

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6c

ACTION ITEM

Date of Meeting December 4, 2012

DATE: November 21, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Stephanie Jones Stebbins, Director, Seaport Environmental & Planning Programs
Elizabeth Leavitt, Director, Aviation Planning & Environmental Services

SUBJECT: 2013-2017 Environmental Remediation Liability Program

Amount of This Request: \$44,179,000

Source of Funds: Airport – Airport Development Fund; Real Estate and Seaport – Tax Levy

Est. State and Local Taxes: N/A

Est. Jobs Generated: N/A

ACTION REQUESTED:

Request (1) Commission approval of a five-year spending plan of \$116,182,000 for the Environmental Remediation Liability Program for the Seaport, Real Estate, and Aviation Divisions for 2013-2017; and (2) Commission authorization of environmental remediation liabilities funds for 2013 in the amount of \$44,179,000, of which (a) \$21,179,000 may be spent in 2013 and (b) an amount estimated not to exceed \$23,000,000 of the remaining funds approved in the five-year plan will be obligated during 2013 to be spent in future years.

SYNOPSIS:

As a major industrial and commercial land owner, the Port has significant environmental cleanup liabilities due to historic contamination of its properties. Since 1993, the Port has booked liabilities to recognize these obligations. While Port environmental cleanup projects typically span several years, more complex projects have been active for over 10 years. Over the past five years (2008 to 9/30/2012) the amount spent under the annual ERL Authorization was \$47,494,000. This \$44,179,000 authorization for 2013 will allow continuation of ongoing environmental investigation, testing, analysis, design, cleanup, and monitoring for our active sites and will initiate similar activities for new sites, as noted in this memorandum.

The approval of the five-year plan gives greater visibility to our projected upcoming environmental remediation liability spending. In addition, the authorization to enter multi-year contracts and service directives will allow us to more efficiently contract for work of multi-year duration. Funds projected for years beyond 2013 will not be spent until authorized by a future Commission action (i.e., next year's Environmental Remediation Liability spending authorization).

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 2 of 13

BACKGROUND:

The Port has identified a number of contaminated sites on Seaport, Real Estate and Aviation properties that must be investigated and remediated in compliance with federal and state environmental laws and regulations. In some cases, the Port has been designated by the federal government as a “Potentially Responsible Party” (PRP), and/or by the state government as a “Potentially Liable Party” (PLP) for the investigation and cleanup of properties owned by the Port or where the Port may have contributed to site contamination.

Although the Port may not bear ultimate liability for the contamination, under federal and state law, the Port is presumptively liable as the property owner, and it is often practically and financially beneficial for the Port to take initial responsibility to manage and pay for the cleanup.

In many cases, the Port has successfully recovered and/or will seek recovery from other responsible parties for Port-incurred investigation and cleanup costs. The Port also has been successful in receiving Model Toxics Control Act (MTCA) grant funds to pay part of the cleanup costs. The Port’s goals are to cost-effectively complete this environmentally responsible work and to maximize work accomplished by or paid for by the parties responsible for the conditions encountered (or others, such as insurance companies, who represent them).

To mitigate such environmental expenditures, the Port also encourages, coordinates with, and oversees the investigation and cleanup of sites by other responsible parties, to assure that legal requirements are met and that Port liabilities are minimized. Regardless of whether the Port conducts the investigation and remediation directly, or oversees the proper performance of that work by other responsible parties, the Port provides a valuable public benefit by acting as a catalyst in expediting appropriate environmental management of these sites.

Accounting rules require that the Port “book” or establish a liability on its balance sheet for, environmental remediation when the Port's obligation meets specified definitions of certainty and the liability amount can be reasonably estimated. When an environmental remediation liability is booked, an expense is also recorded in the current period for the future expenditures. The Port develops its environmental remediation liability forecasts in compliance with Government Accounting Standards Board (GASB) *Statement No. 49 “Accounting and Financial Reporting for Pollution Remediation Obligations.”*

Environmental liability expenditures are authorized in one of two ways. If the environmental costs are incurred in the course of or incidental to a construction project, then the Commission authorization occurs as part of the authorization for the overall construction project. Examples of this include asbestos removal, offsite soil disposal during construction, or upland dredge material disposal.

If the environmental cost is not associated with a capital construction project or maintenance (including asbestos and lead), but is a stand-alone pollution remediation project, then the expenditure is authorized through one annual action. Since 1993, the Commission has approved annual environmental expenditures. In addition, Commission authorization is obtained prior to entering into legal commitments for investigation or cleanup actions, such as an Agreed Order, Administrative Order on Consent or Administrative Settlement Agreement and Order on Consent referred to as Orders.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 3 of 13

Consistent with past practices, the duration of the authorization continues to be an annual spending authorization. However, since 2011, the authorization requests have also provided a rolling five-year spending plan to reflect the level of resources expected to be required over the next five years. Executing contract obligations for a longer duration minimizes the need to rework all contract amendments and service directives that are aligned with the end-of-year authorization. It also provides greater visibility of the environmental liability costs.

BUSINESS PLAN OBJECTIVES:

Environmental remediation projects define and minimize to acceptable levels threats to the environment caused by prior Port operations, prior tenant operations, and by the historical effects of industrial activity on properties acquired by the Port. Generally, the result of these efforts, as well as the attendant compliance with regulatory mandates, management of Port liabilities, and support of the local community, aligns with the goals and objectives of the Seaport, Aviation, and Real Estate Division Business Plans.

SCOPE OF WORK:

The environmental investigation and remediation actions described in this Scope of Work section are usually required under federal and/or state law. Remedial actions continue to focus on cost-effective study, analysis, and implementation of cleanup actions; coordination with capital planning, design, and construction; and negotiation with agencies, tenants, other PRPs and insurance companies.

Seaport Sites/Projects

Lower Duwamish Waterway Superfund– The Lower Duwamish Waterway is a Federal Superfund Site. The Lower Duwamish Work Group (LDWG), consisting of the Port, the City of Seattle, King County and Boeing, has completed a Remedial Investigation and Feasibility Study (RI/FS) of the Waterway under Order with the Environmental Protection Agency (EPA) and the Department of Ecology (Ecology). The Port is the contracting agent for the LDWG. The final FS was issued October 2012 and EPA's Proposed Plan is scheduled to be issued for public review and comment early in 2013. Public comment on the Proposed Plan will be used by EPA to develop its Record of Decision for the final cleanup plan. EPA will issue the Record of Decision in 2014, after seeking concurrence from Ecology.

Terminal 117 Sediments, Bank and Uplands – As part of the Lower Duwamish Waterway Superfund effort, the LDWG identified several sediment hot spots that warranted early cleanup action, including the T-117 Early Action Area (EAA), which is owned in part by the Port. The EPA has issued an Action Memorandum that identifies the EPA-selected cleanup action. The current EPA Order for T-117 removal design and removal action (RD/RA) was signed by the Port and City on June 9, 2011. Final design was approved on October 15, 2012. Contractor selection will occur in early 2013, with cleanup scheduled to begin around June 2013.

Terminal 108 – As mentioned above, LDWG is conducting the Lower Duwamish Remedial Investigation/Feasibility Study. As part of their Source Control work, the LDWG identified potential source sites that may require early cleanup action, one of which is located in the sediments adjacent to Terminal 108. Ecology requested, and the Port voluntarily agreed, to perform additional

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 4 of 13

investigation of the groundwater. The groundwater study determined that the groundwater is not a source of contaminants to the river. However, Ecology is requiring additional bank, shoreline, and upland assessment of potential river recontamination sources. Some engineered mitigation measures may be necessary to control potential recontamination sources. On October 13, 2009, Commission approved moving forward with this source control work as an independent action.

Terminal 115 – The Port is conducting a continuing program to remove small amounts of free product (petroleum) from groundwater caused by two leaking underground tanks that were removed from the southwest portion of the terminal. Investigative groundwater monitoring is also continuing. Soils are marginally contaminated at the tank sites but cleanup at this time is not required by regulatory agencies.

Activities at this site also include coordination with Ecology on source control efforts required as part of the LDW RI/FS process. The Port has conducted an Environmental Conditions investigation for the entire property. This investigation will then be used to identify potential source control issues and associated actions needed to reduce recontamination potential to the larger sediment cleanup.

Terminal 115 North – In late January 2009, the Port received from Ecology a Notice of Potential MTCA Liability and a Notice of Intent to Conduct a Site Hazard Assessment. Ecology identified this site as a result of their source control activities related to one of the high priority sediment sites (Glacier Bay) within the Lower Duwamish Superfund site. Glacier Bay is located north of Terminal 115. The Port negotiated an MTCA Order with Ecology, under which the Port will further characterize the site and develop a draft cleanup action plan. Authorization to enter into this Order was received at the November 2, 2010, Commission meeting. Ecology has developed a Source Control Action Plan for T115 based on their review and have recommended negotiation of an Order for the site but have not yet made a formal request to the Port.

Terminal 5 Ecology State Cleanup Sites – In the past, as part of the Terminal 5 Southwest Harbor redevelopment, the Port completed remediation at four sites under three Consent Decrees with Ecology. Current obligations include on-going cap inspection and maintenance of the cap in the four areas, and coordination and review of the future adjacent sediment cleanup work to be performed by Lockheed.

Terminal 5 Pacific Sound Resources (PSR) EPA Superfund Site – This site was cleaned up under an Order with EPA as part of the T5 Southwest Harbor redevelopment project. Ongoing obligations include continuing to perform required cap inspection and cap maintenance, product recovery activities and monitoring EPA activities related to the groundwater and the off shore sediments. EPA recently opened the beach at Jack Block park, located just north of the site, to the public following cleanup of the adjacent sediments.

Harbor Island Superfund Site Soil and Groundwater Operable Unit – Terminal 18 is located within this Superfund site. Cleanup of this site was performed under a Consent Decree with EPA. Long-term groundwater monitoring is being performed by the group consultant under a PRP agreement. Long-term cap maintenance and inspections have been initiated as required under the Record of Decision. EPA recently completed a five-year review of this site that identified the need for additional groundwater monitoring, improved cap inspection reporting and recording of restrictive

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 5 of 13

covenants by the PRPs. The restrictive covenants for Port-owned property will be sent to EPA before the end of 2012.

Harbor Island Superfund Site East Waterway Sediments Operable Unit – In 2006, the Port signed an Order with EPA for a final Supplemental Remedial Investigation and Feasibility Study (SRI/FS), and a Memorandum of Agreement with the City of Seattle and King County to share costs and cooperate in the SRI/FS process. The Port is acting as the contracting agent for this work. A settlement agreement with Seattle Iron Metals was negotiated for their contribution to the SRI/FS costs. We are currently conducting the SRI/FS tasks identified in the EPA Order and subsequent work plans. The draft RI was submitted in mid-2012. The final RI is planned for early 2013. A draft Feasibility Study will be submitted in early 2013.

Terminal 30 Oil Cleanup – Terminal 30 is a former Chevron bulk storage site. The Port has removed significant amounts of free product and conducted an extensive groundwater-monitoring program. This project is currently being re-evaluated to determine steps needed to reach agreement with Ecology on a site closure plan and close out the existing MTCA Order. The Port is in the process of negotiating final site remedy and compliance monitoring for the site.

Terminal 10 Lockheed – Lockheed previously performed the upland and sediment cleanup required at the site. The Port's continuing obligation is to maintain the upland cap and the habitat restoration area, manage any contaminated soil and groundwater encountered or removed during redevelopment or maintenance activities, and to protect Lockheed's groundwater monitoring wells. Under the Terminal 10 Uplands capital project, storm water drainage and upland cap improvements were completed in early 2012.

Terminal 103/104/105/107 – These sites have been identified by Ecology as having source control data gaps in relation to the Lower Duwamish Waterway Superfund site. Ecology may require the Port to perform investigation work at these sites in the future.

T106 Warehouse Building – The former warehouse building contains five underground storage tanks (USTs) and some cement kiln dusts (CKD) fill material. During future site development or improvements, UST decommissioning and limited soil remediation will be required. If site development encounters or disturbs underlying CKD fill, generated material will be profiled, handled, and disposed of offsite.

Natural Resource Damages (NRD) Habitat Restoration – Superfund liability for LDW and Harbor Island sediments also includes injury to natural resources from contamination. The Port is negotiating with the Elliott Bay Trustee Council (Trustees) for a settlement of these liabilities that will likely include habitat restoration as a component. On June 7, 2011, the Commission approved the design and permitting of an expanded restoration project at Terminal 117. The 30% design work for the restoration is nearing completion, and a possible project-specific Credits Letter is presently being negotiated.

Real Estate Sites

Terminal 91 Cleanup – Investigation and cleanup of this site is being administered by Ecology under a State Dangerous Waste Permit and an MTCA Order. The draft Feasibility Study (FS) went out for public comment December 2009 and was finalized with no changes. A draft Cleanup Action Plan (CAP), which identifies the cleanup approach selected by Ecology, and State

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 6 of 13

Environmental Policy Act (SEPA) checklist went out for public comment October 2010 and was finalized. A new MTCA Order for performance of the cleanup was issued in the spring of 2012. Final design work has begun and is approximately 30% complete. Investigation and cleanup of discrete units continues. Real Estate is working with King County and City of Seattle on a possible purchase or easement for the West Yard Parcel to allow for King County's construction of the south magnolia combined sewer overflow project.

Fishermen's Terminal – The Port has removed contaminated soils in the uplands, capped the uplands as a voluntary cleanup measure, and is conducting a continuing program of investigative groundwater monitoring at and near the Fishing Vessel Owners (FVO) tenant site. Some dredging of contaminated sediments occurred as part of the Docks 5-10 renewal and replacement and berth dredging project. An assessment of site-wide contamination is planned.

Terminal-5 CEM Ecology State Cleanup Sites Site – In addition to the four sites listed under Seaport sites, as part of the T-5 redevelopment, the Port purchased the old West Seattle Landfill and installed an environmental cap and a methane collection system. These systems require long-term operation and maintenance, inspection, and reporting, which is continuing.

Aviation Sites/Projects

Aircraft Fuel Farms and Fueling Systems – Five underground aircraft fueling systems were constructed and operated by individual airlines beginning in the early 1960s. As of January 2007, each of these systems has been decommissioned. Appropriate environmental cleanup has been achieved for three of the systems and is in progress for two others. Long-term monitoring continues as noted below:

- Remediation of an area impacted by operations of the former United Airlines and Continental Airlines fuel farms is anticipated to continue into 2013 with confirmation monitoring to follow. The Port is a member of the PLP group for this multiple-source site.
- The Northwest Airlines and Pan Am Airlines systems have been appropriately remediated, but continue to require monitoring. In 2011-2015 the Port (as a result of Pan Am Airlines bankruptcy) and Delta Airlines (successor by merger to Northwest Airlines) will monitor the former Pan Am and Northwest systems in the context of the STIA Ground Water Study, described below:

STIA Ground Water Study – In May 1999, the Port and Ecology executed an MTCA Order that required that the Port conduct a study of ground water conditions in the uppermost regional aquifer in the vicinity of the Airport. The study has been completed. The results demonstrate that there is little potential for Airport operations to impact ground water conditions beyond the Airport boundary, or threaten local ground water receptors (public drinking water supplies, creeks, etc.). Ecology accepted the study findings and designated the Port's obligations under the Agreed Order as complete. Ecology and the Port have agreed to a plan for long-term ground water monitoring to confirm the results of the models used in the study. Under the terms of a responsible party agreement, Delta Airlines will implement the monitoring program on behalf of the Port and several rent-a-car tenants. We anticipate completion of long-term monitoring in 2015.

Lora Lake Apartments – On July 10, 2009, the Port and Ecology executed an MTCA Order that required the Port to conduct a Remedial Investigation and Feasibility Study (RI/FS) for the cleanup

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 7 of 13

of the Lora Lake Apartment Property. The RI/FS report, which presents the findings of investigations and analysis of cleanup alternatives, was submitted to Ecology in January 2012. These documents were subsequently revised to address Ecology's comments and re-submitted in November 2012. A follow-on order will be negotiated in 2013 with cleanup of the apartments and lake parcels currently scheduled for 2014 and 2015. In September 2010 two separate work project numbers were established, one for the apartment parcel and another for the parcel containing the lake itself. This was done to facilitate cost tracking in support of potential cost recovery.

SeaTac Fuel Facilities Fuel Farm – Groundwater contamination was discovered at this facility, the former Olympic Fuel Farm, during an investigation to define post-construction conditions as required by the lease between the Port and the SeaTac Fuel Facilities LLC. The extent of the contamination has been determined, and pilot testing of remediation systems has been completed. Remediation, consisting of passive collection of free product and ground water monitoring was upgraded in 2011 to reduce the restoration timeframe. Cleanup of free product was completed in 2012. Confirmation monitoring will be completed in 2013 and 2014.

FINANCIAL IMPLICATIONS:

The following table summarizes 2013 through 2017 forecasted spending for environmental remediation projects. Forecasted spending reflects projects described in the Scope of Work.

Five-Year Spending Plan

\$s in Thousands	2013	2014	2015	2016	2017	2013-2017
Gross Project Spending	\$ 21,179	\$ 40,373	\$ 22,564	\$ 18,166	\$ 13,900	\$ 116,182
Cash from 3rd Parties*	\$ (6,736)	\$ (6,870)	\$ (287)	\$ (191)	\$ (65)	\$ (14,149)
Net Port Share	\$ 14,443	\$ 33,503	\$ 22,277	\$ 17,975	\$ 13,834	\$ 102,033

***Note:** "Cash from 3rd parties" is defined below. Forecasts for payments from third parties are only included when the liabilities have been booked. Forecasted amounts do not include estimates of possible recoveries from grants, insurance or legal settlements.

Source of Funds

Environmental cleanup projects have multiple funding sources: (1) Seaport non-operating projects and Real Estate operating and non-operating projects are funded by the Port's Tax Levy; (2) Seaport operating projects are funded by the General Fund; (3) Airport projects are funded by the Airport Development Fund. In addition, there are supplementary outside sources of funding, including the following:

- Cash from third parties - Invoicing and payment from cost sharing agreements with other potentially liable parties (PLPs), where the Port functions as a funding conduit for the other PLPs and the Port holds contracts on behalf of these other PLPs.
- Litigation settlements with other PLPs.
- Insurance recoveries from both the Port's insurers and other PLPs' insurers.
- Grants.
 - The following projects have grants: T91 Cleanup and T117 Sediments Banks and Uplands.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 8 of 13

COMMUNITY / CUSTOMER / ORGANIZATION IMPACTS:

Elimination of unacceptable levels of environmental risk caused by the presence of contaminants in upland soil, in marine sediments, and groundwater is not only required by state and federal law, it is the hallmark of responsible environmental stewardship, from the perspectives of both the surrounding residential and business communities and the customers that we serve.

The environmental remediation authorization will fund a mix of Port staff and outside consultant services that maximizes the effectiveness of staff.

PROJECT SCHEDULE:

This authorization is for funds forecasted to be spent during 2013 to 2017.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

The following alternatives were considered for accomplishing the work described in the Scope of Work:

Alternative 1

Do not complete the work. If the Port chose not to complete the work, federal and/or state regulatory agencies could mandate the work be accomplished, either by the Port under an enforcement or similar order, or by the agency. In many cases, such arrangements already exist between the Port and regulatory agencies. In either case, the Port would lose the opportunity to employ the flexibility contained in the controlling regulations, to define and direct the work, and to manage costs.

Alternative 2

Complete the work using Port staff. Port staff is already heavily involved in project direction, legal analysis, and project management, and will continue to perform these services. The nature and extent of the technical and legal work required to complete this work is substantial, and would require a large number of additional staff with additional expertise. In addition contracts would still be required for such work as laboratory analysis.

Alternative 3

Complete the work using outside consultants and contractors. Outside consultants and contractors have sufficient numbers and types of specialists necessary for timely and cost effective completion of this work; however, the work would be more costly than if some Port staff were also involved.

Alternative 4

Complete the work using a combination of Port staff (Alternative 2) and outside consultants and contractors (Alternative 3) that maximizes the ability for the Port to direct cleanup efforts and maximize the effectiveness of staff. **Alternative 4 is recommended.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- Map of ERL Sites North Properties (Seaport and Real Estate)
- Map of ERL sites South Properties (Seaport and Real Estate)
- Map of ERL Sites Aviation

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 9 of 13

PREVIOUS COMMISSION ACTION:

On July 13, 1993, the Commission approved the expenditure of \$1,050,000 for eight projects during 1993.

On March 8, 1994, the Commission approved the expenditure of \$776,000 for eleven projects during 1994.

On March 28, 1995, the Commission approved the expenditure of \$1,875,000 for nine projects during 1995.

On February 27, 1996, the Commission approved the expenditure of \$2,325,000 for eleven projects during 1996.

On February 25, 1997, the Commission approved the expenditure of \$1,100,000 to conduct the STIA Ground Water Study required by a Washington Ecology Model Toxics Control Act (MTCA) Agreed Order.

On June 8, 1999, the Commission approved the expenditure of \$300,000 to conduct the Industrial Waste System Hydrogeological Study required by the Ecology as a performance condition of the 1998 National Pollution Discharge and Elimination System Permit.

On August 24, 1999, the Commission approved the expenditure of \$800,000 for environmental cleanup of Port property adjacent to the Malarkey Asphalt Co. site.

On March 14, 2000, the Commission approved the expenditure of \$1,000,000 for aquatic sediment management for participating in the development and implementation of federal and state laws and regulations relating to the disposition of contaminated aquatic sediments, and the expenditure of \$2,000,000 for cleanup-related investigations at the former Chevron Oil Terminal site at Terminal 30.

On July 10, 2001, the Commission approved the expenditure of \$5,100,000 for nine Aviation projects and six Seaport projects during 2001.

On June 11, 2002, the Commission approved the expenditure of \$1,500,000 and contract amendments for the Environmental Protection Agency's (EPA) Order on Consent to continue work on the Lower Duwamish Sediments Superfund site and the East Waterway Sediment Operable Unit of the Harbor Island Superfund Site.

On March 11, 2003, the Commission approved the project-wide authorization expenditure of \$4,999,000 for environmental cleanup action on Port properties and for potential environmental liabilities during 2003. Actual expenditures for 2003 were ultimately limited to \$2,459,870.

On March 23, 2004, the Commission approved the project-wide authorization expenditure of \$8,081,000, for environmental cleanup action on Port properties during 2004. Actual expenditures for 2004 were ultimately limited to \$2,136,943.

On March 23, 2005, the Commission approved the project-wide authorization expenditure of \$8,102,222, for environmental cleanup action on Port properties during 2005. Actual expenditures for 2005 were ultimately limited to \$6,255,791.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 10 of 13

On December 13, 2005, the Commission approved the project-wide authorization expenditure of \$8,705,760 for environmental cleanup action on Port properties during 2006.

On June 27, 2006, the Commission approved an increase in the 2006 project-wide authorization for environmental cleanup action on Port properties, to increase the authorization in the amount of \$6,000,000 to \$14,705,760. Expenditures for 2006 were ultimately limited to \$11,087,873.38.

On December 12, 2006, the Commission approved the project-wide authorization expenditure of \$7,756,549 for environmental cleanup action on Port properties during 2007. Expenditures for 2007 were ultimately limited to \$7,537,286.

On December 1, 2007, the Commission approved the project-wide authorization expenditure of \$11,833,000 for environmental cleanup action on Port properties during 2008. Expenditures for 2008 were ultimately limited to \$11,322,258.

On December 9, 2008, the Commission approved the project-wide authorization expenditure of \$10,396,000 for environmental cleanup action on Port properties during 2009. Expenditures for 2009 were ultimately limited to 7,455,000.

On November 30, 2009, the Commission approved the project-wide authorization expenditure of \$13,141,000 for environmental cleanup action on Port properties during 2010. Expenditures for 2010 - through December 31, 2010, were ultimately limited to \$10,529,000.

On December 7, 2010, the Commission approved the project-wide authorization expenditure of \$14,974,000 for environmental cleanup action on Port properties during 2011. Obligation of work in later years for \$16,200,000. Expenditures for 2011 - through December 2011 was \$11,635,000 and obligation of work in later years for 4,200,000.

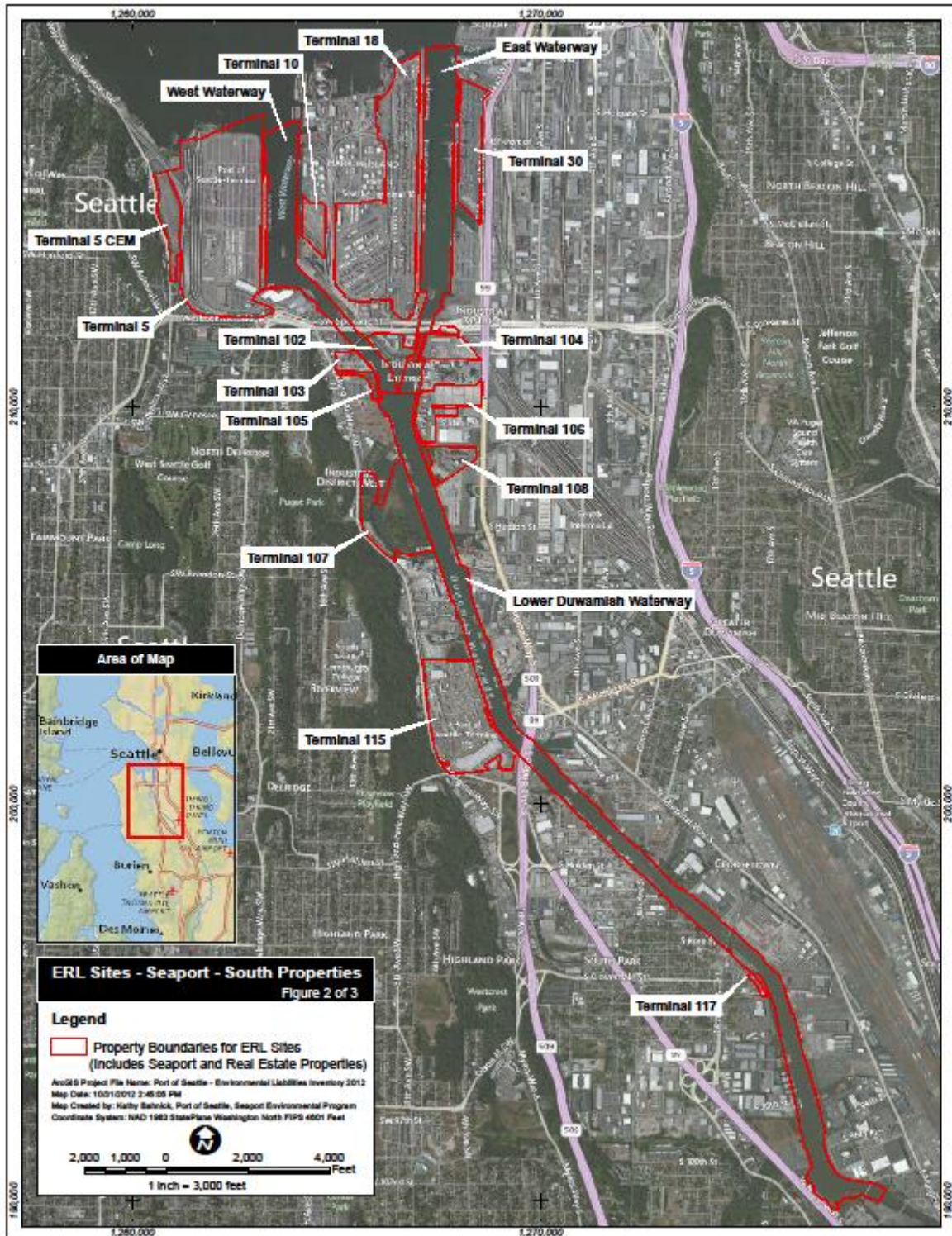
On December 6, 2011, the Commission approved the project-wide authorization expenditure of \$23,600,000 for environmental cleanup action on Port properties during 2012. Obligating contracts (POs) valued at \$32,900,000 in 2012 for work that will be performed in later years. Expenditures for 2012 through September 30, 2012 was \$6,553,000. Commission approved the five-year spending plan of \$91,100,000 for the Environmental Remediation Liability Program for Seaport, Real Estate and Airport for 2012 through 2016.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 11 of 13

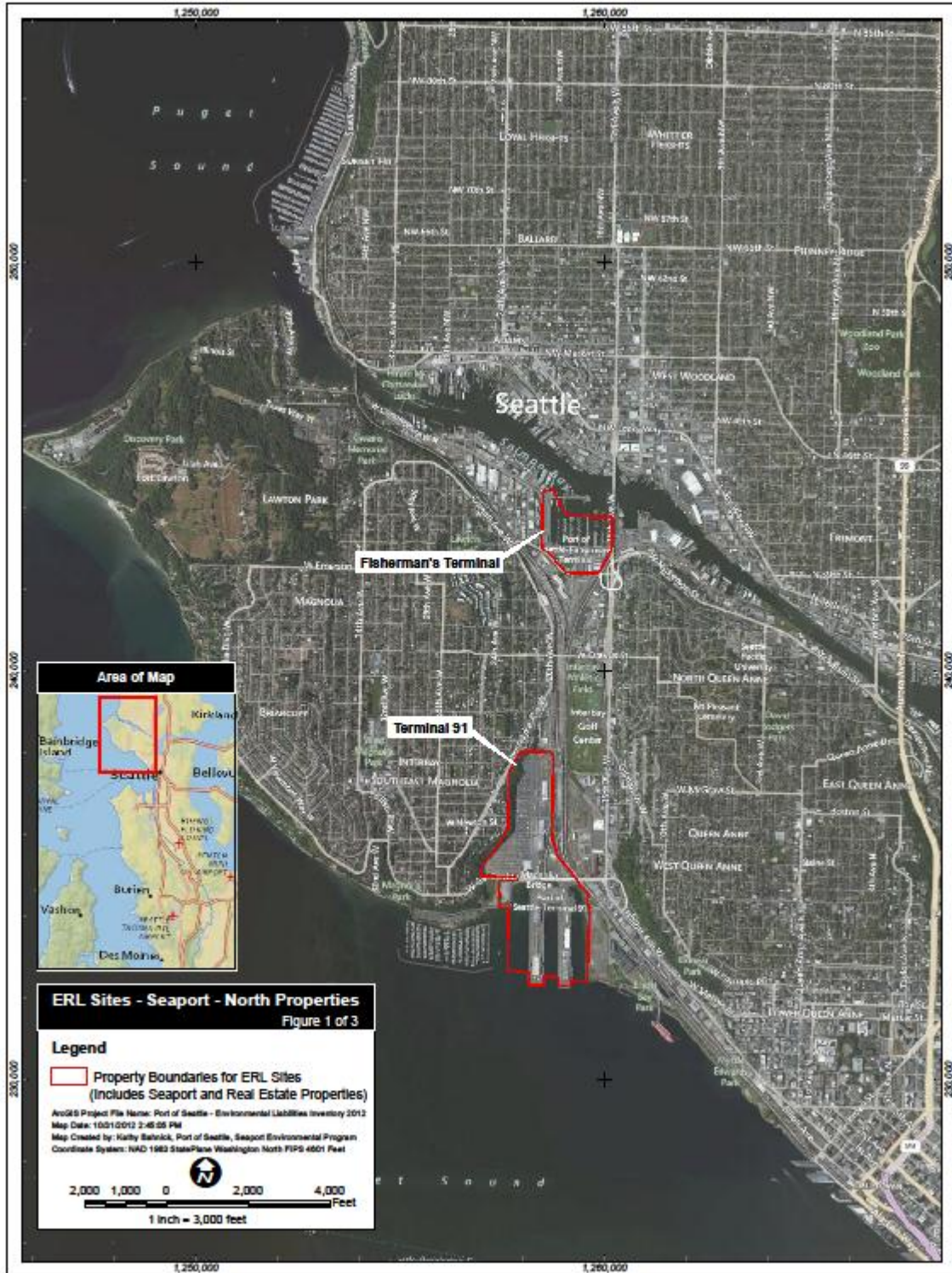


COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 2012

Page 12 of 13



COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

November 21, 212

Page 13 of 13

