

COMMISSION AGENDA

Item No: 9C

Meeting: 8/19/21

DATE: August 4, 2021

TO: Port Commission

FROM: Eric D. Johnson, Executive Director
Sponsor: Jason Jordan, Director, Environmental and Planning Services
Project Manager: Norman Gilbert, Engineering Project Manager II

SUBJECT: Design Authorization for work associated with the Parcel 15 (Portac) Cleanup Phase 1

A. ACTION REQUESTED

As referenced in Resolution No. 2021-08-PT, Exhibit A, Delegation of Authority Master Policy, Paragraph IV.B.(2), states project costs exceeding \$300,000 require approval from Port Commission.

Request design authorization in the amount \$691,000 for a total authorized amount of \$741,000, for work associated with the Parcel 15 (Portac) Cleanup Phase 1, Master Identification No. 101531.01.

B. SYNOPSIS

The Parcel 15 (Portac) Cleanup Investigation portion of the Project is complete. The Cleanup Action Plan, identifying the Port and Ecology's preferred remedy has been approved. The Agreed Order to implement the cleanup action plan has been executed. The Port's remedial action grant is in place. The project has transitioned from the investigation phase into the design and implementation phase to complete phase 1 of the cleanup.

C. BACKGROUND

The Site (Port property Parcel 15) is owned by the Port and was leased by Portac (a subsidiary of Mitsui), and operated as a log yard and sawmill from 1974 to 2009. Historically, the northern and eastern portions of the Site include the former Log Yard area with an environmental cap covering metals-containing slag present in soil. The rest of the Site included the former Sawmill area. In June 2013, Ecology issued notice letters to Portac and the Port identifying each entity as a potentially liable party (PLP) under MTCA (Model Toxics Control Act) for contamination at the site.

Between January 2014 and May 2018, the Port and Portac completed the Remedial Investigation and Feasibility Study (RI/FS) under an Agreed Order (AO) with Ecology. In May 2018 Portac settled with the Port, whereby Portac paid the Port a lump sum of \$8,600,000,

and the Port agreed to undertake all responsibility for further environmental investigation, cleanup, and remedial action at the Site. In July 2018, the Port amended the Agreed Order with Ecology to remove Portac from the order, while adding as deliverables an amendment to the Feasibility Study and a draft Cleanup Action Plan. In February 2019 Ecology approved the Feasibility Study amendment, and in July 2020 Ecology approved the draft Cleanup Action Plan.

The remedy will be implemented as two separate cleanup projects. Phase 1 will include design, permitting, and construction of a permeable reactive barrier and storm drain improvements. Contingent remedy components, in Phase 1, consisting of additional storm drain improvements and perched groundwater treatment may be implemented based on future performance groundwater monitoring results. The Phase 2 cleanup project consists of construction of a low-permeability cap that would be implemented at some point in the future as part of a major redevelopment action. Compliance monitoring will be conducted throughout both phases and beyond to ensure that cleanup standards are met.

In January 2021 Port Commission approved authorization to enter into an Agreed Order with Ecology to implement the cleanup at Parcel 15. That AO was executed on June 23, 2021. In addition, the Cleanup Action Plan was finalized by Ecology on July 6, 2021.

D. PROJECT DETAILS

Scope of Project:

- Develop an engineering design report, including supporting plans – Compliance Monitoring and Contingency Response Plan (CMCRP), Contaminated Media Management Plan (CMMP), and an Operational Monitoring and Maintenance Plan (OMMP) for the existing cap.
- Design and permitting.
- Construction of the permeable reactive barrier and storm drain improvements.
- Development of a Completion Report.
- Contingent remedy components will be evaluated during design but will not be constructed under this project.

Scope of Work for This Request:

- Develop an engineering design report, including supporting plans – Compliance Monitoring and Contingency Response Plan (CMCRP), Contaminated Media Management Plan (CMMP), and an Operational Monitoring and Maintenance Plan (OMMP) for the existing cap.
- Design and permitting.

Schedule

Project design, permitting and Ecology coordination is scheduled to begin in late August 2021 and is anticipated to be completed in April 2022. Pending future Commission Authorization,

bidding, construction and Ecology reporting is anticipated to occur between May 2022 and December 2022.

E. FINANCIAL SUMMARY

Estimated Cost of Project

The total project cost including all stages is estimated at \$4,665,500.

Estimated Cost for This Request

The total estimated cost of the Design for this project is \$741,000. 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 approximately \$262,000.

Cost Details

Item	This Request	Total Previous Requests	Total Request	Total Project Cost	Cost to Date	Remaining Cost
DESIGN	\$691,000	\$50,000	\$741,000	\$741,000	\$15,010	\$725,990
CONSTRUCTION	\$0	\$0	\$0	\$3,924,500	\$0	\$3,924,500
PROJECT TOTAL	\$691,000	\$50,000	\$741,000	\$4,665,500	\$15,010	\$4,650,490

Source of Funds

The current Capital Investment Plan (CIP) allocates \$2,290,000 for this project. It will be updated during the 2022 budget process.

Financial Impact

The Portac \$8.6M settlement received April 2018 was recorded as an environmental liability in prior year financials and will offset the project costs. There will be no impact to operating expense.

F. ECONOMIC INVESTMENT/JOB CREATION

Future remediation will facilitate property redevelopment and return to productive use. Employment opportunities will arise during remediation, construction of future improvements and long-term leasing of the property.

G. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1) Do nothing, thereby triggering an enforcement order from Ecology.

Alternative 2) This request, implement the agreed cleanup remedy.

Alternative 2 is the recommended course.

H. ENVIRONMENTAL IMPACTS/REVIEW

Permitting:

Future remedial action activities may require permits from the USACE. This will be determined during design through coordination with a Port permitting manager.

Remediation:

This is a remediation project.

Stormwater:

Any modifications to stormwater infrastructure will be closely coordinated with a water quality manager during design.

Air Quality:

Not Applicable.

I. PREVIOUS ACTIONS OR BRIEFINGS

<u>Date</u>	<u>Action</u>	<u>Amount</u>
January 21, 2021	Commission Authorization – Port of Tacoma	\$50,000
TOTAL		\$50,000

J. ATTACHMENTS TO THIS REQUEST

- Computer slide presentation.

K. NEXT STEPS

Complete design and return to Commission for construction authorization in April/May 2022.