terms in place indefinitely. Commissioner Meyer noted that AWC is an important customer to the Port of Tacoma and is looking forward to a favorable agreement.

B. TransAlta Grant Acceptance

Presenter: Graham VanderSchelden, Environmental PM II

It was moved and seconded to authorize acceptance of grant funds in the amount of \$1 million from the TransAlta Centralia Coal Transition Grant Program Energy Technology Fund, to support installation of shore power at Husky Terminal, project number 2020-19.

The motion passed unanimously.

Discussion included:

Discussion took place related to sources of funding for the shore power project at Husky Terminal and policy decisions related to the use \$1.1 million remaining in grant from Ecology for the Clean Truck Fund.

The discretionary nature of lease terms and use of shore power was discussed. Electrification of container handling equipment and required infrastructure design was discussed. The current legislative agenda direction is to transfer the funds.

C. Container Crane Disposal at Pier 3 – South Harbor

Presenter: Dustin Stoker and Norm Gilbert

It was moved and seconded to authorize project authorization in the amount of \$3,841,245 for a total authorized amount of \$4 million for the Container Crane Disposal, Master Identification No. 201083.01

The motion passed unanimously.

Discussion included:

The challenges of crane disposal were discussed. There is no market for 64 gage cranes if they need to be moved. The cranes remain advertised domestically and internationally on a government auction site. The cost effectiveness of removing the four cranes at one time as opposed to removal of two and later removing two more was discussed. The CIP budget was based on a north harbor terminal crane removal. Conditions are different in the south harbor and staff believes removal will be under budget.

D. Reach Stacker Purchase

Presenter: Dustin Stoker

It was moved and seconded to authorize the Chief Executive Officer or their delegate to purchase two reach stackers in an amount not to exceed \$943,000 plus sales tax (approximately \$96,186 at 10.2%).

The motion passed unanimously.

Discussion included:

The current lease with Jones Stevedoring for equipment is a month-to-month lease, there would be no penalty for terminating the current lease. The benefits of increased handling capability of reach stackers were discussed.

Alternatives, including Tier 4 final engines, hybrid or all-electric engines and the continued use of unrated leased top picks were discussed. A discussion took place related to opportunities surrounding cargo handling equipment as it relates to environmental goals and jobs.

6. BRIEFINGS:

A. Terminal 5 Modernization Program Quarterly Update

Presenter(s): Emma Del Vento and Dakota Chamberlain

Staff provided an update on the construction schedule and budget for the 4th quarter of 2019. Staff briefed the commissioners on details of a structural concrete pile driving accident that happened on January 3, 2020.

A commissioner asked what precautions will be taken as a result of the accident. Staff emphasized that the response to the accident was extraordinary. In-water training completed gave proven results. Operational and equipment changes were described. Before any request for an extension into the fish window, it is the intention of staff to consult with agencies and the tribes.

7. GENERAL BUSINESS:

A. Announcements, Events, Recognitions

Commissioner McCarthy highlighted items on the look ahead calendar that he would like staff and commissioners to dive into for the February 4, 2020 meeting and study session including the 2020 Performance Goals and Expectations and the 2019 CEO performance evaluation. Commissioner McCarthy read from language from the 2019 state government affairs agenda as it relates to the earlier discussion regarding the Clean Truck Fund that took place during the TransAlta Grant Acceptance action.

CEO Wolfe reported that on December 20, 2019, the NWSA, Port of Seattle and Port of Tacoma filed an administrative appeal to the 2020 Industrial Stormwater General Permit (ISGP).

The NWSA was recognized by the Tacoma Transportation Club as company of the year for 2019.

Staff will be requesting direction on administrative housekeeping items such as how to address lookahead calendars, scheduling and travel opportunities for commissioners.

The Retail Industry Leaders Association (RILA)'s Retail Supply Chain Conference takes place February 23-26 in Grape Vine TX.

The Trans-Pacific Maritime (TPM) Conference takes place March 1-4, 2020.

The NWSA annual breakfast takes place on March 25, 2020. This is also the anticipated date for the first of two NWSA Managing Member retreats. Staff is looking for dates for an Eastern Washington trip and a trade mission to Vietnam.

B. Commissioner Comments:

Commissioner Marzano: The Annual Longshore Spaghetti Extravaganza at the ILWU Longshore Hall is January 21, 2020. Willie Adams, ILWU International President will be the guest speaker. Both ILWU presidents should be invited on the Eastern Washington trip being planned.

Commissioner Bowman: Cited an article in the Journal of Commerce that informed truck turn times in LA/Long Beach have hit an all-time low of 67 minutes. She noted the turn times at the NWSA's gateway are much lower. Commissioner Calkins added that perhaps it is time to set more aggressive targets.

Commissioner Felleman: Stated that this is the second year that he has made request, which today has been unmet, for staff to provide a crosswalk between the legislative strategies of the NWSA, Port of Seattle, Port of Tacoma and the Washington Public Ports Association (WPPA) for legislative day. He expects to see a compilation of the mentioned items in time for this legislative session. Stated that he has become aware of attrition of Port of Seattle employees on the shared to the NWSA and raised concerns of the balance of representation of staff.

Commissioner Calkins: Recommended a committee be formed to address the NWSA transition progress.

Commissioner Steinbrueck: Suggested that an examination of the alignment of legislative positions between the homeports, NWSA and the WPPA is an issue that could be taken up with the NWSA legislative committee.

8. **ADJOURNMENT:** There being no further business, Commissioner McCarthy adjourned the meeting at 2:14 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