



**Commissioners**

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Commission Co-President  
Courtney Gregoire  
Commission Co-President  
Tom Albro  
Bill Bryant  
John Creighton

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Chief Executive Officer

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**APPROVED MINUTES  
COMMISSION REGULAR MEETING JUNE 3, 2014**

The Port of Seattle Commission met in a regular meeting Tuesday, June 3, 2014, at Port of Seattle Headquarters, Commission Chambers, 2711 Alaskan Way, Seattle, Washington. Commissioners Albro, Bowman, Bryant, Creighton, and Gregoire were present.

**1. CALL TO ORDER**

The regular meeting was called to order at 1:05 p.m. by Courtney Gregoire, Commission Co-President.

**2. EXECUTIVE SESSION pursuant to RCW 42.30.110**

None.

**PLEDGE OF ALLEGIANCE**

**3. SPECIAL ORDERS OF BUSINESS**

- 3a. Authorization for the Chief Executive Officer to direct staff to conduct planning, perform site investigations, evaluate scope elements, develop design documents, select consultants, execute consultant contracts, publish environmental review documents, apply for permits, and prepare construction documents as part of the Terminal 5 Facility Modernization Project for an estimated cost of \$4,700,000, that is in addition to the previously division-authorized amount of \$300,000 for a new total authorization of \$5,000,000.**

Request document(s) provided by Michael Burke, Director, Seaport Lease & Asset Management, and Anne Porter, Capital Project Manager:

- Commission agenda [memorandum](#) dated May 23, 2014.
- Presentation [slides](#).

Presenter(s): Mr. Burke and Ms. Porter.

The Commission received a presentation that included the following relevant information:

- Terminal upgrades to accommodate newer, larger container ships are underway at all comparable North American West Coast ports and at some East Coast ports, including productivity and automation improvements.
- Cranes that can service 22 containers and wider are a feature of two-thirds of California ports and are important to accommodate at the Port's Terminal 5.

- Automated operations typically include automated yard cranes that move containers in stacks from the dock to the back of the terminal for transfer to trucks.
- An automated terminal can run without lights and can operate at all hours. This is a feature of negotiations between ports and labor.
- For automation at Terminal 5, the terminal operator would purchase the equipment, including cranes, and the Port would provide the fixed infrastructure.
- Project elements focus on dock strengthening, berth deepening, and power upgrades.
- The Port has an agreement with the City of Seattle to continue to maintain current terminal seismic standards rather than upgrading to newer requirements that call for flatter slopes than currently exist.
- Channel depths of up to minus 55 feet are required to accommodate larger ships. Current channel depths are at minus 50 feet.
- The current work plan for Terminal 5 upgrades is carefully phased through 2018.
- Project briefings will likely occur periodically, perhaps twice per year.
- Construction will not occur prior to tenant selection.

*Without objection, consideration of agenda item 3a was temporarily suspended and the Commission advanced to –*

**5. PUBLIC TESTIMONY**

Public comment was received from the following individual(s):

- Rich Austin, ILWU Local 19 Vice President. Mr. Austin commented in support of the project, despite its short-term negative impact with the temporary closure of Terminal 5. He stated a preference that implementing automation be at the discretion of the terminal operator, working in conjunction with labor and other stakeholders.
- Rick Pyfer, employed at American President Line (APL). Mr. Pyfer commented on the Terminal 5 expansion, noting that despite construction not commencing for another two years, the APL lease had been terminated already, affecting short-term revenue and jobs.

*Following consideration of public testimony, the Commission returned to consideration of –*

**3. SPECIAL ORDERS OF BUSINESS**

- 3a. Authorization for the Chief Executive Officer to direct staff to conduct planning, perform site investigations, evaluate scope elements, develop design documents, select consultants, execute consultant contracts, publish environmental review documents, apply for permits, and prepare construction documents as part of the Terminal 5 Facility Modernization Project for an estimated cost of \$4,700,000, that is in addition to the previously division-authorized amount of \$300,000 for a new total authorization of \$5,000,000.**

**Motion for approval of item 3a – Albro**

**Second – Bryant**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**4. UNANIMOUS CONSENT CALENDAR**

*[Clerk's Note: Items on the Unanimous Consent Calendar are considered routine and are not individually discussed. Port Commissioners receive the request documents prior to the meeting and may remove items from the Consent Calendar for separate discussion and vote in accordance with Commission bylaws.]*

- 4a. Approval of the minutes of the regular meeting of January 7, 2014.**
- 4b. Authorization for the Chief Executive Officer to execute a project-specific contract for consultant support for long-term environmental commitment services supporting remediation activities at Harbor Island (includes Terminals 10 and 18) and Terminal 5 (Southwest Harbor Project). The contract amount is estimated at \$1.6 million and the contract duration will be for up to 5 years.**

Request document(s) provided by Kathy Bahnick, Manager, Seaport Environmental and Planning, and Brick Spangler, Environmental Program Manager:

- Commission agenda [memorandum](#) dated May 23, 2014.

**Motion for approval of consent items 4a and 4b – Creighton**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**5. PUBLIC TESTIMONY**

There was no further public testimony at this time.

**6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS**

- 6a. Authorization for the Chief Executive Officer to (1) execute contract documents for required vendor services; and (2) authorize Port staff to implement the Expense Project Authorization Tracking project for a total project cost not to exceed \$650,000 (CIP #C800694).**

Request document(s) provided by Ralph Graves, Managing Director, Capital Development:

- Commission agenda [memorandum](#) dated May 27, 2014.

Presenter(s): Mr. Graves and Dan Thomas, Chief Financial and Administrative Officer.

The Commission received a presentation that included the following relevant information:

- The project implements a component of the PeopleSoft Financial Accounting System.
- Accounting rules changes over time have increased the number of capital project components that have to be accounted as expense funds. The Commission authorizes total project cost, including expense portions. So far, PeopleSoft has been able to track only capital expenses. Expense projects or projects with significant expense portions

have to be tracked using a separate system. Skire Unifier is used only within the Capital Development Division; the functionality requested today will supplement that system and be applicable to a broader range of projects.

- The new tool will accommodate use by business divisions and Accounting & Financial Reporting, for whom PeopleSoft is the primary tool.

**Motion for approval of item 6a – Bryant**

**Second – Albro**

**Motion carried by the following vote:**

**In Favor: Albro, Bowman, Bryant, Creighton, Gregoire (5)**

**7. STAFF BRIEFINGS**

**7a. Stormwater Overview and Issues Briefing.**

Presentation document(s) provided by Stephanie Jones Stebbins, Director, Seaport Environmental and Planning; Marilyn Guthrie, Stormwater Program Manager; and Bob Duffner, Senior Manager, Aviation Environmental Programs:

- Commission agenda [memorandum](#) dated May 16, 2014.
- Presentation [slides](#).

Presenter(s): Ms. Jones Stebbins and Mr. Duffner.

The Commission received a presentation that included the following relevant information:

- The Century Agenda strategic goal for stormwater runoff is to meet or exceed agency requirements for stormwater leaving Port owned or operated property.
- The Airport's National Pollutant Discharge Elimination System permit is an individual permit covering all Airport operations. It includes the industrial wastewater system covering the ramp and terminal operations and the stormwater drainage system covering the runways, taxiways, and landside operations.
- Upgrades to stormwater facilities have come to include accommodation for deicing activities. The upgrades have totaled over \$60 million. These upgrades have eliminated over 95 percent of biological oxygen demand associated with deicing chemicals from the Port's stormwater runoff.
- Since 2003, the Port has invested over \$78 million in its stormwater drainage system aimed predominantly at removing copper and zinc from its discharge. This system operates at about 99 percent effectiveness.
- All Port property outside the Airport is subject to a Phase I municipal stormwater permit, similar to the permit held by the City of Seattle.
- The Port's system governed by the municipal stormwater permit is separate from that of the City of Seattle. About 65 percent of Port property is subject to an industrial stormwater general permit, covering 18 individual tenant permits and two individual Port permits. These cover about 700 acres.

- Runoff from the Alaskan Way Viaduct discharges to the Marine Maintenance stormwater management system.
- The state of Washington has the most stringent stormwater standards for zinc and copper in the U.S. Oregon and California have the next most stringent standards for these metals, which are common to seaport terminal operations. California's standards are significantly less stringent for these metals.
- Zinc and copper are more harmful to fish than to people, and city of Seattle drinking water does not meet the standard for these metals for discharge to Puget Sound.
- Washington also allows the least amount of time to become compliant with its numerical standards for stormwater. Compliance progresses through stages of operational, structural, and treatment mitigation activities. In Washington, those stages arrive at treatment activities within three quarters. In California, it takes two years to reach the structural level of mitigation and treatment may never be required. In Oregon, it takes three years to reach the structural level of mitigation.
- Extensions have been granted by the Washington Department of Ecology for stormwater compliance. The number of extensions is limited. Often the effectiveness of mitigation activities cannot be accurately gauged during the time allotted for compliance.
- The disparity in stormwater regulation between Washington and other states poses a competitive challenge to seaport activities in this state.
- Industrial stormwater regulations affect other maritime and industrial uses besides Port activity.
- A study to determine a common set of "all known, available, and reasonable methods of prevention, control, and treatment" (AKART) for port tenants could help increase regulatory predictability within the industrial/maritime sector. To the extent the Department of Ecology concurs in the alternative treatment methods outlined in the AKART study, these may be able to be used as equivalent measures to the Port's stormwater general permit requirements.
- Since 1997, the Port has paid \$24 million to the City of Seattle in stormwater fees. In the next five years, the Port is expected to pay the City another \$21 million in these fees. About 75 percent of these fees are ultimately shouldered by Port tenants.
- The Port has the same obligations and authority as the City of Seattle in terms of its stormwater permit. Both agencies hold Phase I municipal stormwater permits. RCW 53.08.043 grants the same powers to regulate stormwater discharges to ports and cities.
- The Port's industrial stormwater general permit compliance costs over the next five years are expected to be between \$50 million and \$100 million. Municipal permit compliance costs over the next five years are expected to be about \$10 million. Port costs for infrastructure repair and upgrades over the next five years are estimated at \$25 million. These costs are in addition to stormwater fees paid to the City of Seattle. In total, Port and Port-tenant costs including permit fees over the next five years will be approximately \$85 million to \$135 million.
- Stormwater fees paid to the City contribute to maintenance of the city-wide stormwater system. None of that work is focused on Port obligations.
- The Port could opt out of the City's stormwater utility, establish its own, and redirect the funds currently spent on stormwater management fees to water-quality improvements at

its own facilities. Staff is in discussion with the City on this prospect, and plans to present options to the Commission in the fall.

**7b. Legislative Update for June 3, 2014.**

Presenter(s): Patricia Akiyama, Director, Public Affairs.

Issues and measures being tracked by the Port governmental relations team include the following:

**Federal**

- The Water Resources Reform and Development Act (WRRDA) passed in the U.S. Congress, including consideration for the competitive disadvantage created by the Harbor Maintenance Tax. It is unclear whether the applicable program will be funded or how it will be administered.

**State**

- A hearing before the State Legislature on drayage truck driver operations at Seaport terminals and owner/operator issues is planned.
- Efforts continue to maintain awareness of the need for SR-509 completion in any transportation funding packages before the Legislature.

**Local**

- The City of Seattle has adopted a \$15 per hour minimum wage to be implemented over time. Some time-limited exceptions will apply to small businesses. A special training wage for teenagers is part of the wage plan.
- There continues to be a focus on the part of the City of Seattle mayor's office to address concerns related to the vibrancy of the maritime and industrial sector, including interest in implementing a heavy-haul corridor through Seattle for freight traffic.
- The City has reached an agreement with the Port to provide regulatory flexibility on updated seismic standards at Port terminals that facilitate construction of new cargo piers.
- Ownership of Native American cultural artifacts has been transferred by the Port to the Suquamish and Muckleshoot Tribes.

**8. NEW BUSINESS**

None.

**10. ADJOURNMENT**

There being no further business, the regular meeting was adjourned at 2:32 p.m.

John Creighton  
Assistant Secretary

Minutes approved: October 7, 2014.