

THE NORTHWEST SEAPORT ALLIANCE  
MANAGING MEMBER MEETING  
TUESDAY, JULY 2, 2019  
The Fabulich Center, Room 104  
3600 Port of Tacoma Road Tacoma, Washington 98424

**SEATTLE COMMISSIONERS PRESENT:**

Stephanie Bowman  
Ryan Calkins  
Fred Felleman (by telephone)  
Courtney Gregoire

**Excused:**

Peter Steinbrueck

**TACOMA COMMISSIONERS PRESENT:**

Don Johnson  
John McCarthy  
Dick Marzano  
Don Meyer  
Clare Petrich

**STAFF PRESENT:**

John Wolfe, CEO  
Don Esterbrook, Deputy CEO  
Carolyn Lake, Legal Counsel  
Tom Tanaka, Legal Counsel  
Erin Galeno, Chief Financial and Administrative Officer  
Trevor Thornsley, Interim Director Engineering  
Jason Jordan, Director Environmental & Planning Services  
Sandy Kilroy, Director Maritime Environmental and Sustainability POS  
Jon Sloan, Sr. Environmental Program Manager POS  
Judi Doremus, Executive Assistant  
Juliet Campbell, Clerk of the Port

**9:30 AM – CALL TO ORDER AND EXECUTIVE SESSION:**

1. **CALL TO ORDER:** Commissioner Petrich called The Northwest Seaport Alliance Managing Member Regular Meeting to order at 9:30 a.m. and recessed into executive session.
2. **EXECUTIVE SESSION:** Commissioners met for one hour and 42 minutes to discuss the annual review of a public employee RCW 42.30.110(1)(g), two litigation/potential litigation items RCW 42.30.110(1)(i) and one real estate selling/leasing item. No votes or actions were taken during executive session.

**11:30 AM – REGULAR MEETING PUBLIC SESSION:**

1. **RETURN TO ORDER:** Commissioner Petrich reconvened the meeting at 11:34 a.m. and lead the Pledge of Allegiance.
2. **REPORT BY THE CHIEF EXECUTIVE OFFICER:** CEO Wolfe summarized the agenda.
3. **PUBLIC COMMENT:** None.

**4. CONSENT AGENDA:**

**It was moved and seconded** to approve the minutes of the June 4, 2019 regular meeting as amended, and payment of checks 705479 through 705622, and wire transfers in the total amount of \$14,027,939.63 during the period of May 25, 2019 through June 21, 2019.

**The motion carried unanimously.**

**5. ACTION AGENDA:**

**A. CEO ANNUAL EVALUATION AND ACTION REGARDING COMPENSATION**

*Presenter(s): Commissioner Petrich*

**It was moved and seconded** to accept the elements of a new Employment Agreement for Chief Executive Officer John Wolfe as presented.

- Commissioners Petrich described the CEO evaluation process and criteria.
- The primary elements of the proposed employment agreement include a six-year term effective July 2, 2019 through August 2, 2025, an annual base salary \$350,000 per year and continued annual reviews. In addition to benefits extended to all NWSA employees, the agreement will include five weeks of paid time off and a transportation allowance of \$400 per month in lieu of mileage reimbursement. The agreement will also include a provision that commissioners are to begin the agreement review process no later than January 2025.
- Commissioners commented on CEO Wolfe's strong performance and leadership. Specific accomplishments mentioned included successes at the General Central Peninsula, Terminal 5, and with the Clean Truck Program.
- Commissioner McCarthy concurs with all elements of the proposed agreement except for the six-year term. The agreement is a public contract for a public body that serves four-year terms. He noted that several commissioners will be ending their terms effective January 2020 and five of the current commissioners could be leaving in the next two and a half years.
- Commissioner Meyer prefers an employment at will situation. He acknowledged the fact that there are major projects underway with huge capital investments and that the CEO should be accountable for that process. He said he can support a four-year term and, with some hesitation, a five-year term, but he does not support a six-year term.
- Discussion continued regarding extending a contract beyond the electoral cycle thereby binding the hands of future commissioners. Commissioners noted that CEO Wolfe is highly regarded in the port industry. Commissioner Calkins noted that CEO Wolfe has proven himself in his operational role at The NWSA and on the national stage as a key advocate for Ports. He also noted the proposed agreement does contain a termination clause.

**The motion carried 4-0/3-2**

**PORT OF SEATTLE VOTE:**

Commissioner Bowman	Aye
Commissioner Calkins	Aye
Commissioner Felleman:	Aye (by telephone)
Commissioner Gregoire:	Aye

**PORT OF TACOMA VOTE:**

Commissioner Johnson:	Aye
Commissioner McCarthy:	Nay
Commissioner Marzano:	Aye
Commissioner Meyer	Nay
Commissioner Petrich	Aye

**B. NORTH INTERMODAL (NIM) YARD STORMWATER PIPE EXTENSION**

*Presenter(s): Trevor Thornsley*

**It was moved and seconded** to authorize project authorization in the amount of \$584,000 for a total authorized amount of \$794,000 for the NIM Stormwater Pipe Extension, Master Identification No. 201055.02.

- The General Central Peninsula is comprised of the East Sitcum Terminal, the NIM yard and Terminals 3 and 4. Each of these facilities are treated with a separate Industrial Stormwater General Permit requiring treatment of all stormwater prior to entering the waters of the state.
- Samples are required to be taken for each permitted site were discharge leaves the site after treatment. In this case there are multiple outfalls on Terminals 3 and 4. In the middle there is one pipe that runs through Husky, extends into the NIM yard and picks up a portion of the Port's maintenance facility. The Port installed a treatment system just as that stormwater enters into the Terminals 3 and 4, but it is still connected to the system that Husky is responsible for. This creates a comingling situation.
- The Port's intent is to install a new pipe just downstream of the new treatment system, separate it from the existing system and tie it back into the system just upstream of the outfall. This will eliminate the comingling of stormwater run-off from both permitted sources.
- Commissioner Calkins said this appeared to be physical indemnification against Husky contaminating water that the Port has already treated. He asked if this could be accomplished in writing, so we don't have to build.
- Staff explained that the permitting structure regimen doesn't allow for that. Staff emphasized that the NIM yard has a treatment system and Husky is installing one; the waters will be clean. This is an opportunity to isolate those waters so when in fluent and out fluent is tested, the NWSA site and the Husky site can show they are clean.

**The motion carried 3-0/5-0.**

**PORT OF SEATTLE VOTE:**

Commissioner Bowman	Aye
Commissioner Calkins	Aye
Commissioner Felleman:	<i>Not present at the time of the vote</i>
Commissioner Gregoire:	Aye

**PORT OF TACOMA VOTE:**

Commissioner Johnson:	Aye
Commissioner McCarthy:	Aye
Commissioner Marzano:	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

**C. RESOLUTION 2019-04 FIRST READING - SECOND AMENDED BYLAWS**

*Presenter(s): Carolyn Lake*

**It was moved and seconded** to approve first reading of Resolution 2019-04 adopting the proposed Second Amendment to NWSA Managing Members Bylaws and approval of the amendment by Managing Member vote in open session to waive second reading and adopt Resolution 2019-04 at first reading.

- One element of the Bylaws sets out the meeting structure. An amendment was drafted per commissioner request, that a report from the CEO precede any action items. Though this formally changes the order of business for meetings, commissioners can still agree at regular meetings to change the order of business.
- Commissioners asked that the onboarding of new commissioners include going over the bylaws.

**The motion carried 3-0/5-0.**

**PORT OF SEATTLE VOTE:**

Commissioner Bowman	Aye
Commissioner Calkins	Aye
Commissioner Felleman:	<i>Not present at the time of the vote</i>
Commissioner Gregoire:	Aye

**PORT OF TACOMA VOTE:**

Commissioner Johnson:	Aye
Commissioner McCarthy:	Aye
Commissioner Marzano:	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

**D. SECOND AMENDED PDA CHARTER**

*Presenter(s): Carolyn Lake and Tom Tanaka*

**It was moved and seconded** to approve the proposed Charter amendments as amended.

- In addition to the written proposal presented, commissioners requested the addition of language under 3.1(c)(i) that was to include information that the Managing Members have complied with the one-time Membership Interest Affirmation by action taken on *[date]* and *[date]*. Legal counsel will verify the dates before adding the language.
- Commissioner McCarthy said he doesn't mind documenting what was done historically in the charter document, but to include a legal opinion that the NWSA complied is not within the purview of the Managing Members.

**The motion carried 4-0/5-0.**

**PORT OF SEATTLE VOTE:**

Commissioner Bowman	Aye
Commissioner Calkins	Aye
Commissioner Felleman:	<i>Aye (by telephone)</i>
Commissioner Gregoire:	Aye

**PORT OF TACOMA VOTE:**

Commissioner Johnson:	Aye
Commissioner McCarthy:	Aye
Commissioner Marzano:	Aye
Commissioner Meyer	Aye
Commissioner Petrich	Aye

**E. RESOLUTION 2019-02 – MASTER POLICY RESOLUTION FIRST READING**

*Presenter(s): Erin Galeno*

The matter was postponed indefinitely without objection. Commissioner Calkins suggested that this topic may be committee work for commissioners passionate about reviewing the delegation of authority.<sup>1</sup>

**6. STAFF BRIEFINGS:**

**A. ORCA TASK FORCE RECOMMENDATION #22, UNDERWATER NOISE REDUCTION:**

*Presenter(s): Jason Jordan, Sandy Kilroy, Jon Sloan and Kate Snider, Principal Floyd/Snider*

- Recommendation #22 has three elements. Establish: (i) a program similar to the Port of Vancouver's Enhancing Cetacean Habitat and Observation (ECHO) program (ii) an underwater noise monitoring network of hydrophones and (iii) a Whale Report Alert System that can be used to alert mariners to the presence of whales in the vicinity of their vessels.
- A stakeholder workshop will take place in October 2019. It will be co-convened by the NWSA, Port of Seattle, Port of Tacoma, Washington State Ferries, Puget Sound Partnership, and the National Oceanic Atmospheric Administration. The purpose will be to familiarize attendees with the ECHO program, discuss existing conditions in Washington waters (in terms of orca behavior and shipping), elements to be considered for noise reduction innovations, and potential roles for the various entities.
- A commissioner asked why Recommendation #22 includes establishing an ECHO like program, when ECHO already exists. Staff answered that ECHO is focused primarily on the waters of British Columbia (BC) and there are unique aspects to when whales are in BC waters versus Washington waters. For example, differences in seabed geometry and vessel patterns and projections in Puget Sound versus the broader Salish Sea. The ECHO program has a lot of work to do and while they may not be interested in expanding the program to include Washington waters, they are interested in coordinating on transboundary issues.
- Commissioner Marzano noted the Puyallup Tribe is not on the draft invitees list for the workshop. Kate Snider of Floyd|Snider said all the Western Washington Treaty Tribes will be invited.
- Commissioner Calkins recommended adding representatives from the Applied Physics Lab (APL) at the University of Washington or some other entity at UW as a primary entity on the list of invitees.

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<sup>1</sup> Note: subsequent to the meeting, consistent with this comment, two commissioners from each of the Homeports volunteered to review the Master Policy, Delegation of Authority, with staff support, and report back to the Managing Members.

- Mike Moore, Pacific Merchant Shipping Association. Spoke to ship speed and competitiveness and voluntary slowdowns. Sensitivity analysis surrounding arrival at port changes with circumstances and vessel types. This flexibility opens the door to voluntarily slowing down when it is measurably beneficial to do so. He plans to return to the Managing Members to ask for their support for a recognition/incentive program for those participating in voluntary measures (e.g. routing off shore to provide a buffer, slowdowns, etc.)
- John Veentjer, Marine Exchange of Puget Sound. The Marine Exchange tracks every vessel that arrives and departs from Puget Sound U.S. ports. They own their own Automatic Identification Systems (AIS) network of eight receivers that collect data from vessels equipment like speed, direction, location. It is a collision avoidance tool intended from ship to ship communication, but the data can also be used in different ways.
- Commissioner Felleman stressed the importance of captains/pilots having the ability to know where the whales are.

**7. COMMISSIONER COMMENT:**

Commissioner Gregoire: The legal committee members are aligning on the principal of having a fulltime in-house general counsel for the NWSA.

Commissioner Marzano: Suggested changing the configuration of the meeting room.

Commissioner Johnson: Would rather have more frequent meetings instead of long meetings to ensure proper service is given to each agenda item.

- 8. ADJOURNMENT:** There being no further business, Commissioner Petrich adjourned the meeting at approximately 2:40 p.m.



Clare Petrich, Co-Chair  
The Northwest Seaport Alliance

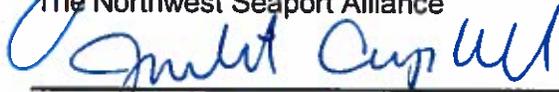


Stephanie Bowman, Co-Chair  
The Northwest Seaport Alliance

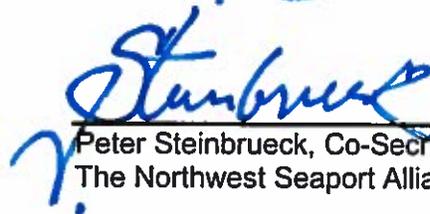
ATTEST:



John McCarthy, Co-Secretary  
The Northwest Seaport Alliance



Juliet Campbell, Clerk of the Port  
The Northwest Seaport Alliance



Peter Steinbrueck, Co-Secretary  
The Northwest Seaport Alliance