



Item No.: 4A

Date of Meeting: April 19, 2018

Parcel 103 Steam Plant Property Cleanup – Scope Change



Project Authorization

Parcel 103 Steam Plant Property Cleanup



Request authorization to change project scope for the Parcel 103 Steam Plant Property Cleanup, Master Identification Nos. 101243.01 and 101243.02.

Project Location



Background Steam Plant Property Cleanup



Previous Scope:

- enrollment in Ecology's Voluntary Cleanup Program
- completion of environmental investigation and draft cleanup action plan

Revised Scope:

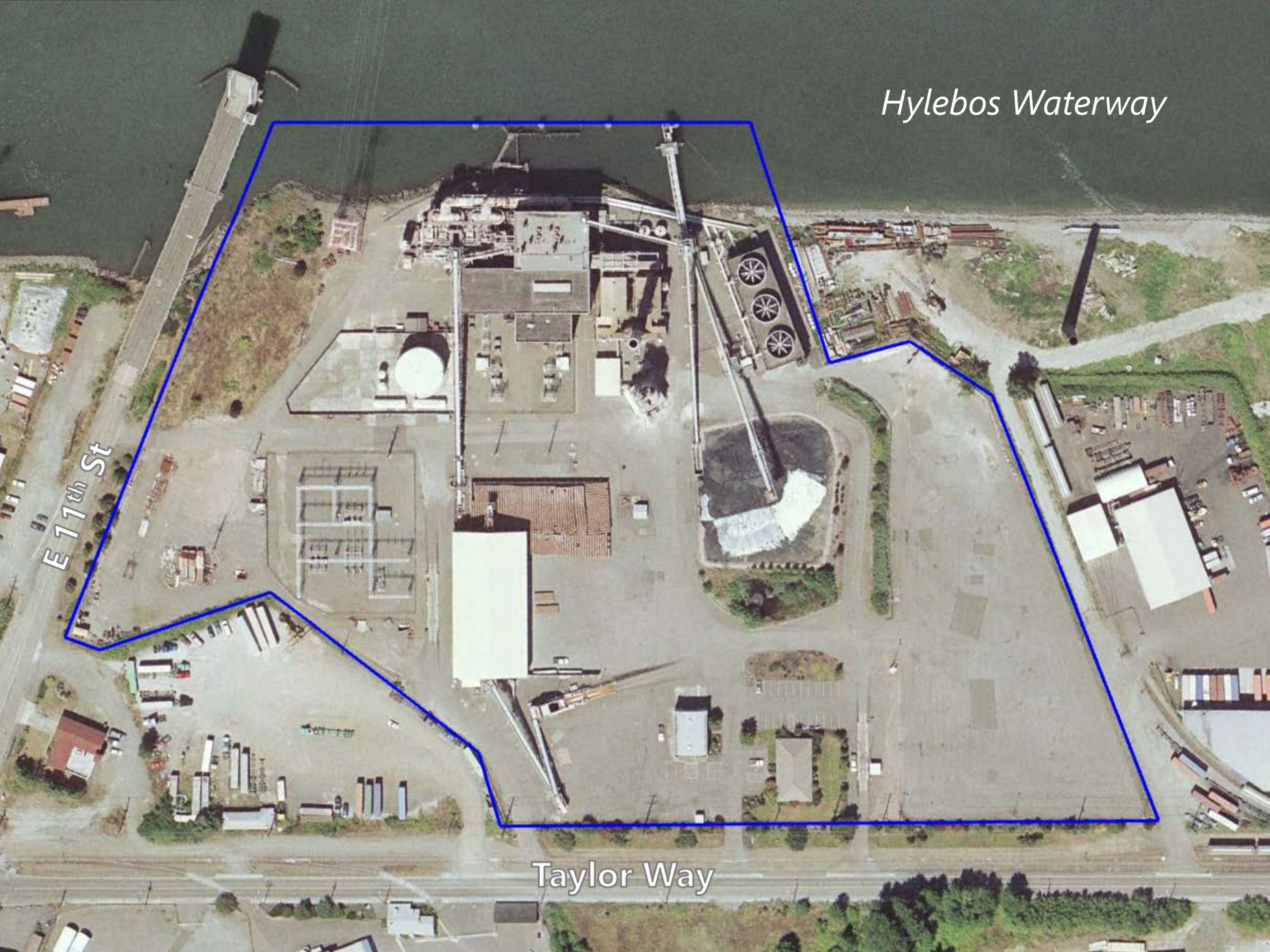
- resolve claim against Tacoma Public Utility (TPU) for costs incurred for hazardous waste disposal and environmental investigations



Hylebos Waterway

E 11th St

Taylor Way



Background – Property Purchase Steam Plant Property Cleanup



Purchase & Sale Agreement (2007)

- Included indemnification from TPU for environmental liability.

Coverage included:

- Disposal of hazardous wastes during demolition.
- Investigation/cleanup costs stemming from releases of hazardous wastes during Steam Plant operation.

Background – Site Conditions at Purchase Steam Plant Property Cleanup



Background – Port Demolition Steam Plant Property Cleanup



Commission Action – 2010 Steam Plant Property Cleanup



2010

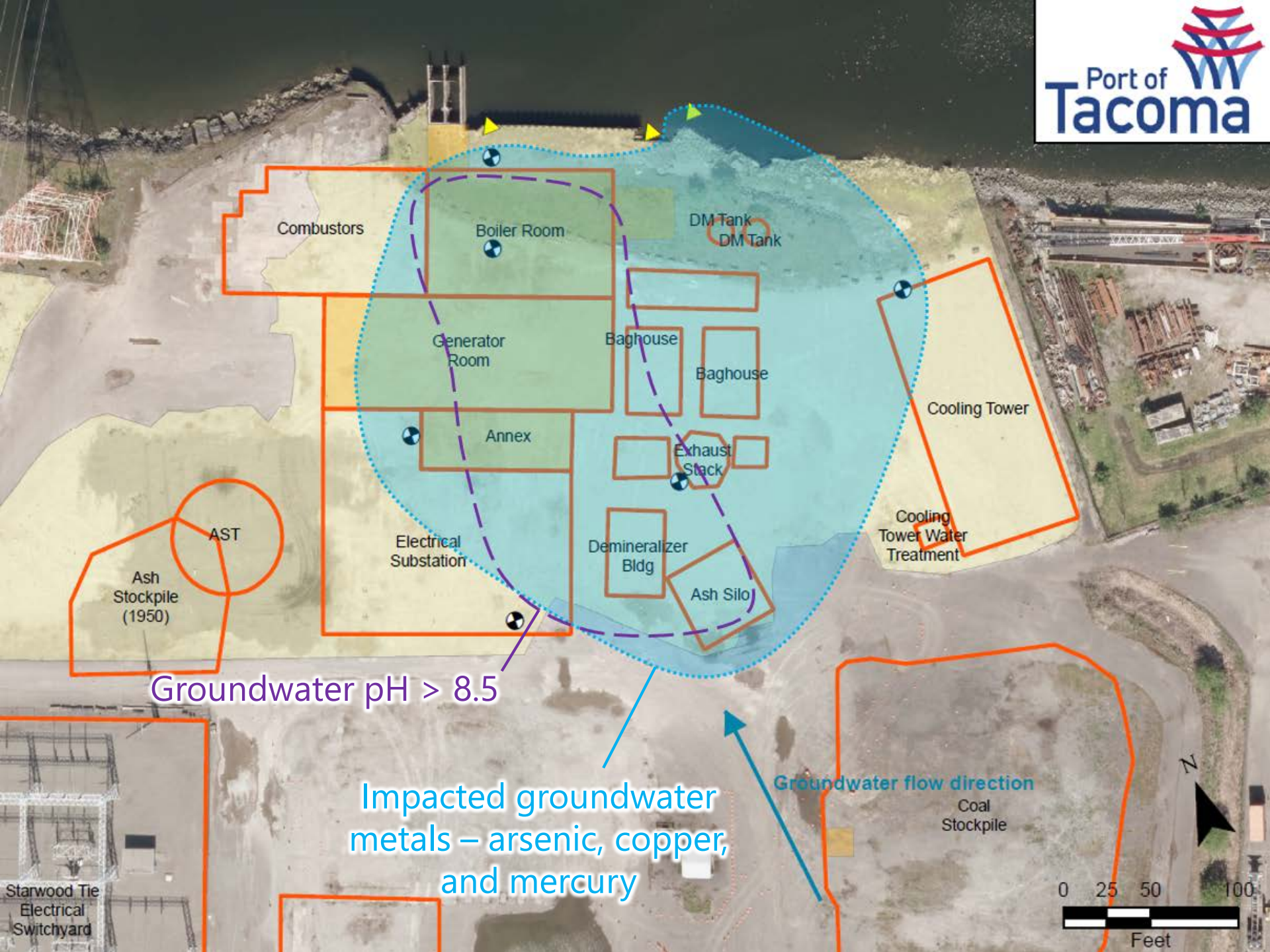
Contract authorization approved to complete environmental investigations (\$267,000).

2010 – 2012

Findings - soil and groundwater impacted by elevated pH, metals, and petroleum.

2012

Claim submitted to TPU for \$676,000. TPU countered with \$200,000 conditional on the Port agreeing to hold TPU harmless for any future claims.



Commission Action – 2015 Steam Plant Property Cleanup



2015

- Project Authorization (\$725,000)
- Scope:
 - enroll in Ecology's Voluntary Cleanup Program
 - complete investigation and draft a cleanup action plan

Change in Conditions Steam Plant Property Cleanup



- Site is too complicated for the Voluntary Cleanup Program
- No ongoing or significant threat to human health and the environment

17-acre site:

- 3 acres leased to Pacific Maritime Association for longshore training
- 11 acres leased to TOTE for their satellite trailer parking



What's Next?

Steam Plant Property Cleanup



- Submit an updated claim to TPU. The update brings reimbursable indemnity related costs to \$938K.
- Negotiate a cost-sharing agreement for future cleanup action.

Source of Funds

Steam Plant Property Cleanup



Project Authorization = \$725,000

Remaining Budget = \$141,000

Capital Investment Plan (CIP) = \$152,000

Funds are adequate to take project through mediation with TPU. If mediation is unsuccessful and the Port pursues litigation, the funds are adequate to begin litigation efforts.

Conclusion

Steam Plant Property Cleanup



Request authorization to change project scope for the Parcel 103 Steam Plant Property Cleanup, Master Identification Nos. 101243.01 and 101243.02.