



P.O. Box 1209  
Seattle, Washington 98111  
[www.portseattle.org](http://www.portseattle.org)  
206.787.3000

**PROPOSED MINUTES  
COMMISSION REGULAR MEETING SEPTEMBER 11, 2018**

The Port of Seattle Commission met in a regular meeting Tuesday, September 11, 2018, in commission chambers at Port of Seattle offices, 2711 Alaskan Way, Seattle, Washington. Commissioners Bowman, Calkins, Felleman, Gregoire, and Steinbrueck were present. Commissioner Steinbrueck was present until 4:15 p.m. Commissioner Felleman was present until 4:10 p.m.

**1. CALL to ORDER**

Pursuant to Article IV, Section 8, of the commission bylaws, the meeting convened at 11:00 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(s) related to national security and one matter(s) related to litigation and legal risk. 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 60 minutes, the public meeting reconvened at 12:15 p.m. Commissioner Gregoire led the flag salute.

**3. APPROVAL of the AGENDA**

Without objection, the preliminary agenda was approved without revisions.

**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):

- Alex Tsimerman, Seattle resident, regarding elections.
- Steve Edmiston, Des Moines resident, regarding airport community impacts. Mr. Edmiston submitted written materials, which are attached as minutes Exhibit A.
- J.C. Harris, Des Moines resident, regarding airport community impacts.
- David Goebel, Vashon, Washington, regarding aircraft noise monitoring on Vashon Island.

**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 special meetings of March 23, May 7 and 8, June 5, and July 10 and 24, 2018, and the regular meetings of May 22, June 12 and 26, and July 10, 2018.**

**6b. Approval of the Claims and Obligations for the period July 1, 2018, through July 31, 2018, including accounts payable check nos. 924793-925190 in the amount of \$5,879,784.89; accounts payable ACH nos. 009586-010335 in the amount of \$45,599,527.38; accounts payable wire transfer nos. 014922-014939 in the amount of \$10,309,942.91, payroll check nos. 190193-190450 in the amount of \$322,226.08; and payroll ACH nos. 866647-870906 in the amount of \$10,755,812.79 for a fund total of \$72,867,294.05.**

Request document(s) included an agenda memorandum.

**6c. Approval of the Claims and Obligations for the period August 1, 2018, through August 31, 2018, including accounts payable check nos. 925191-925722 in the amount of \$6,213,022.75; accounts payable ACH nos. 010336-011040 in the amount of \$79,941,809.44; accounts payable wire transfer nos. 014940-014960 in the amount of \$8,872,763.96, payroll check nos. 870907-875254 in the amount of \$10,668,596.75; and payroll ACH nos. 190451-190787 in the amount of \$314,013.19 for a fund total of \$106,010,206.09.**

Request document(s) included an agenda memorandum.

**6d. Authorization for the Executive Director to execute a contract for the purchase of liquid and solid pavement deicing agents for use at Seattle-Tacoma International Airport. The contract shall be structured as a one-year agreement with up to four one-year renewal options. The estimated value of this contract is \$2,200,000.**

Request document(s) included an agenda memorandum.

**6e. Motion 2018-10: A motion of the Port of Seattle Commission modifying the executive director employment agreement with Stephen Metruck to increase the amount of relocation reimbursement due to changes in federal tax law to account for taxes withheld from reimbursement payments; providing an effective date.**

Request document(s) included an agenda memorandum and employment agreement.

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

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

**7. SPECIAL ORDERS of BUSINESS**

- 7a. Commission action as follows: (1) that the commission exercise its authority under RCW 53.19.020(5) to waive the competitive solicitation process for a personal service agreement on the basis that it is not appropriate or cost-effective and (2) authorize an amendment of the existing contract with firm Ross & Baruzzini for \$275,001 for development of a federally regulated After-Action Report for the August 10, 2018, abduction of a Horizon Air aircraft at Seattle-Tacoma International Airport.**

Request document(s) included a corrected agenda memorandum.

Presenter(s): Lance Lyttle, Managing Director, Aviation; Wendy Reiter, Director, Aviation Security; and Mark Crosby, Principal Consultant, Ross & Baruzzini.

Mr. Lyttle reported that the August 10, 2018, abduction of a Horizon Air aircraft from the airport is the subject of an ongoing investigation. The need for and nature of a formal after-action report was explained, and the experience and credentials of the selected firm were summarized.

Commissioners commented on the need for specific expectations for the report, asked about the differences between expertise of an outside consultant versus in-house staff, and opined on the vulnerabilities exposed by the August incident and the importance of considering the mental health aspects of those events.

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

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

- 7b. International Arrivals Facility Program update including Guaranteed Maximum Price and independent Executive Review Panel recommendations. (CIP #C800583)**

Presentation document(s) provided at the time of the meeting included an agenda memorandum, presentation slides, and the Executive Review Panel report.

Presenter(s): Dave Soike, Chief Operating Officer; Lance Lyttle, Managing Director, Aviation; Charles Goedken, Senior Manager, Operational Readiness and Activation; Bill Calhoun, Vice Chairman and Executive Vice President Clark Construction; Steve Dell'Orto, Western Region Executive Officer Clark Construction; Carrie Byles, SOM Partner; Brian Ahern, Project Director and Vice President Clark Construction; and Executive Review Panel members Ken Johnsen, John Okamoto, Loren Smith, and Tina Millan.

Additional speakers: James M. Masoero, General Manager, Corporate Real Estate, Delta Air Lines; Diana Birkett Rakow, Vice President, External Relations, Alaska Airlines; and Steve Wareham, Associate Vice President Landrum and Brown, Airline Technical Representative for the IAF Project.

The presentation summarized the structure of the IAF capital program as a set of multiple, complex projects, recapped the benefits of the work, the methods currently available to Seattle-Tacoma

International Airport to manage peak arrival volumes, and described changes in project scope and summarized the current program budget.

Staff recommendations for continuing the IAF program included the following:

- Creation of a dashboard and progress reports for wide visibility
- Focus on detailed schedule, critical path, key dates, and risks
- Focus on work-in-place spending trend versus plan
- Focus on craft levels
- Monitor financials for balances in the program, projects, guaranteed maximum price, and allowances
- Continue partnership with the design-builder, subcontractors, and airport staff
- Proactively employ an IAF dispute resolution board
- Addition of select port and consultant staff to the IAF team

Executive Review Panel recommendations for continuing the IAF program included the following:

- Assignment of Chief Operating Officer Dave Soike as the port's executive to lead the program
- Designation of an Aviation division executive with decision-making authority to partner with Mr. Soike
- Organization of staff and contractor teams around the large IAF component projects
- Clarification of port program management authority, decision-making, and structure
- Appropriate augmentation of port staff to support an accelerated construction schedule
- Development of a work plan and accountability mechanism for implementation of recommendations
- Structure contract management to expedite project delivery and decision-making, including dedicating a full-time port delivery executive with adequate authority and appropriate alignment within the Aviation division
- Adequate staffing for major project components at the proper scale and speed
- Continued improvement of owner/contractor relationship, including promotion of a one-team mentality, continued facilitated partnership sessions, regular dispute resolution board meetings, and establishment of a formal, clear, change-management process
- Increased stakeholder engagement with partner agencies, general public, passengers, airport communities, and airline and concessions partners
- Creation of reporting vehicles for various audiences
- Establishment of a biweekly dashboard report for commissioners with key performance indicators
- Scheduling of regular commission status updates
- Port web site enhancements to compare project status compared to plan

The Executive Review Panel commented on the port's decision to use the progressive-design-build project delivery methodology and on considerations for future use of this methodology.

Airline partners commented on their experience of and positions on continued execution of the IAF program.

Commissioners asked for clarifications about the unfolding of schedule delays and cost increases within the program and expressed concerns over visibility into cumulative schedule delays. They indicated appreciation of the IAF as a program of multiple, complex projects and stressed the importance of maintaining continuity with the rest of the airport and cultivation of strong, collaborative relationships with the design-builder, subcontractors, airlines, passengers, and other key stakeholders.

Commissioners noted that development in response to the Sustainable Airport Master Plan will provide more opportunities to benefit from the lessons learned executing the IAF program. They commented on the value of the Executive Review Panel not only to present lessons learned but to help chart a path forward for future success in airport capital development. Commissioners made several observations about potential IAF dashboard features. There was discussion of the operational readiness and airport transfer (ORAT) process by which the operational functionality of the new IAF will be ensured prior to its opening to the public.

Commission action on the IAF guaranteed maximum price is expected on September 25.

**8. AUTHORIZATIONS and FINAL ACTIONS**

- 8a. Authorization for the Executive Director to commit previously approved Environment and Sustainability Center of Expertise funds to analyze and evaluate the ecological performance of the Smith Cove Blue Carbon Pilot Project, in an amount not to exceed \$200,000.**

Request document(s) included an agenda memorandum, presentation slides, and a promotional flyer.

Presenter(s): Jon Sloan, Senior Environmental Program Manager.

The potential benefits of enhancing habitat for oysters, eelgrass, and kelp in Elliott Bay were described, including carbon sequestration, reduction of Puget Sound water acidity, and fish and wildlife habitat improvement. Monitoring of outcomes was discussed.

**The motion for approval of agenda item 8a carried by the following vote:**

**In favor: Bowman, Calkins, Felleman, Gregoire (4)**

**Absent for the vote: Steinbrueck**

*Commissioner Steinbrueck was present until 4:05 p.m.*

**9. PRESENTATIONS, REPORTS, and STAFF BRIEFINGS**

*Agenda item 9a was removed from the agenda prior to publication.*

- 9b. Q2 2018 Financial Performance Briefing.**

Presentation document(s) included an agenda memorandum, presentation slides, and report.

**PORT COMMISSION MEETING MINUTES  
TUESDAY, SEPTEMBER 11, 2018**

Presenter(s): Michael Tong, Assistant Finance Director – Budget; Borgan Anderson, Director, Aviation Finance & Budget; and Kelly Zupan, Director, Maritime Finance and Budget.

*Commissioner Felleman was present until 4:10 p.m.*

Commissioners received an overview of the second quarter port financial performance report, which is detailed in the presentation materials. Commissioners asked about distributions to the Northwest Seaport Alliance and debt service numbers.

**10. QUESTIONS on REFERRAL to COMMITTEE** – None.

**11. ADJOURNMENT**

There was no further business, and the meeting adjourned at 4:15 p.m.

Prepared:

Attest:

\_\_\_\_\_  
Amy Dressler, Deputy Commission Clerk

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Ryan Calkins, Commission Secretary

Minutes approved: October 9, 2018, and subsequently amended November 27, 2018.