



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8h

**ACTION ITEM**

**Date of Meeting** June 25, 2024

**DATE :** June 7, 2024

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Elizabeth Black, Deputy General Counsel

**SUBJECT: Authorization to Execute Two Settlement Agreements for Recovery of Cleanups Costs at Terminal 91**

**Amount of this request:** N/A

**Total estimated project cost:** N/A

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute two settlement agreements to recover approximately \$5 million in costs associated with the Port's cleanup of the Terminal 91 uplands.

**EXECUTIVE SUMMARY**

Over several decades, the Port has spent more than \$28.5 million on the environmental cleanup of Terminal 91. The Port is working to recover these costs, as well as estimated future costs, from other responsible parties who caused or contributed to contamination at the site.

Contamination at Terminal 91 resulted from a variety of sources. From the late 1800s through 1920, owners of the area included various railroads, land development companies, and private individuals. The Great Northern Railroad began to develop the area in the early 1900s by filling in the area between the Magnolia Bluff and Queen Anne Hill. Philip Services constructed a tank farm in the 1920s and operated it as a fuel storage facility in the late 1920s and 1930s. The U.S. Navy acquired the entire facility in 1942 and operated the tank farm primarily as a fuel and lubricating oil transfer station until 1972, when the Port leased back the consolidated facility and subleased the tank farm to Philip Services. Philip Services conducted waste oil recovery and wastewater treatment until 1995 when they ceased operation and performed above-ground closure activities. The tank farm was subsequently used for fuel storage and blending until 2003 and was demolished in 2005.

Under the proposed settlement agreements, Crowley Maritime will pay \$1.975 million and BP will pay \$3.15 million to the Port for their shares of cleanup costs associated with their contribution of contamination to the site. This matter was further discussed in privileged attorney-client communications. There are no attachments to this memo.