

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
ACTION ITEM

Item No.	<u>8A</u>
Date of Meeting	<u>June 1, 2021</u>

DATE: May 19, 2021

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Tom Bellerud, Chief Operations Officer

Project Manager: Norman Gilbert, Engineering Project Manager II

SUBJECT: Maintenance Dredging at Piers 3 & 4 and WUT

A. ACTION REQUESTED

As referenced in NWSA Resolution No. 2020-02, Exhibit A, Delegation of Authority Master Policy, Paragraph 8.c.iii., states project costs exceeding \$300,000 require approval from Managing Members.

Request project authorization in the amount \$747,900, for a total authorized amount of \$895,500, for work associated with the Maintenance Dredging at Washington United Terminals (WUT), Master Identification No. 201114.01 and request project authorization in the amount \$326,600, for a total authorized amount of \$384,000, for work associated with the Maintenance Dredging at Piers 3 & 4, Master Identification No. 201114.02 for a combined project authorization of \$1,279,500.

B. SYNOPSIS

The floor of the Blair Waterway and berthing areas at Washington United Terminals (WUT) and Piers 3 & 4 at Husky Terminal are relatively flat at an elevation of -51ft MLLW. A combination of tidal action, vessel operations and sediment deposits over time allows for sediment to accumulate in areas called "high spots". These "high spots" require periodic maintenance dredging to occur to maintain the berthing depth of -51ft MLLW. The last maintenance dredging projects occurred in late 2008 and 2011 at WUT and Piers 3 & 4, respectively. The WUT lease specifically requires landlord responsibility to maintain the -51 ft depth. The Husky lease is not specific about the depth, but the design documents in the lease exhibits specify – 51 ft and require the landlord to provide periodic sounding charts.

C. BACKGROUND

In June 2020, WUT notified the NWSA that “high spots” in the berthing area were beginning to impact their vessel operations. Port staff reviewed the most current bathymetric survey from December 2019, which showed “high spots” in both berthing areas. Staff also analyzed the survey for “high spots” at Piers 3 & 4, which also indicated “high spots” that should be addressed. NWSA staff have vendors perform bathymetric surveys of berthing areas in both harbors approximately every other year.

WUT continues to be impacted by the “high spots” and have been forced to change their operations in many ways such as needing to wait on sufficient tides for inbound and out-bound transit, restricting vessel size that can call the terminal, and modifying the discharge and loading of the vessels.

Due to the length of time needed for approval of in-water projects, Port staff initiated the permitting process in July 2020 which included permit applications and sediment sampling. Design efforts were initiated in October 2020. To date the Port has completed the State Environmental Protection Act (SEPA) review and has received the Washington Department of Fish & Wildlife’s Hydraulic Project Approval, the City of Tacoma’s Shoreline Substantial Development Permit Exemption and Critical Area Review, and the Dredged Material Management Program’s (DMMP) Suitability Determination approving for open water disposal. We are currently waiting on the Ecology Section 401 water quality certification and Coastal Zone Management Consistency Certification, National Marine Fisheries Service (NMFS) and United States Fish and Wildlife Service Endangered Species Act (ESA) Section 7 consultations, and the United States Army Corps of Engineers’ Section 10/404 permit. Given recent policy changes at NMFS it is possible that mitigation could be required as a condition of permit approval. At this point it is unclear if NMFS will push for mitigation. To address this risk and maintain project schedule, staff has included a conservative value of the cost for mitigation in this project authorization request. Once all permits are received, Port staff intends to advertise for construction bids immediately.

D. PROJECT DESCRIPTION AND DETAILS

The scope of the project is to perform a maintenance dredge to address “high spots” impacting the berthing areas of WUT and Piers 3 & 4. All material is anticipated to be disposed of at the Commencement Bay open-water dredged material disposal site.

Scope of Work

The scope of work will include:

- Advertise and award construction contract.
- Perform maintenance dredging of “high spots” at both terminals.
- Project and construction management.

Schedule

Advertise for Bid	Mid-June 2021
Open Bids	Mid-July 2021
Notice of Award	Late-July 2021
Substantial Completion	Late-August 2021
Final Completion	Mid-September 2021

E. FINANCIAL IMPLICATIONS

Project Cost Details

	This Request	Total Project Cost	Cost to Date	Remaining Cost
Design (WUT)		\$ 147,600	\$ 123,987	\$ 23,613
Construction (WUT)	\$ 747,900	\$ 747,900	\$ -	\$ 747,900
Design (P3&4)		\$ 57,400	\$ 44,320	\$ 13,080
Construction (P3&4)	\$ 326,600	\$ 326,600	\$ -	\$ 326,600
Total	\$ 1,074,500	\$ 1,279,500	\$ 168,308	\$ 1,111,192

Source of Funds

The current Capital Improvement Plan (CIP) Budget allocates \$1,280,000 for this project.

Financial Impact

Project costs will be expensed as incurred. The combined annual revenue from Husky and Washington United Terminals exceeds \$57 million.

F. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing.

Alternative 2) This request.

Alternative 2 is the recommended course.

G. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: All local, state, and federal environmental review and permits will be obtained prior to initiating dredging/construction work. See Section C above for status of permitting.

Remediation: The material to be dredged from the berths has been sampled and characterized for disposal according to the DMMP requirements. The DMMP Suitability Determination states that all dredged material from Piers 3 & 4 and WUT, when dredged during the same dredging project, is suitable for disposal at the open-water dredged material disposal site.

Stormwater: Not applicable. No upland work is associated with this project.

Air Quality: No new emissions will be generated by this project except short-term emissions from dredging/support construction equipment.

H. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
July 27, 2020	Executive Authorization – NWSA-20200721.01 Pier 3 & 4	\$32,400
September 28, 2020	Executive Authorization – NWSA-20200924.01 Pier 3 & 4	\$25,000
July 24, 2020	Executive Authorization – NWSA-2020721.02 WUT	\$147,600
TOTAL		\$205,000

J. FUTURE MAINTENANCE DREDGE PROJECTS

As part of our ongoing bathymetric survey work, staff has identified additional “high spots” at other terminals, including the Pierce County Terminal (PCT) and Terminal 18. As a result, staff has begun conversations with our tenants to discuss depth needs and priorities. In 2022, NWSA staff plans to bring forward for Managing Member authorization, a berth maintenance dredge project at Terminal 18. In addition, pending customer conversations, staff may also prioritize and bring forward the PCT “high spot” removal.



Item No: 8A
Date of Meeting: June 1, 2021

Project Authorization For Maintenance Dredging at Piers 3 & 4 and WUT

Presenter:
Norman Gilbert, PE
Engineering Project Manager II

Project Authorization

Maintenance Dredging at Piers 3 & 4 and WUT

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Background

Maintenance Dredging at Piers 3 & 4 and WUT

- The floor of the Blair Waterway and terminal berthing areas is relatively flat and at an elevation of -51 ft MLLW.
- Tidal action, vessel operations and sediment deposits over time allow for sediment to accumulate in areas called “high spots.”
- These “high spots” require periodic maintenance dredging to maintain the depth of -51 ft MLLW
 - Previous maintenance dredge at WUT occurred in 2008
 - Previous maintenance dredge at Piers 3 & 4 at Husky occurred in 2011
- Ports are responsible for their berthing areas whereas the United States Army Corps of Engineers is responsible for the Federal Channel.

Background

Maintenance Dredging at Piers 3 & 4 and WUT



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Maintenance Dredging at Piers 3 & 4 and WUT



Background

Maintenance Dredging at Piers 3 & 4 and WUT

- In June 2020, WUT notified the NWSA that “high spots” were beginning to impact their vessel operations.
- Staff reviewed the most recent December 2019 bathymetric survey confirming “high spots” at WUT. Staff also reviewed Piers 3 & 4 and identified “high spots” that should be addressed.
- WUT continues to be impacted by the need to delay inbound and outbound transit based on tides, restricting vessel size that can call the terminal and modifying the discharge and loading of vessels.
- Due to the length of time needed for approval on in-water projects, Port staff initiated permit applications in July 2020.

Project Description and Details

Maintenance Dredging at Piers 3 & 4 and WUT

- The scope of the project is to perform a maintenance dredge to address “high spots” impacting berthing areas of WUT and Piers 3 & 4 at Husky.
- All material is anticipated to be disposed of at the Commencement Bay open-water dredge material disposal site.
- The scope of work will include:
 - Advertise and award construction contract
 - Perform maintenance dredge at both terminals
 - Project and construction management

Project Schedule

Maintenance Dredging at Piers 3 & 4 and WUT

Activity	Timeframe
Advertise Bids	Mid-June 2021
Bid Opening	Mid-July 2021
Contract Award	Late-July 2021
Contract Completion	Mid-September 2021

Source of Funds

Maintenance Dredging at Piers 3 & 4 and WUT

- The estimated cost of the Construction for this project is \$1,074,500.
- The estimated budget for this project is \$1,279,500.
- The current Capital Investment Plan (CIP) allocates \$1,280,000 for this project.
- Project costs will be expensed as incurred. The combined annual revenue from Husky (Piers 3 & 4) and Washington United Terminals (WUT) exceeds \$57 million.

Financial Summary

Maintenance Dredging at Piers 3 & 4 and WUT

Item	Budget Estimate	Cost to Date	Remaining Cost
DESIGN (WUT)	\$147,600	\$123,987	\$23,613
CONSTRUCTION (WUT)	\$747,900	\$0	\$747,900
DESIGN (Piers 3 & 4)	\$57,400	\$44,320	\$13,080
CONSTRUCTION (Piers 3 & 4)	\$326,600	\$0	\$326,600
PROJECT TOTAL	\$1,279,500	\$168,308	\$1,111,192

Environmental Impacts/Review

Maintenance Dredging at Piers 3 & 4 and WUT

Permitting:

All local, state, and federal environmental review and permits will be obtained prior to initiating dredging/construction work.

Remediation:

The material to be dredged from the berths has been sampled and characterized for disposal according to the DMMP requirements. The DMMP Suitability Determination states that all dredged material from Piers 3 & 4 and WUT, when dredged during the same dredging project, is suitable for disposal at the open-water dredged material disposal site.

Environmental Impacts/Review

Maintenance Dredging at Piers 3 & 4 and WUT

Water Quality:

- Stormwater - Not applicable. No upland work is associated with this project.
- Surface Water – Project will meet Washington State Department of Ecology Section 401 Water Quality Certification.

Air Quality:

No new emissions will be generated by this project. Short-term emissions from dredging/support construction equipment.

Conclusion

Maintenance Dredging at Piers 3 & 4 and WUT

Request project authorization in the amount \$747,900, for a total authorized amount of \$895,500, for work associated with the Maintenance Dredging at Washington United Terminals (WUT), Master Identification No. 201114.01; and request project authorization in the amount \$326,600, for a total authorized amount of \$384,000, for work associated with the Maintenance Dredging at Piers 3 & 4, Master Identification No. 201114.02 for a combined project authorization of \$1,279,500.