



MINUTES
MANAGING MEMBER SPECIAL MEETING AND PORT OF TACOMA SPECIAL MEETING
Tuesday, December 6, 2022
9:30 AM Closed FMC Session
11:30 AM Open Public Meeting
SeaTac International Airport Conference Center

1. CALL TO ORDER

NWSA Co-Chair Calkins called the meeting to order at 9:32 a. m.

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

Ryan Calkins
Sam Cho
Fred Felleman
Toshiko Grace Hasegawa
Hamdi Mohamed

Kristin Ang
Deanna Keller
John McCarthy
Dick Marzano
Don Meyer

2. RECESS - FEDERAL MARITIME COMMISSION (FMC) SESSION

The meeting was immediately recessed for the Managing Members to convene a closed confidential FMC session authorized under Federal Maritime Commission regulations and laws pursuant to 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. The session lasted one hour and 52 minutes.

3. RETURN TO ORDER

Co-Chair Calkins reconvened the public session at 11:44 a.m.

4. FLAG SALUTE

The Pledge of Allegiance was recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER

CEO, John Wolfe, informed the Managing Members that SSA notified the NWSA that it will not execute the Third Amendment of the Terminal 5 Lease with NWSA until there is more certainty around the PMA-ILWU labor agreement. He then summarized the meeting agenda.

6. PUBLIC COMMENT

Harold Ugles, President, ILWU Local 19. Provided an update on ILWU's efforts to ensure there is no net loss of container space and jobs at Terminals 30 and 46 as a result of the U.S. Coast Guard's expansion plans. ILWU submitted a position letter and Mr. Ugles read the names and organizations that signed on to that letter.

7. WORK GROUP REPORTS

- Commissioner Hasegawa gave an update from the Environmental Working Group meeting of December 2, 2022, where staff provided information on emerging low carbon marine fuels. Discussion included ongoing efforts to support and, if possible, accelerate their use in the gateway. The Green Corridor feasibility study was discussed. A key takeaways from the Work Group meeting was they would like to move more quickly to achieve air quality and climate goals.
- Commissioner Calkins commented that the NWSA will be submitting comments on the U.S. Coast Guard's Draft Programmatic Environmental Impact Statement (PEIS) by next week's deadline. The Managing Members may consider a Resolution at next month's meeting stating the NWSA's preferred alternative to the Coast Guard's expansion.

8. CONSENT AGENDA

A. Approval of the minutes:

- October 27, 2022 Managing Member meeting.
- November 1, 2022 Managing Member meeting.

B. Check certification:

Approve the payment of checks 710345 through 710443 and wire transfers during the period from October 22, 2022 through November 8, 2022, in the total amount of \$18,133,586.09.

**It was moved and seconded (McCarthy/Cho) to approve the consent agenda.
The motion carried unanimously.**

9. ACTION AGENDA

- A. **Dual Action NWSA / Port of Tacoma.** A request that the Managing Members of the NWSA authorize its CEO and the Port of Tacoma Commission authorize its Executive Director, or their respective delegates, to enter into an interlocal agreement (ILA) between the Port of Tacoma and the NWSA for the “Thorne Road Properties.”

Prior to the presentation, **it was moved and seconded (Calkins/Cho)** to postpone consideration agenda item 9A to the January meeting.

The motion carried unanimously for the NWSA Managing Members and by unanimous consent by the Port of Tacoma Commission.

- B. Terminal 30 Central Substation Dispute Proposed Settlement Agreement

CEO Wolfe introduced NWSA General Counsel, Dana Henderson, who provided the background of the dispute and proposed settlement terms. Ms. Henderson recommended the NWSA approve the settlement submitting that it represents a fair compromise that fully compensates the NWSA for its temporary expenses and pays for a portion of the cost of the replacement substation and avoids the risk of an adverse arbitration outcome.

It was moved and seconded (Ang/Hasegawa) to authorize the CEO to execute the proposed Settlement Agreement with SSAT regarding the Terminal 30 Central Substation Dispute in substantially the same form as presented.

Discussion:

Commissioners Meyer and Marzano both stated they are pleased that the NEWS has reached out to SSA and the other tenants to clarify and re-set the expectations for all North Harbor tenants regarding maintenance obligations and conditions. Commissioner Marzano recommended the same clarifications be communicated to South Harbor tenants and further the NWSA should follow up on inspections.

The motion carried unanimously.

- C. Lease Agreement between the Puyallup Tribe of Indians and the NWSA.

Deputy CEO, Don Esterbrook, provided an introduction and overview of the advantages and value of the leased land noting that it provides additional capacity to the breakbulk book of business which has expended 75% over the last two years. It also provides surge capacity. The area provides for better fluidity of terminal traffic. He noted the importance of developing and maintaining a collaborative relationship with the Puyallup Tribe. He further described some of the competitive advantages of EB1, including its labor force and heavy lift pad.

It was moved and seconded (McCarthy/Ang) to authorize the CEO or his delegate to approve a month-to-month extension to the Lease Agreement between the Puyallup Tribe of Indians (Lessor) and the NWSA (Lessee) along with the total funds inclusive of the combined initial lease agreement and month-to-month extension value of one year plus contingency in an amount not to exceed \$762,600.

Discussion:

Potential impacts to breakbulk from a decline in container volumes were discussed. COO Bellerud commented that he believes the NWSA is on 'safe ground' based on the customer base of the NWSA.

The motion carried unanimously.

D. EB1 Yard Improvements Project.

CEO Wolfe introduced Norm Gilbert, Project Manager, Engineering who gave a presentation on requested improvements on EB1, including extending pavement to allow better tracked equipment staging, install a sewer connection and permanent restroom facilities.

It was moved and seconded (Cho/Felleman) to grant project authorization in the amount of \$3,623,000 for a total authorized amount of \$3,878,000 for work associated with the EB1 Yard Improvement project MID No. 201105.01.

Discussion:

- Commissioner Marzano commented as to the restrooms for Labor this is long past due. The paving will allow for different types of cargo. As it exists now, if it rains there are holes that limit its use.
- Commissioner McCarthy commented that it will take 10 or more years to recover the approximately \$1million cost of the restrooms. He asked whether staff has given thought to the long-term use of the area. Deputy CEO Esterbrook responded that the possibility the facility may need to be moved in the future exists, however, there is currently a 10-year lease with WWL. Staff further explained that the restroom building itself is a prefabricated building that can be moved if needed. He also stated that \$500,000 of the \$1million is for utility, sewer and electrical work. The electrical will support more than just the restroom building.
- Commissioner Felleman commented on agenda action item 9C and the signing of the lease. He commented that regardless of it being below the CEO's delegated authority, leases can be political and he would like more visibility to the Managing Members.
- Commissioner Hasegawa asked for confirmation that the restroom facilities would be gender neutral and offer free hygiene products. Staff confirmed the design is for four (4) unisex stalls and will include free hygiene products.

The motion carried unanimously.

E. NWSA State and Federal Government Affairs Agendas

Sean Eagan, State Government Affairs, presented a high-level view of the NWSA's state affairs agenda including focused on the areas of Port decarbonization, Quiet Sound funding, Transportation funding and competitiveness.

State Government Affairs Agenda

It was moved and seconded (Hasegawa/Meyer) to approve the 2023 State Government Affairs Agenda.

Discussion:

- Staff described its efforts heading into the legislative session and its education efforts for newly electeds. Commissioner Hasegawa testified before the House Transportation Committee last legislative session in support of Move Ahead Washington and was told they would need to return next legislative session to get to the granular level. She noted House

Transportation Committee Chair, Jake Fey, voiced to her that he does not see why the state would pay for improvements at the ports. She commended staff for their focus on competitiveness aspects. Investments in the ports will result in big returns for the entire state.

- Commissioner Felleman recommended including housing in industrial land policy and workforce development in the state agenda.
- Commissioner Mohamed asked if the \$4.4 million for cargo handling equipment was requested for a committed project. Staff clarified that the funds were to leverage NWSA funds to serve as a form of grant. No tenant has identified a specific project, though discussions are ongoing.
- Regarding transportation funding and movement toward a carbon free economy, Commissioner Mohamed stated that discussions need to emphasize the need for a just transition.
- Commissioner Ang asked how the agenda addresses climate as a whole in the state beyond the gateway. Staff explained how it calibrates and evaluates involvement in such legislation. The NWSA's involvement in 1099 was described as an example.

It was moved and seconded (Meyer/Cho) to amend the 2023 State Government Affairs Agenda to include the statement: Support land use policies that preserve industrial lands and include full implementation of the Container Port Element.

Discussion:

- Commissioner Cho requested clarification on the distinction between the Catalog of Government Affairs Positions and the State Government Affairs Agenda because the language proposed by Commissioner Meyer is already included in the Catalog. Staff explained the two documents and confirmed for Commissioner Cho that the distinction of the proposed amendment is whether the Managing Members want to be proactive in pushing this on the agenda.

The motion carried unanimously.

It was moved (Felleman) to amend the amendment to include the words “of the Growth Management Act” to the end of the sentence to read: Support land use policies that preserve industrial lands and include full implementation of the Container Port Element of the Growth Management Act.

The motion carried by unanimous consent.

Discussion continued on the main motion.

- Staff confirmed for Commissioner Ang, that the amendment that just passed amending the proposed state agenda of government affairs is not in opposition Middle Housing.

The motion to adopt the 2023 State Government Affairs Agenda as amended carried unanimously.

Federal Government Affairs Agenda

Ryan McFarland, Senior Manager, Government Affairs commented on the general federal outlook for 2023 and the strong Congressional delegation for Washington state. He presented the proposed 2023 Federal Government Affairs Agenda highlighting Harbor Maintenance Tax, Seattle and Tacoma Harbor deepening projects, National freight policy and funding, Puget Sound restoration, electrification – diesel emission reduction, permitting and safe, efficient cargo screening.

It was moved and seconded (Meyer/Cho) to approve the 2023 Federal Government Affairs Agenda.

Discussion:

- Commissioner Keller commented on replacing tariffs with trade agreements.
- Commissioner Meyer commented that there is no mention of rail in the document. Staff confirmed that service levels of railroads are inherent in its national freight policy. CEO Wolfe added that the Federal Maritime Commission has taken a stronger focus on the rail aspect of the supply chain.

- Commissioner Felleman noted that not including reference to rail in the Agenda is a huge miss. He noted the inclusion of wages and conditions for drayage, and why not for rail workers, commenting on the current debate regarding lack of leave for rail workers. Competitive rail rates and treatment of rail workers are key and should be included in the Agenda.
- Commissioner Ang made clear that a competitive rail system includes opposing Canadian railway mergers.

It was moved and seconded (Felleman/Mohamed) to amend the 2023 Federal Government Affairs Agenda section National Freight Policy and Funding as follows (additions shown in underscore).

Support efforts to secure resources made available through the Infrastructure Investment and Jobs Act. Advocate for a strengthened national multimodal freight strategy and sustained federal funding for RAISE, INFRA and PIPD discretionary grants and other federal programs that support goods movement. Advocate for federal funding and other support for operations solutions to help alleviate supply chain congestion as well as environmental and community impacts, and support a competitive rail system. Support federal programs that help drayage truck drivers and railway workers achieve better wages and working conditions.

The motion carried unanimously.

Discussion continued on the main motion.

- Commissioner Felleman would like to see attention on prioritizing ports as recipients for disposed federal assets – land.
- Commissioner Felleman had additional issues he would like included in the Catalog and Federal Agenda. He commented, and staff acknowledged, that there was not as much time for review by the Commissioners of the draft Agendas. Commissioner Felleman would like to working with the U.S. Coast Guard as the ports advocate for IMO issues, to accelerate the use of low carbon fuels. Commissioner Calkins recommended referral of the issues to the Legislative Work Group.

The motion to approve the 2023 Federal Government Affairs Agenda as amended carried unanimously.

- F. First Reading: Resolution No. 2022-03 Adopting the NWSA's Fourth Amended Bylaws
General Counsel presented recommendations from the Internal Governance Work Group to amend the NWSA's Bylaws. Specifically, Article IV.I.A to change the start time of regular meetings to 11:30 a.m. and in the event there is an executive session under RCW 42.30.110 or a closed session under 46 U.S.C. § 40306; 46 C.F.R. §535.608; and 46 C.F.R. 535.701(i)(1) and as authorized by Port of Seattle/Port of Tacoma Alliance Agreement – Federal Maritime Commission (FMC) Agreement No. 201228 (FMC Session) to be held, the regular meeting may convene at 9:30 a.m., immediately recess into executive and/or FMC Session that shall be closed to the public, after which the public session shall reconvene at 11:30 a.m.

It was moved and seconded (Keller/Cho) to waive the second reading of Resolution No. 2022-03 and adopt at first reading.

The motion carried 2-0 by the following vote:

Port of Seattle

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

Port of Tacoma

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

It was moved and seconded (Cho/Mohammed) to adopt Resolution 2022-03, the Fourth Amendment to the NWSA Managing Member Bylaws.

The motion carried unanimously.

9. BRIEFING AGENDA None.

10. GENERAL BUSINESS

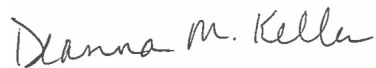
- A. CEO Announcements. Offered reflection on the past year. Strategies for the new year will be forthcoming. He thanked the staffs of the NWSA and the homeports and thanked the Commissioners for their service.
- B. Commissioner Comments
- Commissioner Meyer may put forth a motion at the January meeting to revoke authorization for the CEO to execute the Third Amendment of the Terminal 5 Lease with SSA. Also, Commissioners should let staff know their preferences for committee assignments for 2023.
 - Commissioner Cho NWSA's involvement with decarbonization efforts as part of the Green Shipping Challenge (GSC) at the 27th Conference of the Parties (COP27) to the United Nations Framework Convention on Climate Change show that the Ports of Seattle and Tacoma are not just small local ports, but global. Spoke to the need to elevate the NWSA's stature.
 - Commissioner Mohammed would like the NWSA's Environmental Work Group to reevaluate its Northwest Ports Clean Air Strategy to accelerate achievement of goals.
 - Commissioner Ang is looking forward to 2023 and accelerated decarbonization efforts.
 - Commissioner Felleman commented on the complexity of the plans for Terminal 46. He noted the emphasis on the preservation of maritime employment.
 - Commissioner Marzano commented on federal involvement with the rail workers. He stated the federal government is involved due to the importance of the rail workers, but apparently the federal government does not act as though their importance warrants allocating sick days.
 - Commissioner Calkins commented on off-shore wind lease rights and the NWSA's role in development.
 - Commissioners thanked the co-chairs, colleagues and staff for their work.

11. ADJOURNMENT

There being no further business, the meeting is adjourned at 2:07 p.m.



Ryan Calkins, Co-Chair
The Northwest Seaport Alliance



Deanna Keller, Co-Chair
The Northwest Seaport Alliance

ATTEST:



John McCarthy, Co-Secretary The
Northwest Seaport Alliance



Toshiko Hasegawa, Co-Secretary
The Northwest Seaport Alliance

Leilani Berinobis

Leilani Berinobis, Acting Clerk
The Northwest Seaport Alliance