



MINUTES
MANAGING MEMBER REGULAR – PORT OF SEATTLE COMMISSION SPECIAL
Tuesday, October 5, 2021
9:00 AM Executive/FMC Closed Session
11:00 AM Open Public Meeting

Remote. No in-person attendance.
Dial: 1-253-617-4257 Conference ID: 332 154 477#

9:00 AM

1. CALL TO ORDER

Commissioner Felleman called the meeting to order at 9:02 a.m.

Port of Seattle Commissioners Present:

Stephanie Bowman – Present
Ryan Calkins – Present
Sam Cho – Present
Fred Felleman – Present
Peter Steinbrueck – Present

Port of Tacoma Commissioners Present:

Kristin Ang – Present
Deanna Keller – Present
John McCarthy – Present
Don Meyer – Present
Dick Marzano – Present

2. CLOSED FMC AND EXECUTIVE SESSION

After calling the meeting to order, the Managing Members immediately recessed for a closed session as authorized by Federal Maritime Commission laws and regulations found at 46 U.S.C. §40306 and C.F.R. 46 § 538.608 and C.F.R. 46 § 535.701(i)(1). A portion of the closed discussions were also protected pursuant to RCW 43.30.110(1)(i)(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. These closed/executive sessions lasted one hour and 37 minutes. No votes or final actions were taken.

Four items 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.

A portion of these privileged discussions are also 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(l)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement, FMC Agreement #201228.

3. RETURN TO ORDER

The Managing Members reconvened in public session at 11:10 a.m. Roll was taken, and all commissioners were present.

4. FLAG SALUTE

The Pledge of Allegiance was recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER

- John Wolfe, CEO, provided a gateway operational update. Significant congestion continues. Longer dwell times with inbound loads and empty containers taking up quite a bit of space at the terminals. The gateway is also experiencing a shortage of truck drivers and congestion in warehouses.
- Tom Bellerud, Chief Operating Officer, gave an additional report to gateway operations. Cargo volumes remain strong, however, there has been a subtle shift in cargo mix. The shift in cargo mix is a shift from intact rail loads to local loads, a truck move out of the terminal moving to a local warehouse. Cargo now dwells on the terminal longer. An Extended Gate Program is being looked at with the terminal operators to help alleviate this congestion.
- Commissioner Steinbrueck questions:

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- If containers are being unloaded, why are they not being re-loaded back onto ships and being allowed to pile up on terminals? Why aren't the ships taking the empties back? What is piled up at T-5? Are they all empties? Why don't the ocean carriers keep their ships at port rather than sending them to ports they know are congested and expending unnecessary fuel and creating more pollution as they wait to berth? Why can't we motivate them in a coordinated way to start their scheduling at their homeports rather than have the congestion here?
- Answers:
 - Inventory at T-5 is multiple use. There is still rail cargo backload when BN couldn't keep up to demand. SSA has been working weekend shifts to dray excessive empty containers to T-5 to create operating space at their terminal. Aged inventory of local loads ranges from 30-50 days. Commercial team is reaching out to BCO's to retrieve their cargo.
 - Working with USCG to send messages to ocean carriers to slow steam or anchor their vessels elsewhere before coming to the Seattle Tacoma gateway.
- Commissioner Bowman:
 - Want to ensure when we look at extended gates, we look at weekend gates. She has heard from the agricultural exporters that Saturday gates are important to them.
 - Would Terminal 91, a Port of Seattle facility, be usable for a lay-down yard? Please check with Port of Seattle staff if we need additional acres to put containers.
- Commissioner McCarthy:
 - Had concerns after reading of an oil spill in southern California may be the result of a ship anchor from all the ships being anchored. Would staff check with the Coast Guard that additional ships mooring in the Puget Sound are no where near a pipeline or cable or anything that could be destructive to our community.

6. PUBLIC COMMENT

NONE.

7. CONSENT AGENDA

It was moved and seconded (Bowman/Keller) to approve the consent agenda as amended including the following items:

- A. Approval of the minutes
- B. *Removed for separate consideration*

The motion carried unanimously

ITEMS REMOVED FROM CONSENT

It was moved and seconded (Bowman/Cho) to approve item 7B, approving the payment of checks 708584 through 708674 and wire transfers during the period from August 21st, 2021 through September 17th, 2021, in the total amount of \$19,357,226.51.

The motion carried 2-0 by the following vote:

Port of Seattle – 1
Bowman – Aye
Calkins – Aye
Cho – Aye
Felleman – Aye
Steinbrueck – Aye

Port of Tacoma – 1
Ang – Aye
Keller – Aye
McCarthy – No
Marzano – Aye
Meyer – Aye

Discussion occurred among the commissioners asking why commissioner McCarthy chooses to pull the check certifications from the consent agenda.

8. ACTION AGENDA

A. PULLED FROM THE AGENDA PRIOR TO THE MEETING

B. Terminal 18 Design Authorizations (1). **Port of Seattle Vote:** T18 Improvements IDIQ Consultant Contract Authorization **NWSA Votes:** (2). T18 Bollard Replacement Authorization (3). T18 Shore Power Project Authorization (4). T18 Dock Rehab Project Authorization. (Chu/Howard)
Presenter: Catherine Chu, Capital Project Manager V., Port of Seattle

Port of Seattle Vote T-18 Improvements IDIQ Consultant Contract Authorization.

It was moved and seconded (Steinbrueck/Calkins) to authorize Port of Seattle Executive Director to execute an Indefinite Delivery, Indefinite Quantity professional agreements for T-18 Bollard Replacement Design.

It was moved and seconded (Cho/Marzano) for the Managing Members to grant project authorization:

- a) In the amount of \$300,000 for a total authorized amount of \$300,000 for preliminary design for the T-18 Bollard Replacement Project.
- b) In the amount of \$650,000 for a total authorized amount of \$800,000 for condition assessment and preliminary design for the T-18 Shore Power Project.
- c) In the amount of \$600,000 for a total authorized amount of \$600,000 for condition assessment and preliminary design for the T-18 Dock Rehabilitation Project.

Discussion:

- Commissioner McCarthy expressed project prioritization concerns, which is more a policy decision. Parts of this project, shore power, is also important at our other terminals (WUT, PCT and others). He's not clear on how much of this project needs to be done now or how it would fall in line with some of our other projects. We are in the midst of building out Terminal 5 and looking at the capital improvement expenditures at the Ports of Seattle and Tacoma since the Alliance was formed, we've spent about \$30,000,000 more in Seattle than has been spent in Tacoma. This is a prioritization issue. He'd like to have a conversation on project prioritization. Why is this project first in importance in regards to what money we should be spending.
- CEO Wolfe responded there are many unanswered questions about the rehabilitation at Terminal 18. The reason why he supports this request is to get better clarity for what exactly needs to be done at Terminal 18 to maintain that operation. This work will help us better define the prioritization. In response to the shore power question, the Managing Members committed to moving to shore power at all of our international containers. We have commitments at both T-5 and Husky terminal. That leaves two terminals in Seattle, T-18 & T-30, and two in Tacoma, WUT and PCT. Staff put together their prioritization list based upon cost/benefit ratio.

- Commissioner Meyer asked to review the location map of the project. The map layouts show three different contracts. Why do we need 3 different contractors occupying the same area? Isn't this perfect for a design-build scenario? Based on experience of T-5, does staff see anything they would do different from what they did at T-5? Sensitive to cost overruns at T-5. Have we considered adaptive strategies to sea-level rise? Concerns with underwater electrical vaults.
- Staff explained it makes the most sense for a single consultant to design all three. If timelines lined up, before construction, we would construct them together. The same consultant should design them, but we have time to decide how we want them to be constructed. We need to do this assessment to determine the full scope of work to decide on design-build. This assessment will really allow them to see exactly the work that needs to be done so they don't run into the same issues at T-5. Staff will take adaptive strategies to sea-level rise in the initial assessments and pre-design phase.
- Commissioner Marzano asked for clarification on the replacement of the two bollards at 2 million dollars each. The project is only replacing two at this time and there may be more opportunity once the dock rehab assessment is completed. Staff explained the process of replacing a bollard.

Item 8B.1 – Port of Seattle Vote Only

Motion carries unanimously

Item 8B.2 A through C

Motion carries unanimously

- C. Service Crane Platform – Project authorization in the amount of \$380,000 for work associated with the Service Crane Platform, MID 201133.01. (Atkinson/Caldwell)
Presenters: Rick Atkinson, Asst. Director, Equipment Maintenance
Joe Caldwell, Maintenance Project Manager

It was moved and seconded (Meyer/Bowman) to grant project authorization in the amount of \$380,000 for work associated with the Service Crane Platform.

Discussion:

- Commissioner Marzano asked if the new cranes that were just purchased for T-5 have the same service crane platform problems as these cranes. Staff provided specifications to their cranes but is unsure since they only deal with the cranes in the South Harbor. This was an unforeseen problem.
- Commissioner McCarthy shares Commissioner Marzano's concerns since we sent staff to provide quality assurance when the cranes were being built. Otherwise, he supports this project.

Motion carries unanimously.

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- D. First Reading: General Construction Company at Terminal 103 (Maietta) – No action needed on First Reading of a lease

Discussion:

- Commissioner Felleman asked if NW Aggregates shares the dock. Staff answer: They don't share the dock but have a separate platform due to having a separate conveyor belt. He then asked if NW Aggregates is the ISGP permit holder. Staff will follow up with the answer to that question. Have there been any conversations with the tribes? Staff answer: not as this time.
- Commissioner Meyer had questions around indemnities. How do we protect ourselves as we bring this dock into our leased area since the dock is in poor condition? Are there provisions in the lease recognizing the condition of the dock? Staff answer: conversations with DNR recognize the dock is dilapidated and an engineer's report was written by an engineer from the Port of Seattle before the property was licensed to the NWSA describing the condition of the dock.
- Commissioner McCarthy asked about why certain properties were licensed to the Alliance. He'd like to know the value that was placed on this particular property at second reading.

9. GENERAL BUSINESS

A. CEO Announcements

- a. CEO Wolfe recognized Commissioner Keller's birthday.
- b. October 28th has been scheduled as the NWSA Budget Study session. Staff provided an update on the capital improvement plan and operating budget.

B. Commissioner Comments

- Commissioner Ang – Happy birthday to Commissioner Keller. Stay safe and take a break and keep mental health.
- Commissioner Bowman – None
- Commissioner Calkins – None
- Commissioner Cho – Happy birthday
- Commissioner Keller – Thank you. She's getting her Covid Booster
- Commissioner McCarthy – Happy birthday. He commented, again, his desire to move to live in-person meetings. He gave the basis and examples of all the entities that are meeting in person, Supreme Court. Implored the Managing Members to reconsider the decision previously made.
- Commissioner Marzano – Happy birthday. He thanked staff for the awards received at AAPA.
- Commissioner Meyer – Happy birthday. He shared the Port of Tacoma won an award in communications on its strategic plan process.
- Commissioner Steinbrueck – Happy birthday.
- Commissioner Felleman – Noted the disability the Supreme Court Justice has is COVID and there are break out conditions still occurring, and we can revisit the topic of in-person meetings if the Port of Tacoma and the Alliance joins the Port of Seattle condition of employment being vaccinated. Honor of representing the Port and Seaport Alliance with the chair of the CEQ, Council for Environmental Equality who is visiting Seattle and meeting with constituents.

10. ADJOURNMENT

With no further business the meeting was adjourned at 12:55 PM.



Fred Felleman, Co-Chair
The Northwest Seaport Alliance

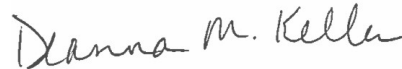


Richard Marzano, Co-Chair
The Northwest Seaport Alliance

ATTEST:



Sam Cho, Co-Secretary
The Northwest Seaport Alliance



Deanna Keller, Co-Secretary
The Northwest Seaport Alliance



Leilani Berinobis, Acting Clerk
The Northwest Seaport Alliance