



Commissioners

Gael Tarleton
Commission President
Tom Albro
Bill Bryant
John Creighton
Rob Holland

P.O. Box 1209
Seattle, Washington 98111
www.portseattle.org
206.787.3000

Tay Yoshitani
Chief Executive Officer

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**APPROVED MINUTES
COMMISSION SPECIAL MEETING APRIL 24, 2012**

The Port of Seattle Commission met in a special meeting Tuesday, April 24, 2012, in Room C111/C112 at the Georgetown campus of South Seattle Community College, 6737 Corson Avenue South, Seattle, Washington. Commissioners Albro, Bryant, Holland, and Tarleton were present. Commissioner Creighton was excused in order to attend to other Port business.

1. CALL TO ORDER

The special meeting was called to order at 1:05 p.m. by Gael Tarleton, Commission President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

None.

PLEDGE OF ALLEGIANCE

Following the flag salute, Commissioner Tarleton thanked South Seattle Community College for hosting the Port of Seattle Commission and extended the Commission's appreciation to President Gary Oertli. She noted that the Port Commission meets in various locations outside its corporate facilities several times a year, especially when there is a topic on the agenda of particular interest to the community hosting the meeting.

Commissioner Tarleton introduced South Seattle Community College President Gary Oertli, who welcomed the Commission to the college's Georgetown campus and commented on the college's partnership with the Port on apprenticeship programs, including pre-apprenticeship programs for veterans, and its participation in development of national curriculum standards for logistics training.

3. (00:04:04) APPROVAL OF MINUTES

Regular and special meetings of February 28, 2012.

**Motion to approve minutes for the regular and special meetings of February 28, 2012 – Albro
Second – Bryant**

Motion carried by the following vote:

In Favor: Albro, Bryant, Holland, Tarleton (4)

Absent for the vote: Creighton

4. SPECIAL ORDERS OF BUSINESS

4a. (00:04:30) Recognition of the Winners of the 2011 Seattle-Tacoma International Airport Green Gateway Environmental Excellence Awards Program.

Presentation document(s): Commission agenda [memorandum](#) dated April 5, 2012, and computer slide [presentation](#) provided by Elizabeth Leavitt, Director Aviation Planning and Environmental Services, and Leslie Stanton, Senior Environmental Strategy Manager.

Presenter(s): Ms. Leavitt and Jeremy Webb, Environmental Management Technician.

Ms. Leavitt explained the purpose of the Green Gateway Environmental Excellence Awards to acknowledge outstanding environmental leadership on the part of airlines and Airport tenants. Mr. Webb recognized the following award recipients, who were presented with plaques: North American news and gift retailer Hudson Group, international food and beverage concessionaire HMS Host, and international in-flight caterer LSG Sky Chefs. Mr. Webb thanked the Airport's business partners for their partnership in achieving the Airport's environmental goals.

4b. (00:11:00) Green Gateway Partner Awards 2011.

Presentation document(s): Commission agenda [memorandum](#) dated April 2, 2012, and computer slide [presentation](#) provided by Janice Gedlund, Air Quality Program Manager.

Presenter(s): Ms. Gedlund.

Ms. Gedlund explained the purpose of the Seaport's Green Gateway Partner Awards to recognize the comprehensive environmental achievements of the Port's cruise and container line operators. She reported that the award recipients were honored at a reception on February 16, 2012, and included Gold Partners APL Ltd., Celebrity Cruises, Hapag-Lloyd, Norwegian Cruise Line, Maersk Line, and Royal Caribbean Cruise Line; Silver Partners Holland America Line and Matson Navigation; and Bronze Partner COSCO Container Lines Americas Inc. Ms. Gedlund commented on the low carbon footprint of Asian cargo bound for the Midwest and routed through the Port of Seattle.

(00:15:48) Announcement: 2011 Naval Reserve Sailor of the Year, Doug Newman.

Commissioner Tarleton announced that Port of Seattle Police Department Sergeant Doug Newman was named 2011 Naval Reserve Sailor of the Year on April 18, 2012, and congratulated Sergeant Newman on the significant honor of being the top Naval Reservist in the U.S. Navy.

5. (00:16:38) UNANIMOUS CONSENT CALENDAR

5a. Authorization of (1) \$225,000 expense funds for regulated materials management (RMM), and (2) Use of Port crews for design and construction for the Airline Realignment Tenant

Improvements project at Seattle-Tacoma International Airport. The RMM expense will be absorbed into the 2012 operating budget; remaining operating costs that will be incurred in 2013 and 2014 will be included as part of project operating costs.

Request document(s): Commission agenda [memorandum](#) dated April 13, 2012, provided by Michael Ehl, Director, Airport Operations; and Wayne Grotheer, Director, Aviation Project Management Group.

5b. Authorization for the Chief Executive Officer to: (1) expand the scope of work to cover refurbishment of one passenger loading bridge (PLB) to be installed at Gate S8; (2) prepare design documents; (3) authorize Port Construction Services to self-perform work; and (4) advertise and execute one major works construction contract to refurbish one Port-of-Seattle-owned PLB formerly located at Gate S10 and reinstall it at Gate S8. No new funding is required to complete this refurbishment.

Request document(s): Commission agenda [memorandum](#) dated April 13, 2012, provided by Michael Ehl, Director, Airport Operations; and Wayne Grotheer, Director, Aviation Project Management Group.

Motion for approval of consent items 5a and 5b – Bryant

Second – Albro

Motion carried by the following vote:

In Favor: Albro, Bryant, Holland, Tarleton (4)

Absent for the vote: Creighton

(00:17:25) PUBLIC TESTIMONY

As noted on the agenda, public comment was received from the following individuals:

- Fred Felleman, Northwest Consultant for Friends of the Earth. Mr. Felleman commented on his organization's disappointment with the recommendation by Port staff that the Commission not support the originally proposed amendments to the Cruise Memorandum of Understanding (MOU) contained in agenda item 6b and urged the Commission to support the amendments.
- Chris Wilke, Puget Soundkeeper and Executive Director, Puget Soundkeeper Alliance. Mr. Wilke urged the Commission to support the originally proposed Cruise MOU amendments in agenda item 6b, and noted his support for the recommendation to amend the Port tariff to prohibit discharge of wastewater at berth.
- John Worthington, 4500 Southeast Second Place, Renton, Washington. Mr. Worthington commented on traffic priorities of the City of Seattle and potential conflicts between those priorities and Port activities.

6. DIVISION, CORPORATE, AND COMMISSION ACTION ITEMS

At the discretion of the Chair, the following agenda item –

- 6a. (00:25:44) Authorization for the Chief Executive Officer to proceed with the design, permitting, and project management for the proposed Fishermen’s Terminal Net Sheds Code Compliance Improvements project in the amount of \$650,000. The preliminary total estimated project cost is approximately \$6,000,000. The final cost will be determined as part of the design process (CIP #C800045).**

– was postponed to a subsequent Commission meeting.

- 6b. (00:27:05) The Commission directs the Chief Executive Officer to set aside the proposed amendments to the Cruise memorandum of understanding (MOU), and substitute the following approach in discussions with the MOU Signatories: (1) Codify the existing practice of cruise vessels not discharging while at berth through a change to the Port’s tariff; and (2) Support the Washington State Department of Ecology’s work to understand the optimal geographical and operational extent of a Puget Sound proposed No Discharge Zone. Play a leadership role in understanding the potential operational impact to the Port’s cargo and cruise industry.**

Request document(s): corrected Commission agenda [memorandum](#) dated April 23, 2012, and [12 attachments](#) including the Cruise MOU with appendices; MOU amendment process attachment; amendment proposal letter of November 21, 2011; letters of amendment support of February 13, 2012, March 2, 2012, March 13, 2012, and March 26, 2012; emails supporting the Cruise MOU amendments; Department of Ecology presentation on 2011 compliance; and April 20, 2012, amendment opposition letter from the North West and Canada Cruise Association provided by Stephanie Jones Stebbins, Director, Seaport Environmental and Planning; and Michael McLaughlin, Director, Cruise and Maritime Operations.

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

[Clerk’s Note: A corrected version of the Commission agenda memorandum for agenda item 6b that included Attachment 12, an April 20, 2012, letter from the North West and Canada Cruise Association, was submitted on April 23, 2012, at which time a revised notice was posted on the Port of Seattle website.]

The Commission was provided a summary by Mr. McLaughlin of the fundamentals of the Memorandum of Understanding for Cruise Operations in Washington State (Cruise MOU), a voluntary agreement between the Port of Seattle, the Washington State Department of Ecology, and the North West and Canada Cruise Association. Mr. McLaughlin noted the presence of independent regulation governing wastewater discharge, the origins of the MOU, and the process and time frames applicable to consideration of MOU amendments by MOU parties and other interested parties. He explained that the amendments under consideration were a collaborative effort of Friends of the Earth, the Puget Soundkeeper Alliance, and People for Puget Sound.

Mr. McLaughlin described the amendments proposed by the non-MOU signatories as follows:

- (1) Ban the discharge of gray water and black water in MOU waters.
- (2) Ban the continuous discharge of gray water and sewage (black water), limiting to only discharge while the ship is greater than 1 mile offshore and traveling at least 6 knots or greater.

He explained that the recommendation of Port staff is that, despite supporting the end result the amendments attempt to achieve, the MOU is not the most effective vehicle to obtain these results and noted that to become part of the MOU, amendments must be unanimously supported by all MOU signatories. Instead, staff is proposing the action request provided in agenda item 6b, which would not require approval by the other MOU parties, but would apply to a broader group than the MOU parties.

In response to Commissioner Albro, Ms. Jones Stebbins stated her understanding of the amendments is that both treated and untreated gray and black water would be banned while at berth and underway. She reported that although the cruise business is growing in Puget Sound, wastewater discharges are declining. She explained that because the North West and Canada Cruise Association opposed the amendments, ensuring they will not become part of the MOU, Port staff recommends an alternative that will apply the intent of the first amendment to all cruise vessels calling at the Port of Seattle through the vehicle of an amendment of the Port's tariff. The proposed tariff amendment, which would be accompanied by verification provisions, would read as follows:

Passenger cruise ships will not discharge graywater or blackwater, whether treated or not while at berth in Seattle.

Regarding the second amendment proposed by the non-MOU signatories, Ms. Jones Stebbins commented on efforts by the Washington Department of Ecology to establish a no-discharge zone or zones in the Puget Sound with the support of the U.S. Environmental Protection Agency by the end of 2013. She explained that the staff recommendation is to support and lead in these efforts since an MOU amendment to establish a no-discharge zone would not prevail without unanimous agreement of the MOU parties.

Commissioner Bryant commented on his support of the agenda item due to its focus on achieving the desired results and opined that prohibiting discharge that is not occurring is improvident.

In response to Commissioner Holland, Ms. Jones Stebbins summarized the structure and history of the Cruise MOU, the extent of MOU waters, the requirements for discharge of wastewater in compliance with the MOU, and the process for amending the MOU. She clarified that the actions recommended by staff would be outside the MOU process and would apply only to agreements and processes over which the Port exercises control.

Commissioner Tarleton commented on the role of a public agency to exercise its authority above and beyond the stipulations of voluntary agreements such as the Cruise MOU. She stated the action proposed would preserve the intent of the Cruise MOU amendments that would otherwise fail to be incorporated into the voluntary MOU due to lack of unanimous agreement of the parties. She noted that establishment of no-discharge zones would have a broader maritime effect than just

the cruise industry and would be determined by the appropriate authority. Commissioner Tarleton commented on her goals related to prohibiting at-berth wastewater discharge, extending that prohibition one mile from berth, and creation of no-discharge zones based on priority of most vulnerable zones.

In response to Commissioner Albro, Ms. Jones Stebbins commented on the ability of cruise ship wastewater treatment technology to treat to a similar water quality as landbased wastewater treatment. She noted a 2009 study by King County that compared cruise ship wastewater discharge to that from King County's West Point Treatment Plant that found that cruise ship effluent was at least as clean as that from West Point.

Commissioner Albro commented on his objections to the MOU amendments as proposed by the non-MOU parties, which he stated were posed as mutually exclusive options, vaguely worded, and without specific strike-and-insert directions. He commented in support of banning at-berth discharges and discharges within one mile from berth, preferably through the vehicle of the Cruise MOU, although he noted that it is necessary to consider vessels other than cruise ships in order to address holistically the issue of cleaning up Puget Sound.

Commissioner Holland spoke in favor of using the Cruise MOU to ban at-berth wastewater discharges, but stated he would support the proposed agenda item and tariff amendment as a practical measure to achieve a positive outcome for Puget Sound.

Motion for approval of item 6b – Albro

Second – Bryant

Motion carried by the following vote:

In Favor: Albro, Bryant, Holland, Tarleton (4)

Absent for the vote: Creighton

7. STAFF BRIEFINGS

7a. (01:06:05) LEED Silver Star Plaque Presentation to the Consolidated Rental Car Facility for Leadership in Environmental and Energy Design (LEED).

Presentation document(s): Commission agenda [memorandum](#) dated April 16, 2012, and February 17, 2012, U.S. Green Building Council (USGBC) [letter](#) provided by Michael Ehl, Director Airport Operations; and George England, Program Leader, Project Management Group.

Presenter(s): Mr. England and Joel Sisolak, LEED Accredited Professional, Cascadia Green Building Council Advocacy and Outreach Director, Seattle.

Mr. England reported on the Consolidated Rental Car Facility (RCF) as the Port's designated sustainability pilot project and noted that the project concluded with 34 certification points, which represents a Silver LEED certification. Mr. Sisolak commented on growing acceptance of the USGBC's LEED certification program since its inception in the 1990s and the leadership of the public sector in promoting LEED progress. He noted the large size of the RCF project, its triple-

bottom-line approach, and use of Forest-Stewardship-Council-certified wood and presented the Silver certification plaque to the Port Commissioners.

7b. (01:14:20) Monthly Briefing – Update on the Consolidated Rental Car Facility Program.

Presentation document(s): Commission agenda [memorandum](#) dated April 16, 2012, report [attachment](#), and computer slide [presentation](#) provided by Michael Ehl, Director Airport Operations; George England, Program Leader, Project Management Group; and Janice Zahn, Assistant Director Engineering Construction Services.

Presenter(s): Mr. England, Ms. Zahn, and Jeff Hoevet, Senior Manager, Airport Operations.

Ms. Zahn summarized the status of construction of the Consolidated Rental Car Facility, noting the number of workers on the site, achievement of beneficial occupancy of the majority of the site on April 2, 2012, and several construction milestones including progress of tenant improvements and installation of artwork. She also summarized work on the Bus Maintenance Facility and the Off-Site Road Improvements components of the project.

Mr. Hoevet commented on the addition and orientation of about 70 new Port employees in connection with the Rental Car Facility. In response to Commissioner Tarleton, Mr. Hoevet stated bus service will be available 24 hours per day with buses running about every five minutes during peak periods.

Mr. England reported on status of installation of wayfinding signage, customer service seating, and completion of various construction components such as flight information displays and common use terminals. He stated a grand opening ceremony is scheduled for May 9, 2012, and remarked on public relations efforts to facilitate the rental car companies' transition to use of the facility. He reported that customer facilities charges continue to trend above forecast by approximately \$2.2 million.

7c. (01:24:15) Manufacturing Industrial Council Briefing.

Presentation document(s): computer slide [presentation](#) provided by Dave Gering, Executive Director, Manufacturing Industrial Council of Seattle.

Presenter(s): Mr. Gering.

Mr. Gering commented on the strength of the manufacturing industry in Washington, including positive announcements from the Boeing Company and articles projecting the return of transportation equipment, metal, machine, and computer manufacturing activity from China to the United States. He reported on growth in manufacturing in Washington since 2003, including growth in the aerospace and metal fabrication industries.

Mr. Gering commented on Washington's maintenance of 94 percent of its manufacturing job base between 1994 and 2008, contrasted with a loss nationally of approximately a third of the manufacturing job base. He noted faster revenue growth in Washington than in the economy as a

whole with manufacturing growing about twice as fast as the overall economy. Mr. Gering noted that income for metal fabricators and machine makers in Washington during this period was comparable to 70 National Basketball Association (NBA) franchises. He explained the economic strength as attributable to Washington's focus on manufacture of capital goods such as airplanes and ships versus consumer goods and the strength of the markets for Washington-manufactured goods. He noted that Washington fish net sales increased over 1,000 percent between 1998 and 2008.

Mr. Gering commented on the historic and natural assets contributing to Washington's manufacturing strength, noting successes for Foss Maritime, PACCAR Inc., Nucor Steel, and the Boeing Company.

Mr. Gering reported on challenges facing manufacturing in Washington, noting land-use pressures, freight mobility concerns, environmental regulations, and workforce development, noting that 27 percent of trades certificate program graduates are expected to earn more than college graduates.

In response to Commissioner Bryant, Mr. Gering estimated that approximately 20 percent of City of Seattle business and occupation tax is generated by the manufacturing sector and that Seattle has about 26,000 manufacturing workers in residence.

Commissioner Tarleton commented on export of critical heavy equipment by Washington manufacturers to foreign governments and commercial builders in China, India, South Korea, and Japan. Mr. Gering noted that the ZIP code prefix 981 is the third most productive export ZIP code in the United States and commented on the wealth of North American natural resources. Commissioner Albro observed that Germany is an example of a leading manufacturing country that is also a leader in environmental policy, is progressive in protection of workers, and benefits from a high standard of living.

8. NEW BUSINESS

(01:58:38) Draft Motion on Puget Sound Restoration.

Commissioner Bryant commented on a lack of an overall Port strategy for working with the Puget Sound Partnership to achieve the goals of its action agenda and his interest in having a proactive Port agenda for clean-up of the Puget Sound.

He proposed a motion to be posted and available for public comment through the end of June to recognize the Port's role as an implementer of the goals of the Puget Sound Partnership, acknowledge the relationship between the health of Puget Sound and habitat protection on Port properties on the Duwamish River, address the importance of dissolved oxygen content in Puget Sound, and develop an initiative to focus the efforts of all Puget Sound ports in restoring the health of Puget Sound. He added that he would like to see such an initiative include habitat restoration on the Duwamish River and in Elliott Bay as noted already in the Port's Century Agenda goals, recording of insect population levels, compliance with dissolved oxygen limits in stormwater runoff, and development of data-driven proposals for wastewater no-discharge zones and nutrient-limited and shellfish production areas.

A copy of the proposed motion is, by reference, made a part of these minutes, is marked [exhibit A](#), and is available for inspection in Port offices.

9. POLICY ROUNDTABLE

None.

10. ADJOURNMENT

There being no further business, the special meeting was adjourned at 3:15 p.m.

Tom Albro
Secretary
Minutes approved: June 26, 2012.