

PORT OF TACOMA COMMISSION
ACTION ITEM MEMO



Item No: 6D
Meeting Date: 7/18/2023

DATE: 7/10/2023
TO: Port of Tacoma Commission
FROM: Eric Johnson, Executive Director
Sponsor: Jason Jordan, Director, Environmental and Planning Services
Project Manager: Sarah Weeks, Project Manager II, Remediation
SUBJECT: Parcel 103 Steam Plant Environmental Cleanup (Master ID # 101243.01)

A. ACTION REQUESTED

Request project authorization in the amount \$1,700,000 for a total authorized amount of \$2,655,000 for the remedial investigation of the Parcel 103 Steam Plant property (EL-1) (Master Identification No. 101243.01).

B. SYNOPSIS

Port of Tacoma and Tacoma Power are jointly developing a cleanup action plan for the Parcel 103 Steam Plant Site to allow for future cleanup of the property. The Remedial Investigation Work Plan was submitted for Department of Ecology (Ecology) review via the Voluntary Cleanup Program. We have received Ecology feedback and are prepared to implement the remedial investigation pending Commission approval. Per the cost-sharing agreement, Tacoma Power will contribute eighty-four percent of consultant and Ecology oversight costs.

C. BACKGROUND

In October 2020, Commission authorized a settlement and cost-sharing agreement with Tacoma Power. Tacoma Power paid the Port \$661,263 for reimbursement of past costs and will fund 84% of future project costs through implementation of the cleanup.

In August 2021, Commission authorized \$200,000 to complete pre-remedial investigation tasks, completion of an environmental database management system, a screening level technical memorandum, data gaps analysis, and drafting of the remedial investigation work plan. These tasks are now complete.

Ecology has indicated that due to staffing constraints they cannot provide regulatory oversight via an Agreed Order. The only currently available avenue to receive regulatory feedback is enrollment in the Voluntary Cleanup Program (VCP). The parties enrolled the Site in the VCP and requested a written opinion on the Work Plan. We received Ecology comments in May 2023. We plan to prepare a response to comments, revise the Work Plan, and implement the remedial investigation pending Commission approval.

As previously discussed with Commission, the Port will continue to request an Agreed Order from Ecology, which would make the project eligible for MTCA Remedial Action Grant funding. The parties do not plan to advance the project to remedy implementation without a more formal agreement with Ecology, i.e., an Agreed Order or Consent Decree. When the project does transfer from the VCP to an Agreed Order the project will be assigned a new Ecology project manager, which may result in project re-work. The property is currently leased to TOTE.

D. PROJECT DETAILS

Scope of Project: Cleanup Planning

- Remedial Investigation
- Feasibility Study
- Draft Cleanup Action Plan

Scope or Work for This Request:

- Remedial Investigation:
 - Implement the Remedial Investigation Work Plan
 - Draft the Remedial Investigation Report and submit to Ecology for review.

E. TIMEFRAME/PROJECT SCHEDULE

Revise the RI Work Plan	July/August 2023
Implement RI Work Plan	September 2023 – September 2024
Remedial Investigation Report	January 2025

F. FINANCIAL SUMMARY

Estimated Cost for This Request

Additional funds in the amount \$1,700,000 are requested to complete the Remedial Investigation. In accordance with the settlement and cost sharing agreement, Tacoma Power will pay for 84% of consultant costs, plus a flat fee of \$20,000 a year to compensate the Port for project management. Costs for cleanup implementation are not currently estimable.

Source of Funds

The current Capital Investment Plan (CIP) allocates \$248,000 for this project in 2023 and \$1,125,000 from 2024 through 2025. The CIP will be updated during the next budget cycle.

Costs	This Request	Total Previous Requests	Total Estimated Project Costs*	Cost to Date**	Remaining Costs
Investigation	\$1,700,00	\$955,000	\$2,655,000	\$927,533	\$1,727,467

* Costs for cleanup implementation are not currently estimable and are not included under Total Project Costs.

** Costs to Date include \$141,848 spend on cost recovery efforts.

Reimbursements	Past Costs Settlement (2020)*	Cost Share to date	Total Reimbursements*	Net Cost to Date (Cost to Date – Total Reimbursements)
Investigation	\$474,855	\$185,356	\$660,211	\$267,322

* An additional \$186,408 was recovered and recorded as a negative asset reducing the cost of the land improvement assets (accounting for past costs related to characterization and disposal of hazardous waste during building demolition).

Total project costs to date are \$927,533, reimbursements reduce project cost to date to \$272,877.

Financial Impacts

Project costs associated with the environmental and cleanup investigations (MID 101243.01), reduced by settlement proceeds, will be capitalized as a land improvement. There will be no depreciation since this will be a land asset.

G. ECONOMIC INVESTMENT / JOB CREATION

Environmental cleanup of the property will clear obstacles for future site redevelopment by addressing environmental liabilities now and taking the appropriate corrective actions.

H. ENVIRONMENTAL IMPACTS / REVIEW

Permitting: Not applicable.
 Remediation: This is a remediation project.
 Stormwater: Not applicable.
 Air Quality: Not applicable.

I. PREVIOUS ACTIONS OR BRIEFINGS

Date	Action	Amount
May 20, 2010	Contract Authorization – Cleanup Investigation	\$267,000 (\$427,000 spent)*
March 10, 2015	Project Authorization Increase – Cleanup Investigation	\$298,000
April 19, 2018	Authorization of change in scope from Cleanup Investigation to Cost Recovery	\$0
October 15, 2020	Settlement Agreement and Additional Project Authorization	\$30,000
August 19, 2021	Project Authorization Increase – pre-RI tasks	\$200,000
TOTAL		\$955,000

* Contract authorization of \$267,000 for environmental consulting provided by Dalton, Olmsted & Fuglevand, Inc. (DOF). Prior to March 2015, \$249,933 was spent on the DOF contract, and \$177,394 was spent on Port staff, legal, and miscellaneous costs, bringing the project total over this period to \$427,327 (rounded above to \$427,000).

J. NEXT STEPS

Complete the remedial investigation and return to Commission for authorization to proceed with the Feasibility Study and dCAP in 2025.