

**BOARD OF COMMISSIONERS
THE FABULICH CENTER, ROOM 104
3600 PORT OF TACOMA ROAD, TACOMA, WASHINGTON**

COMMISSIONERS PRESENT:

1. Dick Marzano, President
2. Don Meyer, Vice President
3. Clare Petrich, Secretary
4. Don Johnson, 1st Assistant Secretary
5. Connie Bacon, 2nd Assistant Secretary

STAFF PRESENT:

1. John Wolfe, CEO
2. Carolyn Lake, Port Counsel
3. Judi Doremus, Executive Assistant/Clerk of the Port
4. Sara Cederberg, Sr. Manager, Air Quality
5. Scott Hooton, Environmental Project Manager II
6. David Myers, Engineering Project Manager II
7. Jason Jordan, Director, Environmental Programs/Planning
8. Scott Francis, Director, Real Estate
9. Dakota Chamberlain, Chief Facilities Operations Officer
10. Tara Mattina, Director, Communications
11. Rod Koon, Sr. Manager, Communications

11:00 AM: EXECUTIVE SESSION

1. CALL TO ORDER:

Commissioner Marzano called the meeting to order at 10:05 am and then recessed into Executive Session for approximately two hours.

2. RECESS INTO EXECUTIVE SESSION:

- A. One (1) Litigation Item-RCW 42.30.110 (1)(i)

12:00 NOON: COMMISSION MEETING

1. RETURN TO ORDER:

- A. Flag Salute

2. CONSENT AGENDA:

- A. Minutes of July 20, 2017
- B. Check Certification: Certify checks #213907 through #214289 and wire transfers in the total amount of \$17,287,983.01 during the period of July 12, 2017 through August 4, 2017.

“Approve the above Consent Agenda”.

Motion was made by Commissioner Meyer, seconded by Commissioner Johnson:

VOTE: MOTION CARRIED 5-0

3. ACTION AGENDA:

- A. **FIRST READING: RESOLUTION 2017-04-PT: GREENHOUSE GAS REDUCTION TARGETS:**

Discussion Included:

1. Carbon neutrality was defined. Electricity grid capacity: Analysis has not yet been done for the projected capacity carbon neutrality will require. Alternative grids to electric may be available in the future.
2. Air Sustainability: Looking holistically. This will serve as a framework for water and other environmental programs.
3. Northwest Clean Air Strategy will be updated at a later date, and staff will encourage the Port of Seattle and Port Metro Vancouver to adopt these same goals discussed today.
4. Commissioner Meyer would like to see consistent targets between regional organizations. Must be done in partnership with key stakeholders and customers. While challenging, staff feels that these goals are achievable.
5. Changes to our business model will be required to meet these goals.

PUBLIC COMMENT:

Noah Davis: Applauds taking this issue on and agrees that this is a valuable strategy. Stated that the Port needs to require every lease go through vetting to meet standards. He would also like the Port to mandate truckers and shippers meet requirements as they do in Southern California. He feels that the Commission needs to ban fossil fuel exports as a policy. He feels that the LNG project is not part of this plan.

Karen Gogins, Citizens for a Healthy Bay: She commends the Commission for taking this step. Addressing climate change is critical. She feels it is heartening to see the Commission listen to the scientific community. CHB would like to understand this policy better. Implementation is required to make any progress. The Port has not publicly published data on greenhouse gas emissions since 2011. She asked how the Port is using resources to meet these goals.

Steve Storms: Commended the Commission regarding the goals. He wonders what actions the Port will take to meet the goals. He spoke about the LNG project and stated that he feels this project is counterproductive and will increase greenhouse gases.

Tracy Wiegman, ILWU 23: She understands how bad diesel is for the air, but feels that the LNG plant will not improve our air quality. She stated that it is OK to admit when you have made a mistake. Some shippers have implemented a scrubber system rather than switch over to LNG. Matson has already met the 2020 goals with scrubbers. She feels that this is a better option. However, using scrubbers does not allow shippers to exceed the 2020 goals, whereas switching over to LNG would allow exceeding these goals.

Todd Iverson, ILWU 23: He appreciates this resolution, and would like to know more about the teeth of it. Ship to shore power will be a critical step to meeting these goals. Also, terminal operators' use of non-cargo equipment, such as trucks for supervisors, could be switched over to electric vehicles. He suggests staff look at leases with terminal operators and incentivize switching to a hybrid fleet for non-cargo equipment. He also encourages more extended hours to avoid truck idling.

Dakota Case, Puyallup Tribe of Indians: He spoke regarding the 1988-1989 Medicine Creek Treaty Agreement that the Puyallup Tribe of Indians and the Port of Tacoma signed. He stated that their salmon runs are going extinct. He wants the Commission to cancel the PSE LNG project. He stated that the Commission needs to keep the promises to take care of the land. He stated the Port is abusing their land and needs to fully drop emissions and fully take care of the environment.

B. FIRST READING: FIBRES INTERNATIONAL, INC. LEASE:

Discussion Included:

1. They have worked in the Pacific Northwest since 1974. They had been operating out of Everett.
2. Part of their office space will be sublet out to another current tenant.
3. Market rate: This property has been vacant for quite some time. Staff tracks market rates a number of ways, which were described. Commissioner Meyer would like a market analysis in the memo for future requests. We do charge a premium for properties that have proximity to the Port.
4. Discussed requiring versus suggesting an anti-idling policy in the lease. This is boilerplate language. The supplemental environmental portion of this lease addresses this. This tenant doesn't have any direct control over trucks entering the Port.

PUBLIC COMMENT:

Claudia Reidener: Stated that this lease is an opportunity for the Commission to follow-up with actions. Westrock (previously Simpson) has switched to the cheapest source of paper, which contains plastic. They are now burning up to 100 cubic yards of plastic each day. Take this opportunity to make good environmental decisions for the community.

Noah Davis: He asked how this lease will affect the environment. Staff responded that they have been operating on a month-to-month lease for the last six months, and they do not expect any environmental changes by moving to a five-year lease.

Nanette Reetz: She asked how many more trucks this lease would generate. They've been here for six months and staff does not anticipate any increase in trucks.

Steve Storms: Stated that he doesn't have a lot of concerns about this lease. However, he wanted Fibres International to know that they are locating their plant in what he feels is a toxic area that will also be near the LNG plant.

C. LINCOLN AVENUE LOOP ROAD EASEMENT:

Motion was made by Commissioner Meyer, seconded by Commissioner Bacon:

"Authorize the Port of Tacoma's CEO or designee to enter into an easement agreement for the North Lincoln Loop Road with the City of Tacoma as a condition of the Milwaukee Street Vacation."

Discussion Included:

1. This will remedy the two dead-end streets that have resulted from bridge closures and other infrastructure changes over the last four years.
2. The Port now will be responsible for maintaining the portion of Milwaukee Ave. between Lincoln Ave. and the Puyallup River viaduct/East 11th Street. This is required by the City of Tacoma to allow us to continue using Milwaukee Ave. for cargo movement.
3. The current traffic is not expected to increase on Milwaukee Ave.
4. South Intermodal Yard (SIM): Rich Price, City of Tacoma: Confirmed that the City of Tacoma owns the SIM.
5. Commission asked if improved signage is included in the current plan. Staff will confirm.
6. Annual maintenance costs: Staff will return with an estimated amount.
7. This area is becoming a safety concern when private vehicles are in the same area as trucks and cargo moving equipment. The Port and City are working collaboratively to improve transit in and out of the Tideflats.

PUBLIC COMMENT:

Tracy Wiegman: She stated that Milwaukee Ave. is dangerous for private vehicles. She would like to see steps taken to improve the flow of traffic in and out of the Tideflats. She asked if there are any plans to rehabilitate the 11th Street Bridge. Reopening that bridge would ease traffic concerns. Unfortunately, the Port does not own this bridge; the City of Tacoma owns it and has been reluctant to dedicate the large amount of money required to repair or replace it. However, City and Port staff have been investigating this. A potential ILA for this purpose is scheduled to be discussed at the September Port of Tacoma Commission meeting.

Marilyn (last name illegible): She asked about the Port's emergency evacuation plan. There are severe bottleneck situations in the Tideflats. She stated that the Port needs to develop an adequate evacuation plan and not put the LNG plant in the Tideflats.

David Bluhner: Stated that he feels the Puyallup Tribe of Indians' flag should be present at the Commission meetings and a tribal member should be on the Commission. As Commission seats are elected at large, any tribal member can run for any open seat should they so choose. He also stated that he has seen rigs speeding in the Tideflats to collect incentives, creating more safety issues.

VOTE: MOTION CARRIED 5-0

D. FEASIBILITY STUDY: 2901 AND 2920 TAYLOR WAY:

Motion was made by Commissioner Johnson, seconded by Commissioner Meyer:

"Approve project authorization increase in the amount \$2,323,053, for a total authorized amount of \$5,763,794, for the Arkema Manufacturing Area, Master Identification No. 096201."

Discussion Included:

1. The upper aquifer goes down 30' to 40'.
2. This funding would allow staff to bridge the data gap to confirm the contamination is contained. The current gaps were discussed.
3. Remediation was achieved by demobilizing arsenic and keeping it out of the groundwater. This study will allow an EPA clean-up plan. Following completion of the remedy in the clean-up action plan the land could be put back into productive use. There will be an additional request for funds when we get to this stage, which will be quite expensive.
4. The total cost of cleanup is currently unknown, as we don't have a remedy yet.
5. Cost effective approach: The team includes arsenic and groundwater experts. The sheet pile wall extends into the aquifer (30' down) and is approximately 1,000' in length. It was installed in phases in the early 1990s. It is unclear at this time if the sheet pile wall is helping or hurting.
6. Commission reaffirmed that the Port took on this cleanup with the purchase of the property. No one else in this area would have taken on this cost for cleanup. The Port signed a walkaway agreement with the purchase. However, legal counsel will look into the possibility of recovering cleanup funds from the insurers of Arkema.
7. MTCA (Model Toxics Control Act) was explained and the importance of legislators not raiding this fund was discussed.
8. The project timeline was reviewed. It is anticipated that the implementation of the data gap work plan will occur from the third quarter of 2017 through the second quarter of 2018. The final feasibility study will be submitted in early November, 2019.

PUBLIC COMMENT:

Marilyn (last name illegible): She asked about the comment that Commissioner Petrich made regarding changes in the insurance industry in 1969/1970. Commissioner Petrich clarified that property owners can only try to collect funds for the cleanup of historic contamination from previous owners. In 1969 insurance companies stopped covering contamination in their policies. Regarding the PSE LNG Plant, Marilyn worries that PSE could walk away and leave contamination in the land.

Roxy Murray: Stated that the Port assumed this liability with the purchase of the land.

Noah Davis: Stated that the LNG plant will use chemicals. We don't learn from our mistakes. Pierce County citizens (through the Port) are buying back these properties and shouldering the cost of cleanup.

Tracy Wiegman: Stated that we can learn from our mistakes. She is longshore worker. We have a chance to show the world how it is done by stopping the LNG project.

Nanette Reetz: Stated that she is surprised that there is so much attention being paid to this contamination while the LNG project has gone forward. She feels that the money should be spent on studying the potential contamination that may occur from the LNG plant.

Steve Storms: Spoke about the cost of cleaning up potential contamination from the LNG plant.

Jim Hogan, PSE LNG Plant Project Manager: Stated that he wanted to correct some misconceptions and misinformation that have been stated about this project. The LNG plant site is not a superfund site. PSE conducted extensive investigation prior to leasing this property. PSE has completed ground improvement work and removed 5,000 dump truck loads of material. Soil samples submitted by PSE in conjunction with the approved materials management plan were tested and found to be within the established limits by Pierce County. PSE has also demolished buildings that contained asbestos and lead and disposed of these materials appropriately. They were able to recycle 83% of the materials from the buildings that were taken down.

Paul Wagner: Stated that the Puyallup Tribe of Indians have been here since before the ice ages. They would have never let this happen. He feels that the Port is polluting the water and that LNG is not a clean energy source.

Darlin Boudreau: Spoke about the insurance coverage change that occurred in 1969/1970. She asked about the Port's requirement for tenants to have insurance coverage. She also asked about MTCA. She requested a copy of the proposed feasibility study: Staff responded that the Department of Ecology has these documents on their website for review. She wanted to know if there is a plan for a new EIS. Staff responded that the SEPA process will determine whether or not an EIS is required before a change in land use occurs. The change in land use would trigger with development of the property. Ecology leads that process.

Dakota Case: Stated that operations such as the LNG plant always leak. Let's be cost effective and stop the projects that will contaminate. Put the environment first. Quit capping over contamination.

Lyle Conway: He is a member of the Puyallup Tribe of Indians. Stated that we cannot clean up pollution when the pollution is still happening. He wants to see alternative energy projects pursued.

Kathy Lanhon: Stated that she is against the PSE LNG plant. She asked if the Fire Department has issued a permit to PSE.

VOTE: MOTION CARRIED 5-0

E. PARCEL 47 ENVIRONMENTAL CAP IMPROVEMENTS:

Motion was made by Commissioner Petrich, seconded by Commissioner Johnson:

“Authorize \$805,000, for a total authorized amount of \$880,000, for the Parcel 47 Environmental Cap Repairs, Master Identification No. 101072.01.”

Discussion Included:

1. Inspection timing was discussed. The Consent Decree mandates inspections every 30 months. The inspection that found the cap in need of repair was done on time.

PUBLIC COMMENT:

Paul Wagner: Stated that no amount of money will rebuild a stable climate. He added that our Salish Sea is dying; there are no starfish and there are barely any salmon left. There are only 78 killer whales left in the Salish Sea. We have fires in Canada we can't put out. He addressed global warming. He stated that natural law will catch up to you eventually.

VOTE: MOTION CARRIED 5-0

F. UPPER CLEAR CREEK MITIGATION SITE:

Motion was made by Commissioner Johnson, seconded by Commissioner Meyer:

“Authorize \$1,950,000, for a total authorized amount of \$2,250,000, for work associated with the Upper Clear Creek Mitigation Site, Master Identification No. 101181.01.”

Discussion Included:

1. How we got to the point of needing to cancel the contract for cause was discussed.
2. Commission asked if the construction was consistent with our specifications. Staff responded that it was built correctly, but has not been maintained adequately.

VOTE: MOTION CARRIED 5-0

4. GENERAL BUSINESS:

A. PORT OF TACOMA CENTENNIAL CELEBRATION UPDATE:

Discussion Included:

1. Centennial timeline was discussed.
2. Interactive legacy project: Commission Bacon is concerned about maintenance of this interactive project long-term. Staff responded that technology is much more reliable and flexible today. The maintenance of the interactive project will be the responsibility of Public Affairs. The exhibit will be at the Seaport Museum and there will be a contract with them for some maintenance. We will be looking at web or cloud-based software so updates can be automatically and remotely.
3. Educational piece: The budget includes funds for three or four short videos. These could play on our website, social media and possibly in classrooms. Commissioners are looking to clarify for the community what activities and properties in the Tideflats are owned by the port and which are not under the Port's jurisdiction.
4. Commissioners would like to have a plaque for past Commissions in the administration office. It needs to be movable, as the location of our office may change.

PUBLIC COMMENT:

Tracy Wiegman: Asked if the educational videos would include history of the Puyallup Tribe of Indians.

B. COMMUNITY NEWS, EVENTS AND RECOGNITIONS:

Discussion Included:

1. CEO Wolfe reported that Inbound Logistics magazine recognized the NWSA as one of seven ports in the nation that is a leading port greening the supply chain.

5. PUBLIC AND COMMISSIONER COMMENT:

PUBLIC COMMENT:

Noah Davis: Stated that Jim Hogan of PSE talked about soil sampling. He saw dust on the site. Ecology said that PSE was taking the soil samples to submit for testing. Contaminates were found, but not to the level that would shut the site down. Regarding Arkema: Insurance laws did not change; the insurance industry changed their policies and decided not to cover contamination. Regarding the PSE Purchase and Sale Agreement, the Commission says they are for safety. The City of Tacoma denied a supplemental EIS. However, the Port can do their own supplemental EIS and pay for it.

Jim Hogan, PSE: Clarified that the Department of Ecology doesn't come out and take the samples. PSE has a materials management plan which specifies where samples are to be taken and submitted for testing. PSE is following the plan that was approved. Weekly inspections for stormwater are done. Monthly discharge reports are sent to Ecology. PSE follows all of these regulations.

Kathy Hewitt: Asked that the Commission do whatever it takes to stop the LNG plant.

Elizabeth Rodrick, Black Hills Audubon Society: Regarding Maytown: Port of Tacoma is trying to sell the property. The Port of Olympia sent a letter encouraging the Port of Tacoma to sell the property to the Department of Fish & Wildlife (DFW). She read the letter into the record. Less than 10% of prairies remain. She encouraged the Commission to follow through with selling Maytown to the DFW.

Sharron Coontz: Rocky Prairie (Maytown): DFW has made a fair market offer for the land. The Port of Tacoma does not have an ILA with Thurston County to own or operate land there. She encouraged the Commission to accept the offer from the DFW.

Roxy Murray: Regarding the recent tragedy in Charlottesville, she stated that the Commission should ask themselves what they have done to affect minorities in this area. You affect policy. "If citizens don't want to stand for the Pledge of Allegiance it isn't any of your business", stated Murray.

Cathy Carruthers: Spoke about the LNG plant, carbon dioxide emissions and blast radius: If there is an incident the Port would be obliterated. PSE should not be allowed to be self-assured. She also disagrees with the lease language that states PSE is not responsible for damages due to "war" or "an act of God".

Tracy Wiegman: Stated that it is important that the Commission take comments seriously and get educated. She stated that the Port should go to TOTE and come up with other alternatives. She is worried that the LNG will be exported. However, the lease specifically permits this.

Kyle Jolibeis: Stated that the Commission works for us. We don't want the LNG plant. The Port has gotten too big. In Council meetings I only hear "yeas". Where are the "nays"? He stated that he is in the blast zone.

Pam Keeley: Stated that she is a nurse. LNG: She is concerned about the safety issues. With a disaster there is a need to get emergency vehicles in and out. She feels the Commission is operating on assumptions. If there is an LNG plume this could affect responders' ability to get in to help.

Nikie Walters: She stated that she wants to see a change in the industry at the Port. She also complained of the smell in the Tideflats and feels that the air is unhealthy. She would also like to see an improved relationship with the Puyallup Tribe of Indians.

Steve Storms: Feels the LNG plant is dangerous. If the LNG tank is punctured there would be a fire that is 3,000 degrees Fahrenheit. A cremation furnace operates at approximately 1,500 degrees.

Charles Valdez: Stated that he moved to Tacoma two years ago. PSE is bringing in trucks without hazmat signs. He explained that in the past his grandmother had to hide from federal agents so doesn't stand for the flag salute.

Nanette Reetz: Stated that the Port "took away" the 11th Street Bridge. However, the City owns this bridge and closed it for safety concerns. The Port had nothing to do with this decision. She is concerned that the evacuation plan for the LNG plant has not yet been formulated. The plan is to formulate an evacuation plan when the plant is built. She implored the Commission to do their due diligence.

Dakota Case: Asked that the Commission look at PSE's track record. He stated that they have had leaks and have a bad track record. He also stated that the Puyallup Tribe of Indians is to be consulted on matters of the environment. PSE did not consult the Tribe. He stated that the Commission needs to honor the 1988-1989 Medicine Creek Treaty agreement that they signed.

Kathy Lanhon: Stated that she did not stand for the Pledge of Allegiance. She will stand when there is a tribal flag and the tribe is being respected.

Claudia Reidener: Stated that she is sorry to see that there is no tribal flag today. She stated that the Commission needs to respect other people.


COMMISSIONER COMMENT:

Commissioner Meyer: Stated that he is pleased to see that the City of Tacoma is moving forward on the Tideflats fire station. It is very important for our community.

Commissioner Marzano: Stated that we may disagree, but let's respectfully disagree.


6. ADJOURNMENT:

There being no further business, President Marzano adjourned the meeting at 3:48 pm.


Richard P. Marzano, President
Port of Tacoma Commission

ATTEST:


Clare Petrich, Secretary
Port of Tacoma Commission


Judi Doremus, Clerk of the Port
Port of Tacoma

