



MANAGING MEMBER SPECIAL MEETING / PORT OF SEATTLE / PORT OF TACOMA  
SPECIAL MEETING MINUTES  
Tuesday, June 7, 2022  
9:00 AM FMC/Exec Session  
11:00 AM Open Public Meeting  
Special location: Port of Seattle Pier 69 (2711 Alaskan Way, Seattle, WA)

9:00 AM

1. CALL TO ORDER

Co-Chair Calkins calls the meeting to order at 9:08 a. m.

**Port of Seattle Commissioners**

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

**Port of Tacoma Commissioners**

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

2. RECESS CLOSED FEDERAL MARITIME COMMISSION (FMC) SESSION IMMEDIATELY FOLLOVED BY AN EXECUTIVE SESSION.

After calling the meeting to order, Co-Chair Calkins announced that the Managing Members were immediately recessing to 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 § 538.608 and C.F.R. 46 § 535.701.(i)(1).

Co-Chair Calkins also announced that the FMC Session will immediately be followed by a closed Executive Session pursuant to RCW 43.30.110 to discuss with legal counsel representing the agency two (2) matters relating to litigation or potential 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. The executive session was expected to last 15 minutes.

Together, the FMC Session and the Executive Session are expected to last a total of two hours and one-half hours; and these closed sessions will end at 11:30 a. m. No final actions will be taken during Executive Session, and action may be considered in public session which follows, because of these discussions.

Co-Chair Calkins extends the FMC session until 11:45 a.m. at which time, we will reconvene into public session.

11:00 AM

3. RETURN TO ORDER

Co-Chair Calkins reconvened public session at 11:45 a.m.

It was noted that the Managing Members did not reach the second topic in Executive Session today, and only one matter was discussed pursuant to RCW 43.30.110.

4. FLAG SALUTE

The Pledge of Allegiance is recited.

5. REPORT BY CHIEF EXECUTIVE OFFICER

A. Gateway Operational Update

John Wolfe, CEO, provides a preview of agenda items.

- NWSA in partnership with the Port of Seattle and the Port of Tacoma will be requesting to enter into the 2021 Puget Sound Maritime Air Emissions Agreement as part of NWSA's commitment to environmental stewardship.
- Implementation of shore power at Husky Terminal in Tacoma.
- Lease renewal at the South End of Terminal 18 with Olympic Tug & Barge
- USCG short-term lease at South End of Terminal 46
- Vessel container operations at the North End of Terminal 46
- BNSF requesting expansion of domestic rail service.

Tom Bellerud, Chief Operating Officer, gives a Gateway Operational Update

- New service from MSC at Terminal 5
- The Liberty King, a new break bulk vessel, called Terminal 7 last week for the first time at the Port of Tacoma.
- Congestion issues are outlined and how to get better fluidity in the Gateway. Last week, there was 15% decline in cargo on the docks in both Homeports. This reduction is a good improvement.
- Rail service continues to struggle in our Home Ports, as in every West Coast Terminal including Canada. Meeting to be held in Fort Worth, TX, later in the week with BNSF to discuss service, achieving improvements, and some of BNSF's new plans to expand domestic service into the Tacoma market.
- Break bulk business is very strong. There is an opportunity to expand by 7.4 acres of neighboring land that will allow NWSA to expand the break bulk business and consolidate under one facility.
- BNSF is terminating their rail container service between Seattle/Tacoma and Portland.
- Staff has received the commissioners' request to review the Container Port Performance Report. Staff is working on implementation and coordination with our Marine Terminal operators and will report back to the commissioners.

Commissioner Marzano asks if our operational team is concerned with a large surge of cargo due the effects of Shanghai re-opening. Answer: Yes, there will be some level of a surge of cargo but we are seeing our terminals making more space.

Commissioner Felleman inquires about the impact of BNSF? NWSA should feel little of an impact.

Commissioner Ang states the Emerald Ace vessel is equipped with hybrid electric power, solar panels and lithium-ion batteries and it generates zero emissions while at berth. She welcomes the decarbonization of our industry.

Commissioner Meyer asks if we are improving our agricultural exports based on the re-positioning of empty containers. Answer: NWSA has been working with and encouraging more agriculture from the Gateway and staff will start monitoring that more closely.

Commissioner McCarthy asks if the reason for the decline in imports and exports is largely due to

vessels cancelling because we might be their second Port of Call and how does that compare to San Pedro Bay and in Canada? Answer: There have been more voided sailings this last year that have impacted the decline of imports. They are looking at the projected volume of vessel calls, and it looks strong.

6. PUBLIC COMMENT

- Lindsay Wolpa, Sr. Manager, Strategic Projects, addresses the Managing Members on behalf of Sheri Call who was unable to appear today. Comments were submitted by Sheri Call, Washington Trucking Association President, and CEO.
- Alex Zimmerman, spoke regarding Agenda Item 7(B) First Amendment PMA Lease.
- Matt Ventoza, Vice-President of International Long-Shore Warehouse Union in Seattle. Spoke regarding item 8D.
- Margarite Rischard makes general comments concerning the First Amendment.

7. CONSENT AGENDA

A. Check Certification

1. Approve payment of checks and wire transfers during the period from April 19, 2022, through May 20, 2022, in the amount of \$21,467,751.81.
2. Approve payment of checks and wire transfers during the period from April 19, 2022, through May 20, 2022, in the amount of \$4,836.60 to the State Auditor's Office.

B. First Amendment PMA Lease

Request Managing members of the Northwest Seaport Alliance authorization for the Chief Executive Officer or their delegate to execute a First Amendment to Lease with Pacific Maritime Association at Terminal 46.

**It was moved and seconded (McCarthy/Meyer) to approve Consent Agenda Items 7(A)(1) and 7(B).**

**Co-Chair Calkins calls for a vote.**

**Port of Seattle Commissioners**

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

**Port of Tacoma Commissioners**

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

**Motion carried 2-0.**

**It was moved and seconded (Meyer/Felleman) to approve Consent Agenda Item 7(A)(2)**

**Co-Chair Calkins calls for a vote**

**Port of Seattle Commissioners**

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

**Port of Tacoma Commissioners**

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

Commissioner McCarthy abstained.

**Motion carried 2-0.**

8. ACTION AGENDA

Commissioner Felleman requests Action Items 8 D & E be moved to the beginning of the Action Agenda.

**It was moved and seconded (Mohamed/Meyer)** for Action Agenda Items 8 D & E to be presented first.

No objections.

Action Items 8 D & E are presented first followed by Action Item 8A, 8B and 8C.

A. **3 ORGANIZATON VOTE: NWSA/POS/POT**

Puget Sound Maritime Air Emissions Inventory Funding Agreement and Project Authorization  
Presenters: Graham VanderSchelden, Environmental Project Manager II, NWSA  
and Ryann Child, Environmental Program Manager, POS

**Northwest Seaport Alliance**

Request Managing Member authorize the Chief Executive Officer or his delegate to enter into the 2021 Puget Sound Maritime Air Emissions Inventory Funding Agreement.

Request Project Authorization in the amount of \$560,000 for a total authorized amount of \$560,000, for work associated with the Puget Sound Maritime Air Emissions Inventory.

**Port of Tacoma**

Request Port of Tacoma Commission authorize the Executive Director or his delegate to enter into the 2021 Puget Sound Maritime Air Emissions Inventory Funding Agreement which includes a contribution of \$20,000 to the project as well as an additional \$1,000 contingent on the availability of project funding from the Environmental Protection Agency.

**Port of Seattle**

Request Port of Seattle Commission authorize the Executive Director or his delegate to enter into the 2021 Puget Sound Maritime Air Emissions Inventory Funding Agreement which includes the contribution to the project of amounts previously budgeted by the Port of Seattle (\$50,00 for the broader analysis, plus costs of a 2019 cruise inventory if the Port of Seattle chooses to exercise that option) as well as an additional \$2,500 contingent on the availability of project funding from the Environmental Protection Agency.

After a staff presentation, it was **moved and seconded (Ang/Felleman)** to approve the Puget Sound Maritime Air Emissions Inventory Funding Agreement and Project Authorization.

Discussion

- Commissioner Ang asks about the differences between the Puget Sound Maritime Air Emission Inventory Funding Agreement and the Washington State University study. Answer: This effort is separate from the WSU modeling effort. WSU data collected in 2016. The Puget Sound Maritime Air Emissions Inventory Funding Agreement and Project is new.

- Commissioner Ang says certain communities feel that they may be affected more than others. Community members would like more specific information on how their community is being affected. Staff addresses the issue of monitoring. Staff does not have the expertise and resources to do monitoring. Staff will continue to look for ways to support monitoring.
- Commissioner Meyer asks staff to discuss how they anticipate the granular discussion will be used at the Home Port level. Answer: It is a part of their objective.
- Commissioner Keller comments that air monitoring and inventory are two different tools. Inventory helps NWSA plan our programs. NWSA has been connecting with the Puget Sound Clean Air Agency and they do a lot of air quality monitoring throughout the region. We have started conversations to share the feedback that we hear from community members who have a desire for air monitoring.
- Commissioner Felleman discusses why we use data from 2016 when we are living in 2021. Answer: Inventory takes about a year after it is received.
- Commissioner Calkins states that this issue matters to the Managing Members. Asks if we should be doing more frequent studies with less inventory (less time-consuming) in the future.
- Commissioner Keller expresses that she echoes some of the concerns of other commissioners and appreciates the work staff is doing.

**Co-Chair Calkins calls for a dual action vote.**

**Port of Seattle Commissioners**

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

**Port of Tacoma Commissioners**

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

**Motion carried 2-0.**

- B. Terminal 3 and Terminal 4 Shore Power Project  
 Request project authorization increase in the amount of \$3,900,000 for a total authorized amount of \$15,500,000, for work associated with the Terminal 3 and Terminal 4 Shore Power Project.  
 Presenter: Hughes Wike, Engineering Project Manager II

Staff provided a presentation on the Terminal 3 and 4 Shore Power Project.

**It was moved and seconded (Cho, Ang) to approve project authorization increase in the amount of \$3,900,000 for a total authorized amount of \$15,500,000, for work associated with the Terminal 3 and Terminal 4 Shore Power Project.**

**Discussion**

- Commissioner McCarthy asks if there were any discussions regarding delaying of the project?  
 Answer: Yes, staff did not see a more favorable outcome within the next 12 to 18 months.
- Commissioner Marzano says NWSA received \$3.1 million in grants and where did they come from?  
 Answer: Ecology

**Co-Chair Calkins calls for a vote.**

**Port of Seattle Commissioners**

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

**Port of Tacoma Commissioners**

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

**Motion carried 2-0.**

- C. First Reading: Terminal 18 South Olympic Tug and Barge Lease Renewal  
No action is requested at this first reading. Request for authorization to be made at the July 6, 2022, Managing Member Meeting.  
Presenter: Erin DeBroux, Sr. Real Estate Manager

Staff presents on the Terminal 18 South Olympic Tug and Barge Lease Renewal.

**Discussion**

- Commissioner Ang asks about the market value of the lease due to the increase.  
Answer: Staff looked at comparable properties. They found properties ranged from .30 cents and .60 cents per square foot. They kept it at the lower rate since lessee is doing improvements.
  - Commissioner McCarthy asks if this property implicated by any Sound Transit flanks?  
Answer: Staff does not believe so but will follow up with that question.
- D. First Reading: US Coast Guard Short Term Lease Agreement at Terminal 46  
No action is requested at this first reading. Request for authorization to be made at the July 6, 2022, Managing Member Meeting.  
Presenter: Jennifer Maietta, Director, Real Estate  
Captain Dan Ursino (Commanding Officer of USCG of Civil Engineering Unit)

Staff and guest Captain Ursino present on the proposed short term lease agreement for the USCG at Terminal 46. Captain Ursino presented on the USCG's environmental project and clean up in the East Waterway.

**Discussion**

- Commissioner Felleman addresses liability issues and what would happen if an issue should arise concerning permitting? Answer: Dana Henderson, General Counsel for NWSA, advises that there are limited indemnity provisions in the lease under federal law, but notes that the USCG has strict environmental requirements as a federal agency that counter this concern.
- Commissioner Cho asks what the USCG's plans are beyond the next 5 years?  
Captain Ursino advises that the USCG is considering long-term plans that would bring an additional 4 major polar cutters to Seattle and expanding to adjacent land of Terminal 46.
- Commissioner Meyer expresses his reservations about the lease, but not because he does not want to see the USCG expand and adapt, but because his focus is to grow maritime business through the Gateway with cargo. He states he respects the right and need of the USCG to expand in Seattle and welcomes it. He asks if funding is secured for this project? Answer: \$105 million is budgeted and appropriated to this project.
- Commissioner Meyer inquires about permits. Answer: Permits are being worked in conjunction with USEPA.

- Commissioner Hasegawa comments that she also shares the belief that the highest use for Terminal 46 is to be used for cargo with the surge of cargo traffic. It demonstrates a need for expanded cargo operations with the on-going supply-chain congestion but supports the need for the USCG to find short-term solutions. Commissioner Hasegawa asks if the 39-month schedule would not be completed within that timeframe. Answer: They do not plan to go over schedule but hard to determine with construction schedules.
- Commissioner Hasegawa asks if the USCG's presence will impact our ability to make infrastructure investments and projects that are integral to getting Terminal 46 ready for a long-term lease. Answer: Staff has been working through those issues and have weekly team meetings to address these issues and to have the Terminal ready for operation by January of 2023.
- John Wolfe, CEO says NWSA intends to be able to share a Letter of Interest by a preferred terminal operator within the next 30 days.
- Commissioner Mohamed comments that it is important to have the USCG in our state, and that our congressional delegation has worked very hard on it, as a matter of national security.
- Commissioner Mohamed asks how this lease affects our USDA contract? Answer: Lindsay Wolpa, Sr. Manager, Strategic Projects says there is no direct impact on that, but there is some impact to the PCMC lease area, but it is very minor. PCMC leases 60 acres and it will be reduced by 8 acres.
- Discussion regarding relocation of occupants in Building 3.
- Commissioner Marzano thanks the Coast Guard for their work. He mentions the Northwest Seaport Alliance was formed to grow our marine cargo.
- Commissioner Calkins would like to hear between now and the next reading, more about the USCG's de-carbonization plan so we can become fossil free.
- Commissioner McCarthy asks how many people could become employed as a result of the USCG short-term lease? Answer: Does not have the answer at this time.

E. First Reading: BNSF Railway Company Lease

No action is requested at this first reading. Request for authorization to be made at the July 6, 2022, Managing Member Meeting.

Presenter: Michael Reilly, Sr. Manager Business Development

Don Esterbrook, Deputy CEO, introduces Michael Reilly, Sr. Manager Business Development

Staff present on the proposed BNSF Railway Company Lease at Lot M in Tacoma.

Discussion

- Commissioner Meyer inquires about the Minimum Annual Volume Guarantee.
- Commissioner McCarthy asks for more clarity on how the containers leave the dock. Procedure on how containers are drayed is explained.
- Commissioner McCarthy asks about what traffic will look like. Answer: Our planning group has included this issue in their planning forecast.

9. BRIEFING AGENDA

F. Truck Briefing

Presenters: Lindsay Wolpa, Sr. Manager, Strategic Projects

Ryan McFarland, Sr. Manager, Government Relations

Zach Thomas, Director, Operations Service Center

Jennifer Maietta, Director, Real Estate

Steve Nicholas, Sr. Manager, Air Quality & Sustainable Practice

Staff provide an overview of trucking issues in the Gateway, and address job quality, operations, truck parking, and the Clean Truck Program.

Discussion

- Commissioner Ang asks if staff receives surveys from truckers and from other ports? Answer: Staff is exploring additional data. Staff manually pulls in a lot of data then aggregates it. There is a big effort to identify the most valuable pieces of data, not just within our port, but other ports as well.
- Staff is asked to compare the amount of money California gives to its ports for clean-up and infrastructure so when we advocate our state to support us, we can have a comparison.
- Lindsay Wolpa, Sr, Manager, Strategic Projects, notes her engagement with Longshore since last fall. She has met with many of the mechanics and has been working closely with the City of Seattle.
- Commissioner Mohamed believes it would be helpful for staff to get a memo or information to the Managing Members for recommendations to resolve the issues.

10. GENERAL BUSINESS

G. CEO Announcements

John Wolfe, CEO, reminder that the Agriculture TC Annual Meeting will be held next week in Tacoma, and it will be a great opportunity for commissioners to interact with agriculture exporters. The FMC chairman will also be there.

H. Commissioner Comments

Commissioner Keller wishes the fathers a Happy Father's Day and Juneteenth is coming up as well. There is a lot to celebrate and look forward to.

11. ADJOURNMENT

There being no further business, the meeting is adjourned at 3:17 p. m.

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Ryan Calkins, Co-Chair  
The Northwest Seaport Alliance

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Don Meyer, Co-Chair  
The Northwest Seaport Alliance

ATTEST:

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Kristin Ang, Co-Secretary  
The Northwest Seaport Alliance

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Toshiko Hasegawa, Co-Secretary  
The Northwest Seaport Alliance

*Leilani Berinobis*

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Leilani Berinobis, Acting Clerk  
The Northwest Seaport Alliance