

Item: 6A

Date: 10/20/26

USG Agreed Order, Engineering Design and Cost Recovery

Scott Hooton

Environmental Project Manager II

Port of Tacoma Commission Meeting

Date: October 20, 2026

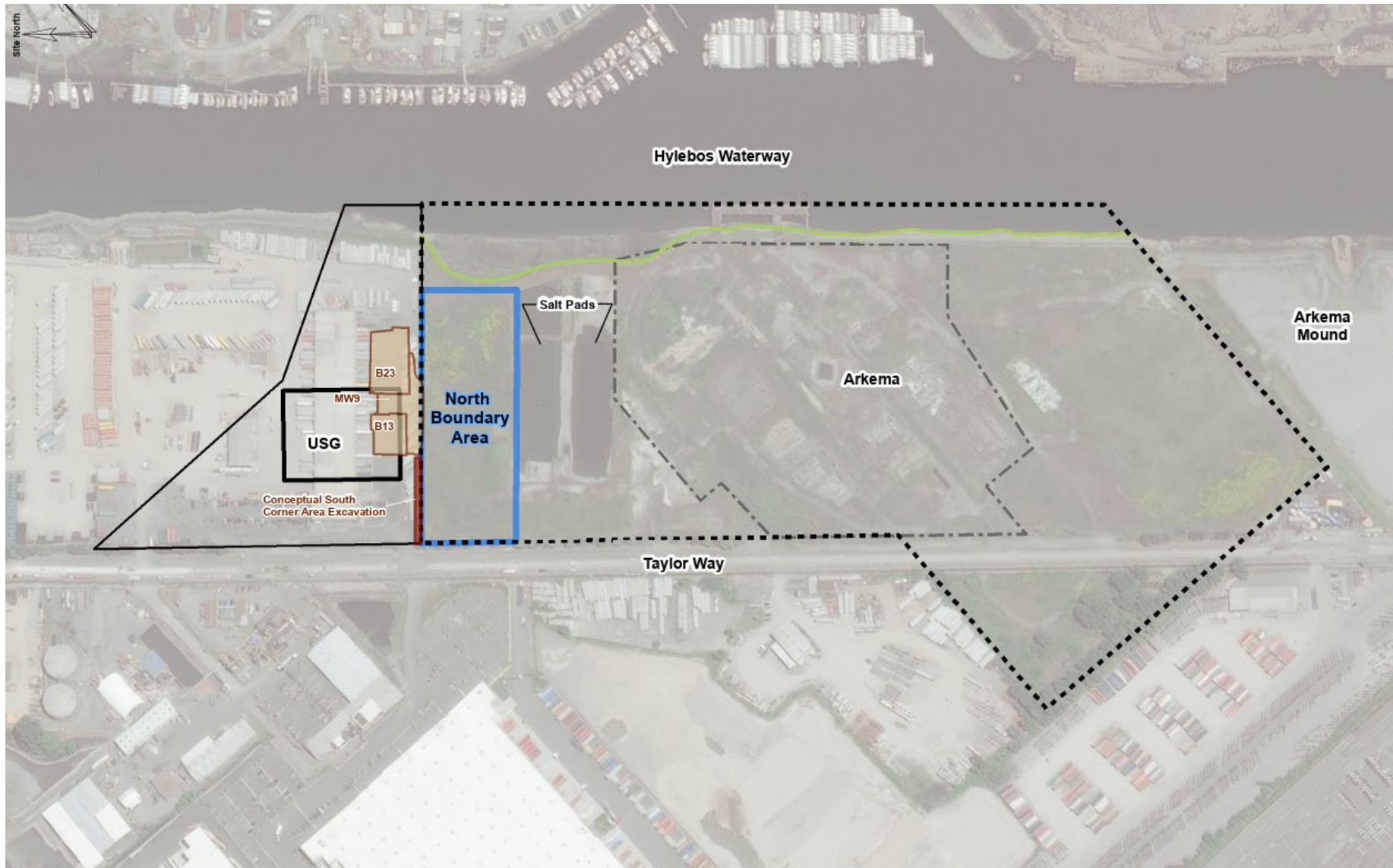


- **Action 1:** Request authorization to enter Agreed Order No. DE 22443 (AO) with the Washington Department of Ecology for the US Gypsum (USG) Taylor Way Plant Site, generally located on and around 2301 Taylor Way. The Site also includes a portion of the former Arkema chemical plant referred to as the “North Boundary Area” (NBA).
- **Action 2:** Request additional project authorization in the amount of \$1,793,365, for a total authorized amount of \$2,043,365, for the NBA remedial design and associated tasks necessary to implement the draft Cleanup Plan in the AO, Project Identification No. 101501.01.

- **Action 3:** Request additional project authorization in the amount of \$1,232,200 for a total authorized amount of \$1,820,000 for the former USG rock wool manufacturing facility, Project Identification No. 101227.01, for contract legal services from Northwest Resource Law PLLC for cost recovery litigation under the Model Toxics Control Act, RCW 70A.305 against potentially liable parties.

- The Port acquired the former rock wool plant at 2301 Taylor in 2002.
- The seller (Thermafiber) retained environmental cleanup liability.
- Thermafiber's predecessor (USG Corporation) used Asarco slag as a raw material from 1959 until 1973.
- USG's operations released petroleum and metals associated with Asarco slag, including arsenic, antimony, lead, copper, zinc, and other heavy metals.

USG: Site Boundaries



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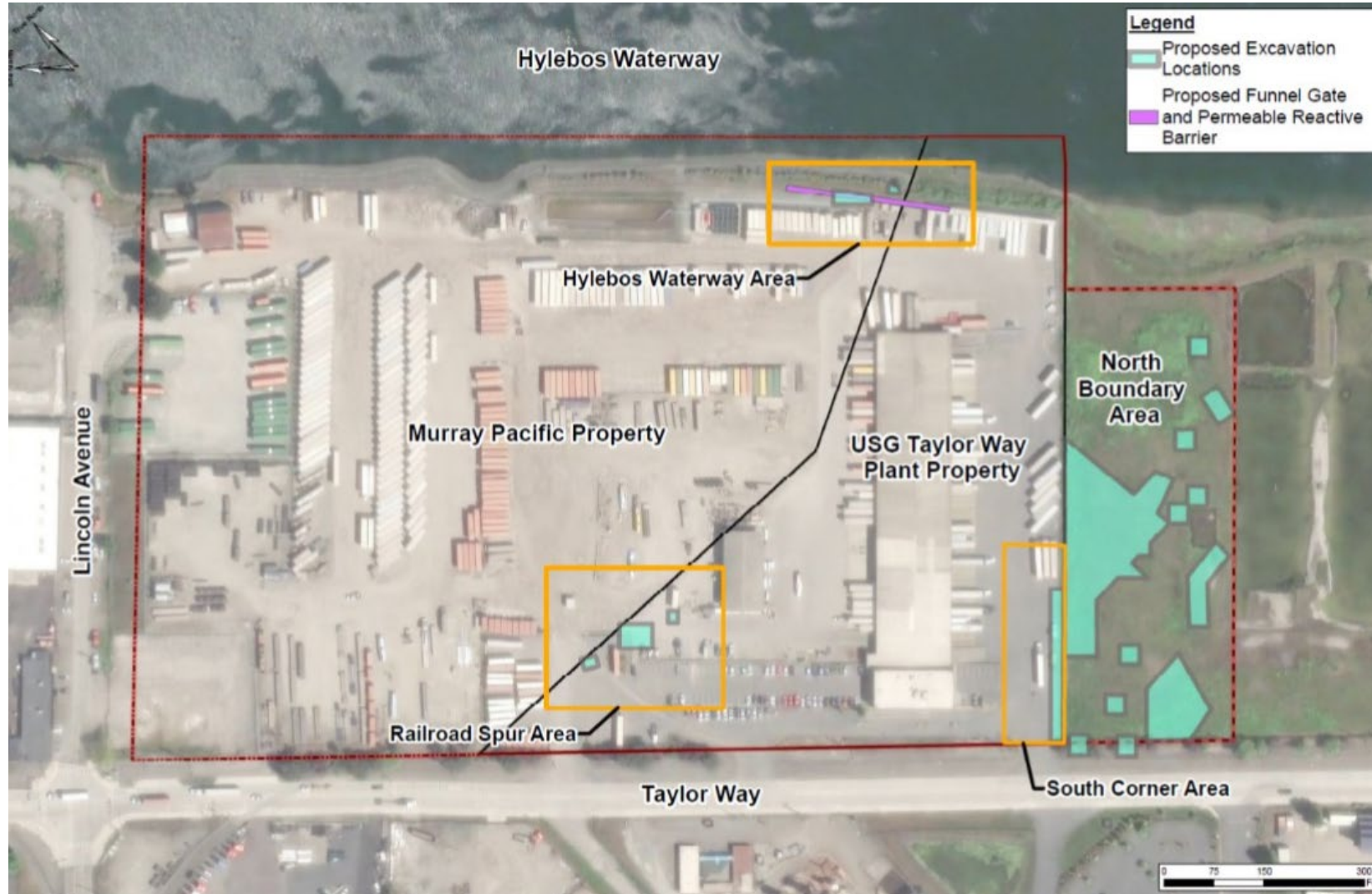
USG Operations



- USG has been working under an Ecology agreed order since 1994 to address releases of Asarco-related metals.
- USG sold the property to Thermafiber in 1996 and indemnified Thermafiber for existing contamination.
- Thermafiber sold the property to the Port in 2002 and indemnified the Port for existing contamination.
- The rock wool manufacturing facility was demolished, and a trucking terminal was constructed under a long-term lease.

- The agreed order was amended in 2006 to reflect the Port ownership of the property; the order was subsequently amended in 2015 to requires the preparation of a Cleanup Action Plan.
- After extensive characterization, Ecology determined that contamination found on the adjacent Arkema property in the NBA was to be addressed as part of the remediation of the former USG plant property.
- The Port and USG have completed the Remedial Investigation and Feasibility Studies for both properties and have developed a draft Cleanup Action Plan that encompasses both the NBA and USG plant property.
- A new agreed order is required to implement the draft Cleanup Action Plan, which has been under discussion since at least mid-2024.

USG: Background



USG Project Description

Action 1: The Port of Tacoma Executive Director or designee will execute Agreed Order No. 22443 with the Washington Department of Ecology for the USG Taylor Way Plant Site.

Action 2: The NBA remedial design scope of work will include consulting services to complete:

- Pre-Design Investigation Work Plan, implementation and reporting
- Forensics and expert witness support
- Engineering Design Report
- Permit Support
- Design (30%, 60%, 90%, 100%)
- Bidding Support
- Port Staff

Action 3: This includes Northwest Resource Law PLLC outside counsel litigation services for pretrial work against potentially liable parties.

USG: Financial Impacts (MID 101227.01/096242)

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
Consulting Services	\$0	\$240,000	\$240,000	\$240,000	\$225,854	\$14,146
Legal Services	\$1,232,200	\$98,000	\$1,330,000	\$1,330,000	\$0	\$1,257,000
Port Staff	\$0	\$250,000	\$250,000	\$250,000	\$64,250	\$8,845
Miscellaneous	\$0	\$0	\$0	\$0	\$342	\$0
TOTAL	\$1,232,000	\$588,000	\$1,820,000	\$1,820,000	\$539,564	\$1,279,991

USG: Financial Impacts (MID 101501.01)

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
Consulting Services	\$1,543,365	\$185,879	\$1,729,244	\$1,729,244	\$185,879	\$1,543,365
Port Staff	\$250,000	\$64,121	\$314,121	\$314,121	\$64,250	\$249,871
Construction	\$0	\$0	\$0	\$12,000,000	\$0	\$12,000,000
TOTAL	\$1,793,365	\$250,000	\$2,043,365	\$14,043,365	\$250,129	\$13,793,236

- The proposed 2026-2030 Capital Investment Plan (CIP) budget for MID 101501.01 allocates \$13,875,000 to fund the NBA remedial design and construction. It does not include funding for the remediation of the Taylor Way Property.
- The proposed 2026-2030 Capital Investment Plan (CIP) budget for MID 101227.01 allocates \$105,000 to fund Port staff costs to oversee USG's remedial efforts at the Taylor Way Property, and NW Resource Law's litigation budget to trial.
- These budgets will be adjusted during the 2027 budget cycle.

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Thank You

Questions & Discussion



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