




# BOARD OF COMMISSIONERS MEETING

October 22, 2013

 Port of Vancouver USA

THE PORT OF / *Possibility*

# COMMUNICATING WITH THE COMMISSION

- Share your thoughts during Open Forum, the public comment period that is part of all regularly scheduled commission meetings.
- Email the commissioners at [povcommissioners@portvanusa.com](mailto:povcommissioners@portvanusa.com).
- Speak to the commissioners by telephone by calling the port office at 360-693-3611 for specific contact information.
- Mail your comments to:  
POV Board of Commissioners  
3103 N.W. Lower River Road, Vancouver, WA 98660

For more information, visit the port's website, [www.portvanusa.com](http://www.portvanusa.com)

# OPEN FORUM: **FIVE MINUTE LIMIT**

# ACTION ITEM E-1

Approve the Ground Lease Agreement Between the Port of Vancouver USA and Tesoro Savage Petroleum Terminal LLC.

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## WHY A NEW VOTE?

- We take our mission and our responsibilities to the public seriously.
- We are committed to a transparent public process in all of our actions.
- We are confident that our use of executive session on July 22 was appropriate.
- No decision on the lease was made during the July 22 executive session.
- Commissioners made their decision in public the next day.
- However, concerns have been raised about procedures used during the July 22 meetings.
- Fortunately, there is a relatively simple way to address these concerns – a new vote.

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## ENSURING COMPLIANCE

Implemented “Executive Session Reference Guide”

- RCW citation for executive session topics
- Ending time for executive session
- In use at the August 13 BOC meeting

Contacted Washington State Auditors Office

- Discussed procedural concerns
- Discussed response

Determined Response

- Moving forward under the assumption that the earlier vote was not effective
- Not making any legal conclusions
- New vote on October 22

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## TIMELINE

- The port has handled bulk liquid petroleum products for decades.
- There have been numerous parties interested in adding crude oil to the port's cargo list over the past several years.
- As the market matures, interest increases in early 2012.
- The port solicits statements of interest from potential operators in November 2012.
- The port selects TSJV to negotiate terms in February 2013.
- TSJV announces its intent to build a crude oil handling facility at the port in April 2013.
- The port holds a series of five workshops on the handling of crude oil and the TSJV lease, all which included opportunities for public comment, in May, June and July 2013.
- The BOC votes to approve a lease with TSJV at their regularly scheduled meeting on July 23, 2013, which included the opportunity for public comment.

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## COMMISSION WORKSHOPS

May 14, 2013 – Marine Safety and Oil Spill Response

- MFSA & Clean Rivers Cooperative

June 11, 2013 – Rail Safety and Oil Spill Response

- BNSF and FRA representatives

June 27, 2013- EFSEC Process

- Jim Luce, chair, EFSEC

June 27, 2013 - Tesoro Savage Petroleum Terminal Project Overview

- TSJV representatives

July 22, 2013 - TSJV Lease Elements Overview (evening meeting)

- Port staff

*Public comment was taken at all of the commission workshops listed above.*



# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## OVERARCHING CONCERN FROM THE PUBLIC

### Safety

- River
- Rail
- Community

### Resulting actions:

- Added term to the proposed TSJV lease that requires port approval of Operations and Safety Plan prior to start of operations.
- Committed a dedicated port staff member to proactively work with TSJV, BNSF, local jurisdictions, etc. on improving emergency response and identifying proactive methods of avoiding emergencies.

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## PORT ACTIONS SINCE JULY 23

### BNSF

- Met with Matt Rose, CEO to share commitment to continuous improvement
- Proactive discussion with BNSF safety and crude oil divisions

### Tesoro

- Met with Greg Goff, CEO to share commitment to continuous improvement
- Proactive discussion with safety and project development teams

### Drills

- Participated in drills with current tenants on spill response
- Participated in emergency response training

### Communications

- Developing relationships with jurisdictions on spill avoidance and emergency response
- Held neighborhood presentations, speakers bureau presentations, port tours, commission outreach events; included articles in Fall 2013 community newsletter; provided information on port's website

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## TSJV ACTIONS SINCE JULY 23

### EFSEC

- Submitted application to EFSEC
- Scheduled public meeting for October 28
- Scheduled scoping meeting for October 29

### Public Outreach

- Held public open house on September 30
- Held meetings with neighborhood groups, neighborhood leadership, and community groups

### Permit Applications

- Federal permit submittal pending (Corps of Engineers)

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## NEXT STEPS

- New vote on lease
- If the lease is not approved, the process stops.
- If the lease is approved, permitting, and development of designs and operational plans continue.
  - Energy Facility Siting Evaluation Council process
    - Rigorous and comprehensive review process
    - Recommendation of approval or denial
  - Final decision by Washington State Governor Jay Inslee
  - Port review and approval of Operations and Safety Plan
  - Construction of facility
  - Facility begins operation

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

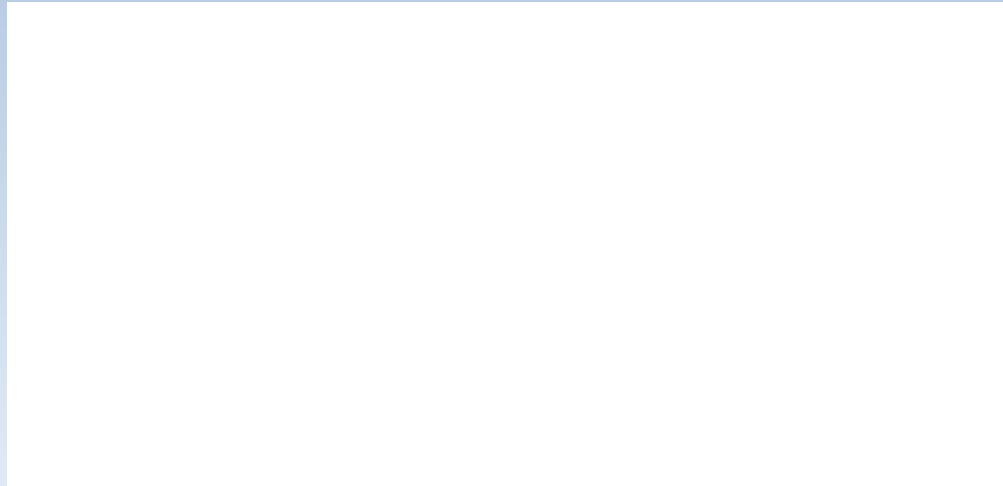
## PROJECT BENEFITS

- West Vancouver Freight Access
- Underutilized berths
- Reuse of brownfield site
- Strong 10 + year market
- \$100+ million private investment
- 80 to 120 permanent family-wage jobs; 250 construction jobs
- U.S. energy independence
- U.S. oil to U.S. refineries - Jones Act – U.S. manufactured vessels operated by U.S. crews – additional job creation
- Handling cargoes – it's our job – and we do it well.

# GROUND LEASE WITH TESORO SAVAGE PETROLEUM TERMINAL LLC

## RECOMMENDATION

- BOC approval of TSJV Lease
- Port staff continues to work with TSJV on facility development
- Port staff and TSJV continues to work with safety professionals and local jurisdictions
- Port staff and TSJV continues to work with the community to find ways to continually improve the project



# ACTION ITEM E-2

Approve 2014 Preliminary Budget



# ACTION ITEM E-3

Approval of Public Works Contract for  
Bid# 13-07: WVFA Project #15  
Schedule Two Rail Access - Demolition



## WEST VANCOUVER FREIGHT ACCESS PROJECT

# PORT OF VANCOUVER West Vancouver Freight Access Rail Construction Projects

 Port of Vancouver USA

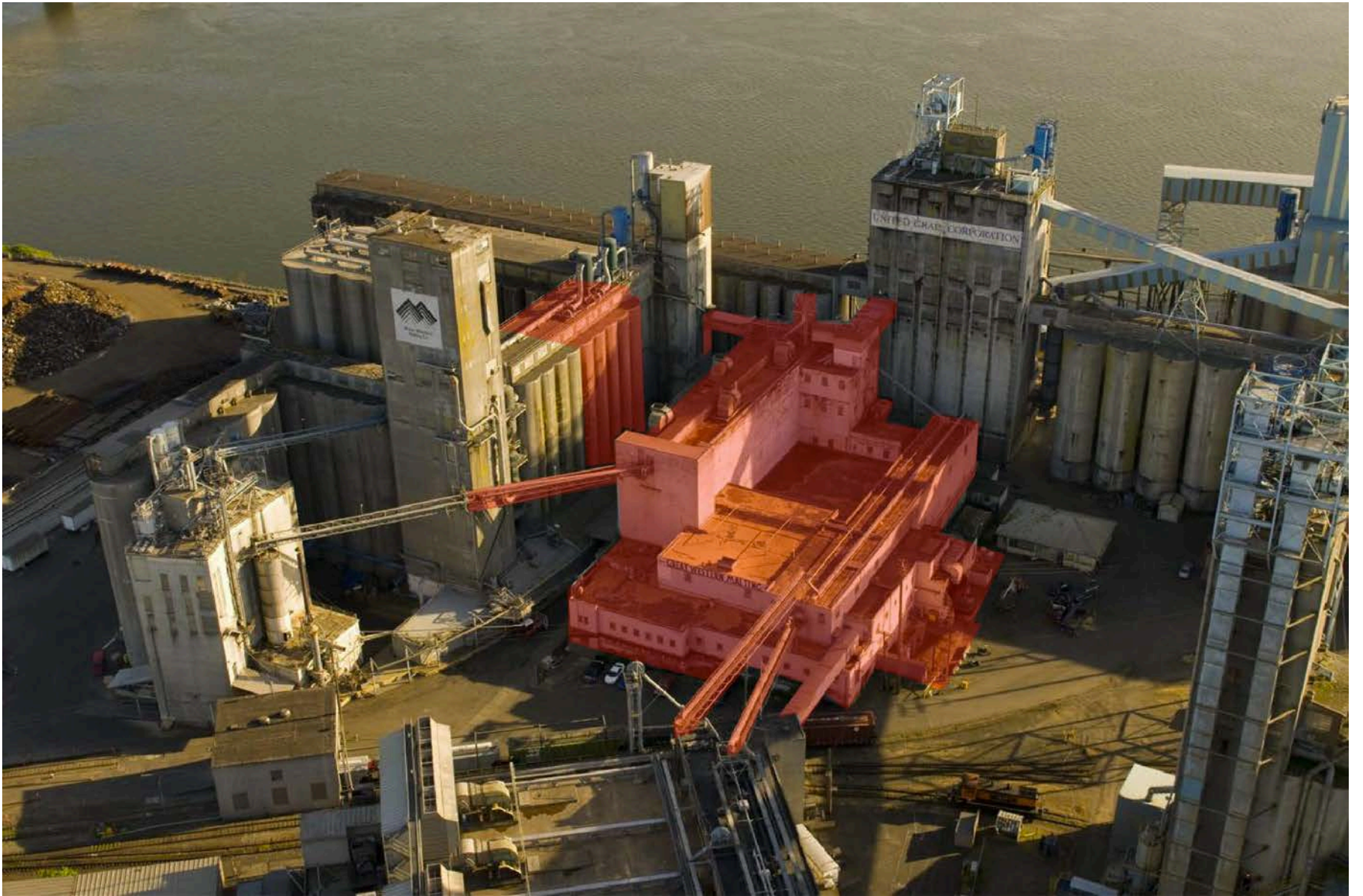


- Complete
- Future Improvements
- In Progress



The WVFA project consists of 21 separate projects as noted by numbering system above. Construction will not necessarily occur in numerical order.

Updated 10-9-13





## WVFA Project #13-15 Great Western Malting

# ACTION ITEM E-4

Approval of Public Works  
Contract for Bid# 13-12: Port of  
Vancouver Security Department  
Building Rebid

# ACTION ITEM E-5

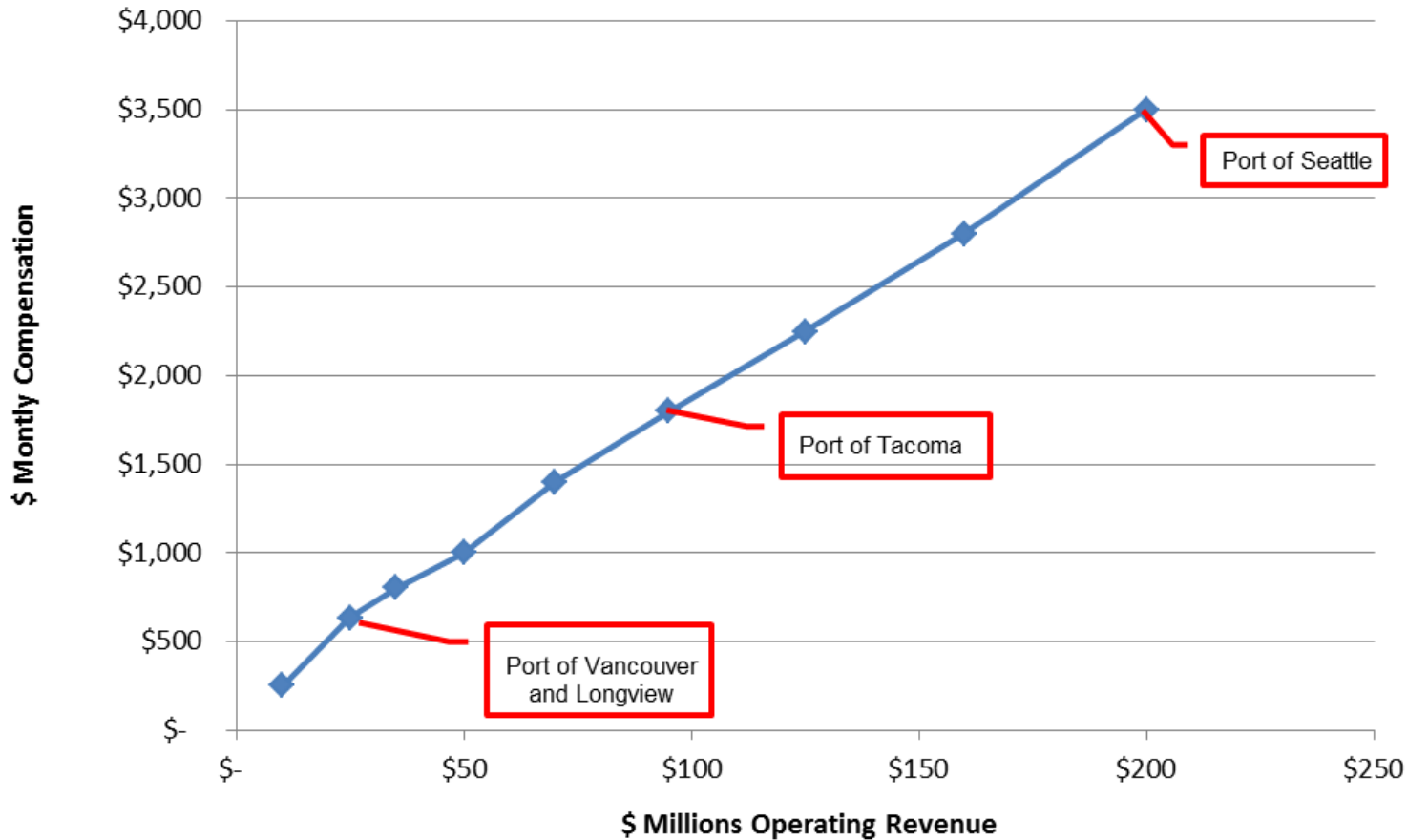
Approval of Resolution  
No. 10-2013 Commissioner  
Compensation

# COMPARATIVE WASHINGTON PORTS

Port	Operating Revenue	Monthly Commission Salary
Port of Seattle	\$535,000,000	\$3,500
Port of Tacoma	\$124,000,000	\$1,800
Port of Longview	\$33,000,000	\$635
Port of Vancouver	\$32,500,000	\$635



# Monthly Compensation Per \$ Million Operating Revenue



# PROPOSED REVENUE BANDING

Revenue Level	Monthly Commission Salary
Less than \$25 million	\$250
\$25 - \$35 million	\$635
\$35 - \$50 million	\$800
\$50 - \$70 million	\$1,000
\$70 - \$95 million	\$1,400
\$95 - \$125 million	\$1,800
\$125 - \$160 million	\$2,250
\$160 - \$200 million	\$2,800
more than \$200 million	\$3,500

# UNFINISHED BUSINESS

# NEW BUSINESS

# EXECUTIVE DIRECTOR REPORT

# COMMISSIONERS REPORTS

# STAFF REPORT

# UPCOMING EVENTS

## Next Commission Meeting

- *Regular Commission Meeting – Tuesday, Nov. 12 at 9:30 a.m.*

## Community Involvement

- *Hazel Dell First Congregational Church Men's Group – Saturday, Oct. 26 at 8:30 a.m. First Congregational Church on 68th*
- *EFSEC Public Meeting – Monday, Oct. 28 at 6:00 p.m. Gaiser Hall, Clark College*
- *EFSEC Scoping Meeting – Tuesday, Oct. 29 6:00 p.m. Gaiser Hall, Clark College*

## Tours and Events

- *Public Tour – Thursday, Oct. 24 at noon  
(contact info on next slide)*

# PORT OF VANCOUVER USA

3103 NW LOWER RIVER ROAD

VANCOUVER, WA 98660

(360) 693-3611

*[www.portvanusa.com](http://www.portvanusa.com)*