

**FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**  
**MEETING MINUTES**

**January 18, 2019**  
**Olympia, WA**

Board Members Present: Mr. Dan Gatchet, Chair; Mr. Matt Ewers; Mr. Erik Hansen; Mr. Johan Hellman; Mr. Pat Hulcey; Mr. John McCarthy; Secretary Roger Millar; Mr. Art Swannack; Mr. Ben Wick and ex officio Mr. Aaron Hunt.

Board Members Not Present: Mr. Leonard Barnes and Mr. Bob Watters.

**WELCOME**

Chair Dan Gatchet opened the meeting with welcoming comments. All Board members introduced themselves.

**MINUTES-NOVEMBER 16, 2018**

*Chair Gatchet entertained a motion to adopt the November 16, 2018 minutes. Mr. Wick so moved and Mr. Ewers seconded the motion.*

**MOTION CARRIED**

Mr. McCarthy asked if FMSIB historically reports the number of votes on a motion. Director Ziegler answered that, historically, FMSIB meeting minutes note only if the motion carried or failed. Mr. Hellman further elaborated that a member could call for division if they wanted a more specific vote than a voice vote. Mr. Swannack stated that FMSIB also records when a member abstains from voting.

**FMSIB BUDGETS (2017-19)**

Director Ziegler provided a brief overview of the Operating Budget chart, explaining the two portions of the chart. One portion shows legislative appropriation by object code and the other shows expenditure sub-objects tracked by FMSIB and OFM. With current spending, the Operating Budget indicates a surplus at the end of the biennium. Director Ziegler explained that the Personal Service Contracts are reported differently since they are paid invoices received throughout the biennium and, therefore, do not show a variance. FMSIB's 2019-21 Decision Package request for a \$50,000 succession plan increase was included in the Governor's final budget.

Director Ziegler shared two versions of the Capital Budget: the WSDOT Local Programs spreadsheet and the FMSIB Delivery Risk Assessment. The second supplemental (FY 19) of the biennium shows a drop in anticipated spending by project sponsors. Director Ziegler noted that FMSIB has been billed only \$5 million of the projected \$35 million. The City of Kent's S 228<sup>th</sup> Street Extension & Grade Separation Project is required to spend the money by June 30 or lose it since that money has not been re-appropriated. The City of Seattle's Lander Street Overcrossing is now under construction and will be billing a large portion this biennium.

Director Ziegler reviewed the forecast of expenditures chart and identified issues with project delivery. Any changes since the November 2018 report are noted in red. The forecasted expenditure is now \$26 million for project delivery this biennium. Mr. McCarthy questioned if the older projects should have an opportunity to be reevaluated and required to compete with current projects. Director Ziegler explained that once a project is in deferred status, they have to come before the Board to make their case. Director Ziegler shared that he will be closely reviewing the following two projects and their status: City of Tukwila Strander Blvd and the City of Longview SR 432/SR 411 Intersection Improvements.

Secretary Millar pointed out that the Legislature appropriates this money to be spent, and the Board may want to consider granting FMSIB money differently depending on if it is first or last dollars in. For example, those projects in which FMSIB is first dollars in, the grant could be made contingent upon receiving other funding within a specific grant cycle. Secretary Millar requested FMSIB staff present several options at the retreat for consideration by the Board on different ways to move projects forward and avoid this surplus of money. Mr. Swannack recommended Director Ziegler have a conversation with CRAB and TIB on this topic to see how it affects local governments. Chair Gatchet acknowledged how helpful Director Ziegler's Risk Assessment chart has been to the Board.

### **DIRECTOR'S REPORT**

Please see the meeting packet (posted at [www.fmsib.wa.gov](http://www.fmsib.wa.gov)) for further details on the following topics addressed in the Director's Report:

- *Potential New FMSIB Project (Connell Project)*
- *Road-Rail Conflicts Study – Phase 2 Update*

Secretary Millar expressed a concern about spending money to add projects to an already prioritized list versus using any available funding for projects that have been identified and are ready to go. Mr. McCarthy inquired about the role of the railroads. Mr. Hellman commented that this study supports there is not an off-the-shelf at-grade separation solution: the long-term solution is to leverage federal and local money then look to private sector and this prioritized list helps BNSF to compete against other states for federal money. Mr. Swannack pointed out that road-rail conflicts are just one part of FMSIB's role. Chair Gatchet thought that this would be a good topic for discussion at the FMSIB retreat in May.

- *FMSIB Member Appointments*
- *Project Status Updates*
  - o *Port of Seattle – East Marginal / Diagonal / ARGO Rail Yard*: the final phase of this multi-year project should be completed early in 2019.
  - o *Port of Kalama – Industrial Rail Additions*: awarded \$2.5 million in FMSIB's 2018 Call for Projects. FMSIB will tour this and other Port projects during the March Board meeting in Kalama.
- *FMSIB Annual Report*: printed copies available.
- *JTC Air Cargo Study*

The Board expressed concern that taking a leadership role in this study would fundamentally change what FMSIB does. Chair Gatchet stated the Board would support Director Ziegler as needed with this issue.
- *Codification Legislation*

- *FMSIB 20th Anniversary Recognition*
- *FMSIB Process Improvement Efforts*
- *Legislative and Other Briefings*
- *Meetings and Conferences*

### **LEGISLATIVE VISITS-RECAP**

FMSIB scheduled 30 legislator meetings for its 2019 Day on the Hill and had only two cancelations. Director Ziegler gave a 10-year history of FMSIB’s Day on the Hill visits, and this was one of the most successful years. The Board shared that they received a mixture of FMSIB and non-FMSIB related questions. The goal is to redirect conversation and questions back to FMSIB topics. Mr. Swannack learned in his meeting with Representative Boehnke that the freezer facility FMSIB visited in Kennewick is already over capacity and the company is planning to build a larger one, making rail access very important in their area. Several legislatures expressed a strong interest in the Connell Interchange Project. Mr. Ewers shared that in his meeting with Senator Schoesler, the senator made it clear that the Connell Interchange is an important project for his district, and he is now looking to short-lines and possibly the shippers to contribute money. Mr. Wick noted that he received many questions about autonomous vehicles. Mr. Hulcey shared that every legislator he spoke with supported codification. Mr. Ewers expressed how important it is for FMSIB to continue to have these meetings with the legislators and to educate them about our Board. Mr. Hellman agreed that is a great educational opportunity with all the new members. Chair Gatchet found it helpful for the meeting packets to include which FMSIB projects were in each of the member’s districts.

### **BOARD MEMBER REPORTS**

Mr. McCarthy shared that there is new agreement with WWL, a new auto processing facility in Tacoma, which is about a \$30 million investment scheduled to start next year. The Port met with Representative Charleton to put together a Northwest Seaport Alliance port competitiveness coalition to address how Washington can be more trade competitive on the west coast, Canada being our key competitor. Chair Gatchet mentioned that the recent Supreme Court ruling in favor of independent contract truck drivers being treated as employees will open the doors for Teamsters and will change the cost structure. Mr. Ewers thinks this is the beginning of the end for independent contract truck drivers. Mr. Ewers also pointed out that platooning is something the trucking industry will see in the future. Secretary Millar agreed and shared that WSDOT has been involved in discussions for two-truck platooning. The fuel efficiency is a significant savings. Mr. Swannack mentioned the truck-parking app available in the mid-west that notifies truckers of real-time parking availability.

### **20<sup>TH</sup> ANNIVERSARY TVW VIDEO**

FMSIB received financial sponsorship pledges from three statewide associations and three private sector agencies for this video. The video is being aired during the “Washington Road Trip” segment on TVW. To date, FMSIB has received \$17,500 in contributions. TVW will not require FMSIB to pay any remaining portion of the \$25,000 published fee, but it may result in a shorter runtime. The Board can choose to pay the balance, which is estimated to be \$2,500 to \$5,000. Chair Gatchet suggested the Board revisit this issue at the March meeting and determine at that time if FMSIB should fill any gap.

### **CODIFICATION LEGISLATION STATUS**

Chair Gatchet shared that most of the legislators he spoke with were in favor of codification. Director Ziegler noted that codification is good for our agency, CRAB, and TIB, but even better for our constituents. The prime sponsor this year is Senator Takko and several republicans are in support. It is not clear if Senator Hobbs is in support or if he will give it a hearing. The House Chair will give it a hearing and has assigned the bill to Representative Mead. Mr. Swannack asked Director Ziegler to give a brief summary of the benefits of codification. Director Ziegler stated that the Connecting Washington Program is a 16-year financial plan and is not statutory. The disbursement of those accounts are not codified and could change at any time. If the money is codified, it can still change but would require a public hearing. Mr. Ewers inquired about why anyone would be opposed. Mr. Hansen responded that the opposition to codification is financial. If money is not codified, it is easy for the Legislature to change their priorities and to move the money. Mr. Hansen also pointed out that the Governor's budget introduced a new tax stream to transportation, which is primarily to deal with the Supreme Court ruling on culverts.

### **FMSIB ANNUAL REPORT RECAP**

Chair Gatchet stated that the 2018 Annual Report was well done and worked well to distribute during the legislative meetings.

### **REVISIT CONNELL PROJECT**

Director Ziegler shared that several legislators brought up this project during FMSIB's Day on the Hill meetings. FMSIB's Project Selection Committee did not award funding for this project during the 2018 FMSIB Call for Projects. In June, Director Ziegler was asked by the Board to contact the affected ports and determine the level of shipper commitment and to reach out to the project sponsor to explore alternative funding options. The project sponsors then requested FMSIB reconsider granting the project \$2 million instead of the original \$4 million ask. In September, the Board asked the Director to gather additional information from the ports and determine the level of shipper commitments before the Board makes a decision. This is not a question of financial ability, but if it meets FMSIB criteria. Director Ziegler shared the shipper data at the November Board meeting and that the sponsoring agency would likely shift from the city to port(s). Secretary Millar stated that the team model used for funding the local share of the Puget Sound Gateway should be used for this project. WSDOT worked with Connell but the city does not have the resources. Secretary Millar offered WSDOT to take the lead in organizing and moving forward with a process like Gateway. Mr. Hellman agreed with this approach.

### **STATE RAIL PLAN UPDATE-JASON BELOSO, WSDOT**

Mr. Beloso gave an overview of the State Rail Plan. WSDOT is more than halfway through the process and they plan to be complete by June 2019.

### **LEGISLATIVE PANEL**

Senator King and Representative Barkis spoke to the Board about the 2019 Legislative Session and challenges surrounding transportation and freight. Both legislators expressed their ongoing support for FMSIB.

**NEXT MEETING**

*Chair Dan Gatchet entertained a motion to hold the next FMSIB Board meeting on March 15, 2019 in Kalama, Washington. Mr. Hulcey so moved and Mr. McCarthy seconded the motion.*

***MOTION CARRIED***

Chair Dan Gatchet adjourned the meeting at 1:15 p.m.

***MEETING ADJOURNED***

  
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Dan Gatchet  
Chair

  
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Attest: Brian Ziegler  
Director