

February 7, 2017



Marine Terminal Advisory Committee

POA SMP

Meeting called by: Josh Beaner, Operations Director **Type of meeting:** Bi-Annual

Facilitator: Josh Beaner, Operations Director **Minutes:** Sue Findlay - POA

Present:

J.B. Smith – at large member, Tyler Ashbach – ILWU Local 25, John Frilotte – at large member; Johnny Decker – ILWU Local 25; Pat Murphy – Chemtrade; Dan Jankelson – Transpac; Sean Clancy – Metro Stevedores; Anthony Young – at large member.

Attendees: Also attending from the Port: Commissioner Verdoes; Commissioner Pope; Commissioner Rubin; Dan Worra, POA Executive Director; Josh Beaner, Operations Director; Sue Findlay, Operations Assistant; Brenda Treadwell, Director of Planning, Properties and Environmental.

Absent: Dan Crookes, and Renee Westland

Call to Order Josh Beaner called the meeting to order at 5:00 p.m.

Review Agenda Introductions and review of agenda.

Minutes

Agenda Item: Nomination and Election of Chair

Presenter: Josh Beaner

Discussion: Anthony Young volunteered to act as Chairman via an e-mail received by the Port on January 24. After a brief wait for a quorum, nomination was made by Tyler Ashbach for Anthony Young to be Chairman of Marine Terminal Advisory Committee. This was seconded by Commissioner Pope. Voting was affirmative with no dissention.

Agenda Item: Sulfur and Pet Coke Load Out**Presenter: Josh Beaner**

Discussion: Josh advised 2016 was a record year for the Port with just over 368K MT of pet coke loaded out, and just over 72K MT of sulfur loaded out. Sulfur was down a bit this year. Question was posed as to why sulfur was down. Pat Murphy from Chemtrade answered this as it is due to location of demand. Chemtrade processes about half of BP at Cherry Point output with the rest going elsewhere—predominantly to Idaho by rail for fertilizer. There really is no chance to secure any more of their production as BP strictly controls their distribution—they offer no contracts and have their own marketing department. Chemtrade processes 100% of Shell production, and smaller amounts from Chevron and Conoco Phillips. For Tesoro, most of their production goes to the other plant.

Bulk load projections for 2017 were 240K MT of pet coke and 70K MT of sulfur. Basis of pet coke reduction is due to turnaround at Shell plant planned for 2017. Efforts to confirm production from Shell were not successful and 2017 projection was made on what was known at the time. Shell later indicated production should be around 300K MT of pet coke.

It appears that Kiewit may go to Bellingham next year for the rock job loadout. This is in spite of our overtures (at present not responded to), and the great help the local ILWU gave us in 2016 with the rock job. Bellingham has just finished dredging to 45 feet; and they have plenty of laydown space. Dan feels this is a test in the water for Bellingham, and he would not be surprised to see Kiewit back here in 2018 after the experience of driving through downtown Bellingham. Josh advised that the boulders for this next loadout are 40 ton each, and Curtis Wharf is not viable for such a heavy load. Pier 2 bookings for sulfur and pet coke reduce the availability of this location.

Discussion ensued around Kiewit job, and input received from neighbors regarding noise levels. JB Smith commented good on Tyler Ashbach as he came into the neighborhood and worked with the neighbors.

We will continue to see some heavy lifts through the year for both Shell and Tesoro.

Agenda Item: Fastlane Grant**Presenter: Dan Worra**

Discussion: Dan provided an overview of a Fastlane Grant that was applied for in December 2016. The goal of the funding is to get trucks off the road. While we do not have rail in Anacortes to get trucks off the road, we can reduce the number of miles the trucks are on the road. It is anticipated with this grant funding, we could reduce approximately 32,000 truck miles per year.

The grant has five combined elements for a combined total of \$11 million of which 60% would be grant funding. In our view, the most important element is dredging at Pier 2. We are presently at 37'6" in depth which is not deep enough to take a Panamax type vessel. We would like to dredge to 45'. We do not expect to see any big influx of large vessels; rather this is insurance for down the road to stay competitive and bring jobs to our area. This will also give us flexibility and help with economics as larger vessels allow product(s) to ship cheaper. The other four elements of this grant are: Move mooring dolphins; bulkhead wall repairs; new mobile ship loader that has more flexibility; and relocate the big tent which will free-up more upland space.

Grants will be announced in April. Our grant was submitted in the second round of four rounds. If we do not receive funding in this round, we can reapply again in the next two rounds. Feedback in the grant submission will be given as to where we were deficient which will help greatly in subsequent submissions.

Agenda Item: Project Planning Updates: Environmental Cleanup

Presenter: Brenda Treadwell

Discussion: Brenda gave credit to Jenkins Dossen and Becky Darden as the project managers for the clean-up sites. We presently have three clean-up sites assigned to the project managers: Log Yard (east of Pier 2); DCI Uplands which is within the DCI leasehold area; and Quiet Cove. All of these projects are in the technical information gathering phase. Brenda advised that Quiet Cove has the best chance for clean-up funding. State funding is in short supply, and it is important to try and line-up our request to what funding is available. Quiet Cove is #2 on the unfunded list and is therefore prioritized very high. We also have a very willing partner in Chevron who had the storage tanks located on this site.

Dan advised he was recently in Olympia for "Port Day" and he spoke with Senators to garner support for this funding. He could envision a business park or deep water port at Curtis Wharf as it is intended to be. It would take very little effort to get 40-jobs located at this site.

Question was posed as to how long would it be before clean-up could be underway. Brenda advised the timeline for Quiet Cove construction could begin in 2018 on the uplands.

Dan indicated our relationship with the Department of Ecology is very good. We have had \$60M in clean-up funded in the last 10-years. For a Port of this size, that is amazing. We have proven that we are a good steward with public money.

Handouts were provided to takeaway for review. Please let Brenda know if you have any questions.

Open Discussion: John Firlotte advised he has been on the committee for 3 to 4 years, and he still doesn't understand what this committee is about. He is here to support what we do; however, he doesn't know what he should do.

JB Smith advised he is on the committee to know what is going on at the Port and to communicate this—he is a conduit to the neighborhood. In the past, the relationship between the Port and the neighborhood was not very good; now there are very few issues. There are so few issues that the committee last year decided the committee only needed to meet once a year.

Dan advised if/when you receive questions that need answering, refer them to the Port: Himself, Josh, Sue, Brenda; we can be the resource.

Jon Firlotte advised in his past career, he is not used to saying "I don't know". That part is difficult for him. He needs to realize he is not the person responsible for the answer.

Anthony Young spoke regarding the meeting frequency. While he understands scheduling the meeting for only once a year, he feels that is too long between meetings as it is too hard to keep up-to-date on what is going on at the Port. This is more than a representative group and needs more involvement, a panoramic lens.

Dan suggested having a summer meeting with a walking tour of different areas of the Marine Terminal. Commissioner Pope suggested possibly a walking tour of a pet coke loadout.

Pat Murphy indicated anyone who would like a tour of his plant, to please contact him. He is more than happy to do so.

Other Information

Next Meeting: It was agreed that several proposed dates for a summer meeting would be provided at a later date via e-mail.

ADJOURN – The MTAC meeting adjourned at 6 p.m.