

COMMISSION AGENDA

Item No: 5C

Meeting: 10/19/17

DATE: October 5, 2017
TO: Port Commission
FROM: John Wolfe, Chief Executive Officer
Sponsor: Jason Jordan, Director, Environmental and Planning Services
Project Manager: Rob Healy, Environmental Senior Project Manager
SUBJECT: Project Authorization for work associated with the Head of Hylebos Cleanup

A. ACTION REQUESTED

Request project authorization in the amount \$241,000 for a total authorized amount of \$595,900 for work associated with the Head of Hylebos Cleanup, Master Identification No. 092762.

B. SYNOPSIS

This Commission project authorization request complies with the requirement under the Port's current Master Policy Resolution to obtain Project Approval for the various bodies of work and other activities approved by prior Commission Actions. Previous Commission actions regarding the Head of the Hylebos Problem Area were contract authorizations approving the Professional Services Agreement with Dalton, Olmstead & Fuglevand, Inc., a joint consultant for the Port and General Metals.

This authorization allows for final completion on the construction phase for the Head of the Hylebos cleanup as required by the 2004 Consent Decree with the EPA. This work will be conducted in accordance with 2016 Cost Sharing Agreement between the Port and General Metals.

C. BACKGROUND

In 1993, the Hylebos Cleanup Committee (HCC) entered into an Administrative Order on Consent with EPA to complete pre-remedial design work to address sediments contaminated with arsenic, high molecular weight polycyclic aromatic hydrocarbons (HPAHs), and polychlorinated biphenyls (PCBs). The HCC included ASARCO, Arkema, General Metals, Kaiser Aluminum Corporation, Occidental Chemical Corporation, and the Port of Tacoma. The remedial design process led to the separation of the Hylebos Waterway into three separate administrative areas for future cleanup: (1) Mouth of Hylebos; (2) Head of Hylebos; and, (3) Occidental. The Port and Occidental are the performing parties for the Mouth of Hylebos under a 2005 Consent Decree. Arkema and General Metals formed the Head of Hylebos Cleanup Group ("HHCG") under a 2004 Consent Decree.

On May 31, 2007, the Port of Tacoma purchased the Arkema property, consisting of 77.6 acres, being the parcels commonly referred to as 2901, 2920 and 3009 Taylor Way. At this time the Port assumed all of Arkema's cleanup obligations under the purchase and sale agreement for the Arkema property.

On August 31, 2011, EPA approved a Remedial Action Construction Report documenting HHCG cleanup work which included dredging an estimated 405,000 cubic yards of sediment across approximately 42 acres of submerged lands, excavation of contaminated soil and sediment and construction of a 1.5 acre intertidal and subtidal slope cap at Arkema's shoreline, and construction of a sediment cap beneath General Metals' dock. The construction work was completed between 2003 and 2006. Costs for dredging were shared equally by Arkema and General Metals, while shoreline and under-dock work was funded by each respective party, consistent with their cost sharing agreement.

After EPA approved the Remedial Action Construction Report in 2011, the HHCG and EPA began work on the next step in the cleanup process, approval of an Operation, Maintenance & Monitoring Plan (OMMP). Sediment sampling occurred in February 2012, with results indicating that, with the exception of PCBs, all concentrations remained well below cleanup criteria. PCB concentrations, however, increased approximately four-fold, approaching pollution limits established under EPA's September 1989 Commencement Bay, Near Shore/Tide Flats Record of Decision.

At the time General Metals and Port considered conducting additional studies, evaluation and data review to identify potential PCB sources and transport mechanisms to the Head of Hylebos Waterway. However, after deliberation with EPA and Occidental it was determined that further work would be put on hold until work in Mouth of the Hylebos catches up with the Head of the Hylebos.

The Mouth and the Head of the Hylebos are now aligned in the same project phase. The Mouth's Remedial Action Construction reports were approved in December 2014, the Mouth's OMMP was approved in December 2015, and Mouth sediment sampling was completed in the summer of 2016. The Port and General Metals have reviewed the Mouth sampling results and have recommended to the EPA that additional sediment sampling be conducted in the Head of the Hylebos to get a concurrent and comparable data set. A sampling and analysis plan was submitted in June 2017 and later approved by the EPA on August 23, 2017.

D. PROJECT DETAILS

Scope of Project:

The project scope includes post Remedial Action activities associated with documenting the remedy, evaluating its performance and developing an Operational Monitoring and Maintenance plan. Actions completed include:

- EPA approval of Remedial Action Construction Completion Report in 2011.
- 2012 Sediment Sampling and forensic data evaluation related to possible sources of recontamination.

- Ongoing Consent Decree reporting requirements

Scope of Work for This Request:

- Complete surface sediment sampling in accordance with the EPA approved sediment sampling plan.
- Evaluation of 2017 sediment sampling data along with the 2016 Mouth of Hylebos sediment data with respect to remedy performance and possible contaminant sources.
- Development of an Operational Monitoring and Maintenance plan for submission to the EPA.

Schedule

Surface sediment sampling	December 1, 2017
Evaluation of sediment sampling data	1st Quarter 2018
OMMP submittal and EPA approval	Anticipated by the end of 2018
Future sediment sampling	To be determined – not included in this scope

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including past contract authorization, staff, legal and EPA oversight costs and the anticipated scope of work for this request is estimated at \$595,900.

This work will be conducted in accordance with 2016 Cost Sharing Agreement between the Port and General Metals, with consulting costs split on a 50/50 basis but paid separately.

Estimated Cost for This Request

The total estimated cost for this request is \$241,000. If the cost of this estimate is anticipated to exceed the authorized amount, additional Commission authorization will be requested.

Estimated Sales Tax

The total estimated sales tax to be paid to local and state governments for this project is \$0.

Cost Details

	This Request	Total Previous Requests*	Total Request	Total Project Cost	Cost To Date	Remaining Cost
Total	\$241,000	\$354,900	\$595,900	\$595,900	\$316,955	\$278,945

*Total previous costs include DOF's contract authorization of \$200,000 (previous Commission Authorization) as well as costs including legal, staff, and EPA oversight totaling \$154,900 (not subject to project approval under previous Master Policies). To be compliant with the current Master Policy all project costs will be included going forward.

Source of Funds

The current Capital Improvement Plan allocates \$213,000 for this project. The Capital Improvement Plan will be updated during the 2018 budget process to include this authorization.

Financial Impact

Project costs will be expensed as incurred.

F. ECONOMIC INVESTMENT/JOB CREATION

Significant historic investments through sediment remedial actions have been made to improve environmental conditions of Commencement Bay and the Hylebos Waterway by the Port and other liable parties. This work is intended to preserve those investments. No permanent jobs will be created through this effort.

G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do Nothing. Does not comply with consent decree required activities.

Alternative 2) This request. Complies with consent decree required activities.

Alternative 2 is the recommended course.

H. ENVIRONMENTAL IMPACTS/REVIEW

Permitting: Not Applicable

Remediation: This authorization will support the long-standing Hylebos Waterway remediation project.

Water Quality: This authorization supports water quality analysis per EPA mandate to determine the impacts (if any) of storm water discharges from the watershed flowing into the Hylebos. If recontamination results in sediment exceedances of remedial action levels, additional upland source controls may be necessary.

Air Quality: Not Applicable

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
August 8, 2007	Contract - Executive Authorization	\$100,000
February 7, 2012	Contract - Executive Authorization	\$50,000
September 6, 2012	Contract - Commission Authorization	\$50,000
July 21, 2016	General Metals of Tacoma, Inc., Cost Sharing Agreement	\$0
TOTAL		\$ 200,000

J. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

K. NEXT STEPS

- L. Evaluate sediment quality conditions of the Hylebos with regards to remedy performance and recontamination issues. The Commission will be updated when this information is available and potential future Port actions on this project will be identified.