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APPROVED MINUTES COMMISSION REGULAR MEETING JUNE 12, 2018

The Port of Seattle Commission met in a regular meeting Tuesday, June 12, 2018, in commission chambers at Port of Seattle offices, 2711 Alaskan Way, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present. Commissioner Bowman was present until 2:50 p.m.

1. CALL TO ORDER

Pursuant to Article IV, Section 8, of the commission bylaws, the meeting convened at 11:03 a.m. to conduct an executive session.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The notice posted during the executive session included one matter relating to litigation and legal risk, one matter relating to legal risk and performance of a publicly bid contract, and one matter relating to performance of a public employee. The time for reconvening was posted as 12:00 noon, in accordance with commission bylaws and the public meeting notice previously published. Following the executive session, which lasted approximately 75 minutes, the public meeting reconvened at 12:24 p.m. Commissioner Gregoire led the flag salute.

3. APPROVAL OF THE AGENDA

Without objection, the preliminary agenda was revised to remove agenda items 6c and 6f from the Unanimous Consent Calendar for separate discussion and vote. Agenda item 9d was moved to the beginning of Presentations, Reports, and Staff Briefings.

4. EXECUTIVE DIRECTOR'S REPORT

Executive Director Steve Metruck previewed items on the day's agenda and made announcements.

5. PUBLIC COMMENT

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

- Bruce Kessler, Assistant Director, King County Wastewater Treatment Division, regarding the Fourth Amendment to the Administrative Order on Consent with the U.S. Environmental Protection Agency for the Lower Duwamish Waterway Superfund Site.
- Ralph Ibarra, President, Diverse America Network, regarding diversity in contracting.
- Steve Edmiston, regarding impacts to airport communities. Mr. Edmiston submitted written materials, which are attached as minutes [Exhibit A](#).

- J.C. Harris, regarding airport impacts on surrounding communities.
- Lee Fogel, Seattle, regarding the Department of Fish and Wildlife fishing pier at Terminal 86.
- Heather McAuliffe, Seattle, regarding the Department of Fish and Wildlife fishing pier at Terminal 86. Ms. McAuliffe submitted written materials, which are attached as minutes [Exhibit B](#).
- Alex Tsimerman, President, StandUp – America, regarding council corruption and economics.

6. UNANIMOUS CONSENT CALENDAR

[Clerk's Note: Items on the Unanimous Consent Calendar are not individually discussed. Commissioners may remove items for separate discussion and vote when approving the agenda.]

- 6a. Approval of the minutes of the regular meeting of December 12, and special meeting of December 19, 2017, and the special meeting of January 8-9, 2018.**
- 6b. Approval of the Claims and Obligations for the period May 1, 2018, through May 31, 2018, including accounts payable check nos. 923760-924342 in the amount of \$7,982,356.84; accounts payable ACH nos. 007846-008586 in the amount of \$60,676,757.20; accounts payable wire transfer nos. 014890-014904 in the amount of \$7,584,356.34, payroll check nos. 189453-189684 in the amount of \$262,595.74; and payroll ACH nos. 856342-860478 in the amount of \$10,314,531.28 for a fund total of \$86,820,597.40.**

Request document(s) included an [agenda memorandum](#).

As noted above, agenda item 6c was temporarily postponed.

- 6d. Authorization for the Executive Director to design and prepare construction bid documents for the Stormwater Pond Bird Deterrent Improvements project at the Seattle-Tacoma International Airport in an amount not to exceed \$250,000 with a total estimated project cost of \$10,492,000 (CIP #C800980).**

Request document(s) included an [agenda memorandum](#) and [presentation slides](#).

- 6e. Authorization for the Executive Director to execute an amendment to the interlocal agreement with the Northwest Seaport Alliance (NWSA) for the support service agreements between the Port of Seattle and the NWSA to clarify that each party has authority to obtain services from outside sources.**

Request document(s) included an [agenda memorandum](#) and [agreement amendment](#).

As noted above, agenda item 6f was temporarily postponed.

The motion for approval of consent items 6a, 6b, 6d, and 6e carried by the following vote:

In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)

7. SPECIAL ORDERS OF BUSINESS

7a. Authorization for the Executive Director to execute Economic Development Partnership Program contracts with the City of Enumclaw to implement local economic development initiatives for a total amount not to exceed \$11,410.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), and 2016 [report](#). A brochure from the City of Kenmore was provided at the meeting and is attached as minutes [Exhibit C](#). A promotional packet from the City of Federal Way was provided at the meeting and is attached as minutes [Exhibit D](#).

Presenter(s): Dave McFadden, Managing Director, Economic Development Division; Aleksandr Yeremeyev, Economic Development Strategist, City of SeaTac; Tim Dutter, Economic Development Manager, City of Issaquah; Nancy Ousley, Assistant City Manager, City of Kenmore; and Tim Johnson, Economic Development Director, City of Federal Way.

A tourism grant was awarded to the City of Enumclaw earlier in 2018. At that time, they were unaware of the Economic Partnership Program. This authorization will allow Enumclaw to fund downtown revitalization through a series of promotional programs.

Representatives from the cities of SeaTac, Issaquah, Kenmore, and Federal Way provided updates on their Economic Development Partnership Program-funded projects.

In response to commission inquiries about the levels of participation, funding, and allocation criteria, Mr. McFadden replied that approximately \$900,000 a year is awarded, with individual cities receiving \$5,000-\$65,000 depending on population. There are approximately ten King County cities that do not participate in the program because they are largely residential communities without commercial development aspirations. Grants are not currently prioritized based on economic need. Rather, cities are encouraged to set their own priorities and goals based on where they see opportunities for growth. An evaluation of the program's impact was suggested.

The motion for approval of agenda item 7a carried by the following vote:

In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)

ITEMS REMOVED FROM CONSENT

6c. Motion 2018-09: A motion of the Port of Seattle Commission re-appointing Dr. J. Patrick Dobel to serve a three-year term as a member on the Commission Board of Ethics effective immediately and ending June 3, 2021.

Request document(s) included a draft motion and copy of [Resolution No. 3681](#). The adopted version of [Motion 2018-09](#) is attached.

Presenter(s): Mike Merritt, Commission Chief of Staff.

The Ethics Board was established by the Commission Code of Ethics to ensure compliance with the Code of Ethics, and it meets on an as-needed basis if issues arise. The board has three

members; Gerry Alexander, Anita Ramasastry, and Dr. Dobel. Biographies for each board member were shared with the commission and are attached as minutes [Exhibit E](#).

The motion for adoption of Motion 2018-09 (agenda item 6c) carried by the following vote:

In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)

6f. Authorization for the Executive Director to: (1) execute a Fourth Amendment to the Administrative Order on Consent with the U.S. Environmental Protection Agency for the Lower Duwamish Waterway Superfund Site; and (2) execute a Sixth Amendment to the Lower Duwamish Waterway Group Memorandum of Agreement to contract for and perform cleanup design of the upper third of the waterway. The estimated cost is approximately \$15,000,000, split equally between the four parties.

Request document(s) included an [agenda memorandum](#), [presentation slides](#), [administrative order amendment](#), and [memorandum of agreement amendment](#).

Presenter(s): Kathy Bahnick, Senior Manager, Remediation Programs, and Joanna Florer, Senior Environmental Program Manager.

Collaboration with Boeing, the City of Seattle, and King County to clean up this site has been underway since 2000. The EPA has issued a determination for cleanup methods based on a feasibility study conducted to determine the locations of contaminated areas, and methods for performing cleanup. Other work performed has included a fishing study to facilitate post clean-up outreach, a carbon amendment pilot study, baseline sampling, and early action cleanup areas.

This order will cover design for cleanup of approximately two miles of the waterway, continued monitoring of fish tissue and water concentrations, and continued funding of seafood consumption advisory efforts.

Commissioners expressed pride in the project. They observed that the pollutants were not created by port activity, and that environmental cleanup activity provides employment opportunities. In response to inquiries about sewer outfalls, Ms. Bahnick noted that King County has moved some Lower Duwamish sewer outfall activity, and is also investigating new treatment facilities. In response to an inquiry about the impact polychlorinated biphenyls (PCBs) have on the Duwamish environment, Ms. Florer stated that PCBs are the dominant contaminant.

The motion for approval of agenda item 6f carried by the following vote:

In favor: Bowman, Calkins, Felleman, Gregoire, Steinbrueck (5)

8. AUTHORIZATIONS AND FINAL ACTIONS – None.

9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS

9d. Diversity in Contracting Program.

Presentation document(s) included an [agenda memorandum](#) and [presentation slides](#).

Presenter(s): Teresa Delicino, Director, Small Business Development Department; Nora Huey, Director, Central Procurement Office; and Dave McFadden, Managing Director, Economic Development.

An update was provided regarding the work accomplished on the Diversity in Contracting program since its implementation in January. The key elements of the program have been defined, including executive level accountability, an organization and governance structure, a divisional goals approach, and contracting mechanisms.

Key milestones through the end of 2018 include developing tools for departmental goals, and a pilot program. In 2019, divisions will submit annual plans, 2018 programs will be evaluated, and Internal Audit will perform a program review. This program will be incorporated into the Long Range Plan and performance goals across the port.

The annual planning cycle was described. It will align with the annual budget cycle. Each department will define and track their aspirational goals, identify engagement strategies, and report back to the commission as part of the Port's annual Diversity in Contracting plan.

Outreach and inclusion efforts performed so far include the creation of a vendor database, participation in Small Business Week, engagement with external suppliers, and print and social media engagement. These efforts are already showing strong results; WMBE (women- and minority-owned business enterprise) use has increased from 118 firms in 2016 to 200 firms in 2017. Other engagement, such as educational program attendance, has also increased.

Small dollar value contracts are the best opportunity to directly influence use of WMBE firms; training will be provided to Port staff to encourage using WMBE firms for Purchase Card and direct-buy purchases. Consulting service proposers will be required to submit an inclusion and management plan as part of their proposal. The inclusion plan will be used as part of the evaluation process and will be built in to the contract. For low bid construction, it is required that the contract be awarded to the lowest-price bidder submitting a responsible bid, but an inclusion plan will also be mandatory and evaluated as part of the responsibility review. Eight 2018 procurements have been targeted to pilot this program.

Commissioners noted that other jurisdictions implementing similar programs have provided some lessons learned for the port's program, but do not have as many high dollar-value contracts as the port, especially in construction contracts. They encouraged a robust outreach strategy for prime and sub-contractors, as well as diligent tracking in order to have an accurate measurement of progress.

9a. South Satellite Infrastructure Upgrades (CIP #C800798).

Presentation document(s) included an [agenda memorandum](#) and [presentation slides](#).

Presenter(s): Michelle Brantley, Aviation Capital Development Manager, Capital Development Program Management, and John Freeman, Capital Project Manager, Aviation Project Management Group.

A phased upgrade approach has been recommended as the most practical for this high-use facility in order to provide necessary functionality and passenger comfort preceding a full renovation in 10 to 15 years. The South Satellite Interim Improvements project will examine the building component by component to determine what projects should be undertaken prior to a full renovation. Staff will evaluate projects based on passenger experience, potential to generate non-aeronautical revenue, and necessity for maintaining critical infrastructure, and return for authorization of interim projects once analysis has been completed.

The current heating, ventilation, and air conditioning (HVAC) system is underperforming and must be replaced as soon as possible to maintain passenger comfort. This project was previously approved with a narrow scope because full renovation was expected to happen relatively soon. Under the original scope, only one bid was received, and it was significantly higher than the engineer's estimate. Additional scope has been identified in order to better address the needs of the facility and attract a greater number of potential bidders. The expanded scope includes replacement of the ceiling, lighting, sprinkler system, signage, and hazardous material abatement in areas where the work will be performed, in addition to replacing the air handler and HVAC system.

Commissioners expressed concerns about the new HVAC system being replaced during the full renovation and the relatively short lifespan expected for the work that will be performed under this authorization, as well as broader concerns about balancing project planning and the investment program more effectively. Commissioner Gregoire asked about expiration of authorizations when solicitations are cancelled.

9b. Main Terminal Low Voltage System Upgrade (CIP #C800061).

Presentation document(s) included an [agenda memorandum](#), [presentation slides](#), and work area [map](#); video presented is available upon request.

Presenter(s): Wray Smith, Capital Project Manager, Aviation Management Group, and Denise Dennis, Senior Engineer, Aviation Facilities and Infrastructure.

Low voltage electricity is used in many areas throughout the terminal. Much of the current system is at the end of its lifespan. This project will bring the system into compliance with current codes, ensure worker safety, and increase the reliability of power delivery. Construction of electrical rooms will make future projects easier. The new panels will include metering that will allow for monitoring of power use for tenant operations and port systems.

Commissioners inquired further about the cost estimate; staff provided a further breakdown of design and construction costs compared to the estimate provided in 2014 for a narrower scope. In response to commissioner questions, staff indicated that this project will have a project labor agreement and will include opportunities for WMBE contractors. Federal funding is likely not available, but staff will confirm.

9c. Baggage Optimization Project Update (CIP #C800612).

Presentation document(s) included an [agenda memorandum](#) and [presentation slides](#).

Presenter(s): Greg Carey, Capital Program Leader, Aviation Project Management Group, and Ed Weitz, Capital Project Manager, Aviation Project Management Group.

A summary of the project overview, schedules, and financials was provided. The contractor is currently falling behind on submittals and fabrication, but is maintaining two work shifts and has begun installation of conveyors. The project is currently on budget, with a spend to-date of \$46.5 million. The project is tracking with current small business goals. Project completion is still currently projected for 2025, but some schedules have been compressed by the contractor. Staff wants to make sure quality is not sacrificed to schedule.

Commissioners asked about the efficient implementation and lifespan of the new system. The Transportation Security Administration is trained and ready to use the new system as soon as it is ready. This system is designed to support the current Sustainable Airport Master Plan through 2030; however, the new North Terminal will have its own baggage system. It may be possible to add more screening machines, and screening machine capacity is expected to increase.

10. QUESTIONS on REFERRAL to COMMITTEE – None.

11. ADJOURNMENT

There was no further business, and the meeting adjourned at 4:12 p.m.

Prepared:

Attest:

Amy Dressler, Deputy Commission Clerk

Ryan Calkins, Commission Secretary

Minutes approved: September 11, 2018.