



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4d

ACTION ITEM

Date of Meeting July 25, 2017

DATE: July 11, 2017
TO: Dave Soike, Interim Executive Director
FROM: Elizabeth Black, Senior Port Counsel
SUBJECT: Reichhold Bankruptcy Settlement

ACTION REQUESTED

Request Commission authorization for the Executive Director to enter into a settlement agreement substantially similar to the draft attached in Exhibit 1 with Reichhold Holdings US, Inc. (Reichhold), to settle claims in bankruptcy related to the cleanup of the Lower Duwamish Waterway.

EXECUTIVE SUMMARY

Reichhold is a potentially responsible party liable for contamination on the Lower Duwamish Waterway (LDW). Reichhold declared bankruptcy in 2014. As part of the bankruptcy proceeding, there is an opportunity for the Port to recover a small portion of its past costs (approximately \$25,000) related to cleanup of contamination for which Reichhold was responsible. Commission approval is required because the estimated amount of the Port's claim is greater than \$300,000.

JUSTIFICATION

The bankruptcy proceeding is the Port's only opportunity to recover past costs directly from Reichhold. Because the bankruptcy estate is paying claims at only 5 cents on the dollar, the benefits of settlement at this time outweigh the costs of pursuing the Port's claim further.

DETAILS

Further details were presented by counsel in executive session on July 11, 2017. A draft settlement agreement is attached.

FINANCIAL IMPLICATIONS

Revenue: Approximately \$25,000.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Settlement Agreement

Meeting Date: July 25, 2017

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

Briefing with counsel in executive session on July 11, 2017.