



August 27, 2013

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development

SUBJECT: DECLARATION OF EMERGENCY

On January 11, 2013, the Port executed a contract with IMCO General Construction, Inc. for "Terminal 117 Cleanup Sediment & Upland Areas". The contract work includes demolition, excavation, dredging, disposal, and upland and dredge backfilling.

During a recent excavation, the contractor uncovered unanticipated underground storage tanks and buried containers filled with unknown product. The Port utilized an environmental response service contract to characterize the product and determine the appropriate method of disposal prior to IMCO proceeding with their contracted work. A second excavation on the far side of the project site uncovered additional buried containers. To date, 2 underground storage tanks and over 40 buried containers have been found, with an unknown quantity still remaining on site. Due to this significant and growing quantity, IMCO was issued a work suspension on August 14, 2013.

Upon sampling and characterization of the unknown unmarked leaking containers, there are elevated concerns regarding the timely completion of the ongoing work due to the unknown nature of the buried containers. Based on the chemical constituents from previous sampling results, a release would likely pose a health risk for the impacted areas. With fall/winter weather approaching and the increased probability of rainfall, there is an increased risk of the hazardous materials leaking and contaminating the immediate and surrounding areas.

In order to avoid the increased risk of environmental contamination leading to health risks, this work must be undertaken immediately.

Staff believes it is imperative to undertake an immediate analysis of the site and develop an appropriate disposal plan. In addition, resources should be made available for the remainder of the work in the event of additional unanticipated conditions.

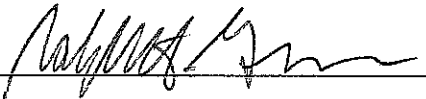
Staff intends to:

- Retain professional services to assess the extent, characterization of materials, and determine proper methods of disposal of the products
- Hire an environmental response contractor to remove the hazardous materials from the excavations

Proceeding with this emergency work will then allow IMCO to complete their work as originally bid.

The quantity of this unanticipated specialized environmental response work is significant and may be in the range of \$1 million.

It is requested that the Chief Executive Officer make a finding that an emergency exists at Terminal 117 and authorize expedited award of a professional services agreement and construction contract to effect the emergency removal and disposal of hazardous materials.

REQUESTED:  8/27/13

DECLARED: 