



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6i

ACTION ITEM

Date of Meeting February 26, 2019

DATE: February 19, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Elizabeth Black, Senior Port Counsel
SUBJECT: Kaiser Gypsum Bankruptcy Settlement

ACTION REQUESTED

Request Commission authorization for the Executive Director to enter into a settlement agreement with Kaiser Gypsum Co., Inc. (Kaiser) to resolve claims in bankruptcy related to the cleanup of the Lower Duwamish Waterway (LDW).

SUMMARY

Kaiser is a potentially responsible party potentially liable for contamination in the LDW as a result of its historic operations. Kaiser 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 \$162,763) related to the investigation and cleanup of contamination for which Kaiser may have been responsible. Commission approval is required because the total amount of the Port's claim is greater than \$300,000.

Counsel recommends approval of the settlement agreement because the benefits of settlement at this time outweigh the costs of pursuing the Port's claim further. Further details will be presented by counsel in executive session on February 26, 2019. A draft settlement agreement is attached.

ATTACHMENTS TO THIS REQUEST

- (1) Draft Settlement Agreement