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COMMISSION

AGENDA MEMORANDUM Item No. 8c

ACTION ITEM Date of Meeting October 25, 2022

DATE : September 7, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Megan King, Interim Senior Manager, Aviation Environment & Sustainability

Sarah Cox, Director Aviation Environment & Sustainability

SUBJECT: Former United Continental Tank Farm Site Funding and Agreement Amendment for Site Closure

Amount of this request: \$78,505 (included in ERL Forecast)

Total estimated Port cost to date: \$639,576

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Sixth Amendment to the Participation Agreement (Amendment) for Cleanup of Sea-Tac International Airport Jet Fuel Facility executed in November 1995 between the Port, United Airlines, Continental Airlines, and Olympic Pipeline Company (Participants).

EXECUTIVE SUMMARY

The Former United/Continental Fuel Farm Site (Site) is located south of the Fire Station on Air Cargo Road near gate E-100. Subsurface jet fuel contamination was encountered at the Site during closure of the tank farms in the 1990s. Following identification of contamination, the parties (United as the lead responsible party, Continental which is now also United, Olympic Pipeline, and the Port) entered into a Participation Agreement for investigation and remediation of the Site.

Remedial activities at the Site are complete, and the parties agree that independent closure, as allowed by the Model Toxics Control Act, is the best path forward.

This Participation Agreement Amendment adds funds to the project escrow account to cover costs of system decommissioning, and long-term responsibility language for contamination remaining in place at the Site. Work will consist of removal of the remaining treatment system infrastructure including all subsurface piping and monitoring wells and restoration of the Site.

The Port's 21% share of remedial costs (share percentages were determined in the original Participation Agreement) for this Amendment will be \$78,505. No ongoing monitoring or actions are anticipated following completion of Site closure activities.

Template revised January 10, 2019.

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JUSTIFICATION

Remediation of the Site has removed all recoverable product, and groundwater impacts have reduced in concentration and extent. The Participation Agreement requires decommissioning and removal of the remediation equipment once it is no longer necessary. Additional funding is now required in the project escrow account for system decommissioning and removal, which requires modification to the existing Participation Agreement to cover this issue and address future responsibility for any contamination remaining in place following Site closure.

Diversity in Contracting

Not applicable to this request.

DETAILS

Investigation and remediation at the Site has been in progress since 1995 and consisted of active in-situ remediation by dual-phase and soil vapor extraction processes. The remediation successfully removed recoverable product from the subsurface, and in 2017 the remediation system was shutdown. After some monitoring was conducted, the Site was enrolled in Ecology's Voluntary Cleanup Program and a No Further Action opinion was requested from the Department of Ecology in March 2019. In 2021, additional data were collected. These data confirmed that the product remaining in the subsurface is not transmissive (doesn't move) and therefore cannot be recovered, and the groundwater data confirmed that the concentrations and extent of contamination remaining in groundwater beneath the site are decreasing due to natural attenuation.

Ecology has communicated that it does not need the Participants to undertake further action at

the Site. Accordingly, in early August, the Participants submitted a letter to Ecology formally removing the Site from Ecology's Voluntary Cleanup Program. The letter notifies Ecology that Site cleanup has been conducted as an Independent Cleanup Action, as allowed by the Washington state Model Toxics Control Act. This letter also describes how the Port will implement Institutional Controls at the property for future protection of human health and the environment that consist of:

- maintaining the Site as zoned for Airport Operational uses
- restricting access to the area through maintenance of the existing facility fencing and signage
- controlling future contact with remaining contamination during actions that disturb the subsurface through implementation of the Port's Rules for Airport Construction, and
- restricting groundwater extraction at the Site.

Scope of Work

Site Closure Activities funded by Amendment 6 will consist of:

- (1) Removal of remediation system and supporting infrastructure

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- (2) In-place decommissioning of the groundwater monitoring well network
- (3) Removal of Tank Farm infrastructure components left in place during decommissioning due to the presence of contamination (concrete and sheetpile wall segments).

Schedule

On authorization, work will be scheduled as soon as possible, with the goal of completing work before Summer 2023.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

The following alternatives were considered:

Alternative 1 – Partial removal of remediation system infrastructure by other construction teams as part of future capital projects in the area of the Site.

Cost Implications: \$78,000+ plus additional Port effort for removal, coordination, and cost recovery

Pros:

- (1) Does not require a separate mobilization for removal of the treatment system infrastructure.
- (2) Allows for removal of only system components that conflict with previously approved future development actions.

Cons:

- (1) Places burden of system removal on capital project teams to estimate, track and conduct.
- (2) Capital project contractors may not have specialized skills or equipment to remove the remediation system infrastructure and introduces unnecessary complexity to capital development efforts.
- (3) Requires separation and cost tracking of remediation system removal by the capital projects, and cost recovery following completion.

This is not the recommended alternative.

Alternative 2 – Hire specialized contractor to completely remove the remediation system infrastructure ahead of any capital projects in the vicinity of the Site, in accordance with the existing participation agreement.

Cost Implications:

Pros:

- (1) Completes remediation requirements scoped in the Participation Agreement.
- (2) Allows for costs to be split between the remediation parties according to the established percentages.
- (3) Does not require cost recovery following completion.

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Cons:

- (1) No limitations identified for this alternative.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

This work will be funded by a project escrow account setup by the Participants. The Port's share of costs will be deposited to the escrow account from ERL funds. No additional costs are anticipated for this Site.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides
- (2) Draft Sixth Amendment

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 2014 – The Commission authorized execution of the Fifth Amendment to the Participation Agreement

2013 – The Commission authorized execution of the First Addendum to the Fourth Amendment to the Participation Agreement

March 2009 – The Commission authorized execution of the Fourth Amendment to the Participation Agreement

August 2001 – The Commission authorized execution of the Third Amendment to the Participation Agreement

January 1997 – The Commission authorized execution of the Second Amendment to the Participation Agreement

1996 – The Commission authorized execution of the First Amendment to the Participation Agreement

1995 – The Commission authorized execution of the Original Participation Agreement

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