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Office of the Governor

STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT, OFFICE OF ~~OF~~ FOR REGULATORY
INNOVATION AND ASSISTANCE
AMENDMENT NO. 2 TO
COST REIMBURSEMENT AGREEMENT
OFM CONTRACT NO. 831

OFM Contract No. 831, by and between the Office of Financial Management, OFFICE FOR REGULATORY INNOVATION AND ASSISTANCE (ORIA or AGENCY) and PACIFIC INTERNATIONAL TERMINALS, INC. (APPLICANT) is amended as follows:

The following language is added to the **RECITALS**:

WHEREAS, Exhibit A, Project Work Plan, and its Attachment 1 (Project Schedule) and Attachment 2 (Fee Estimates), are replaced in their entirety with ~~Exhibit A-1 Amended Project Work Plan, Attachment 1-1 (Amended Project Schedule), and Amendment 2-1 (Amended Fee Estimates)~~ Exhibit A-2 Amended Project Work Plan, and

WHEREAS, a broader range of studies will be conducted and reviewed over a longer period of time for the proposed project than was known when the original CRA was signed;

PERIOD OF PERFORMANCE is hereby revised to extend the end date of this contract until December 31, ~~2013~~ 2014.

CONTRACT MANAGEMENT, Contractor Contract Manager Information is hereby updated as follows:

Mark Knudsen

Pacific International Terminals, Inc.

~~1131 SW Klickitat Way~~

~~Seattle, WA 98134~~

~~Phone: (206) 654-3525~~

~~Fax: (206) 381-5186~~

~~E-mail address: Mark.Knudsen@SSAMarine.com~~

<u>CONTRACTOR Contract Manager Information:</u>	<u>AGENCY Contract Manager Information:</u>
<u>Ari Steinberg</u> <u>Pacific International Terminals, Inc.</u> <u>1131 SW Klickitat Way</u> <u>Seattle, WA 98134</u> <u>Phone: (206) 654-3689</u> <u>Fax: (206) 381-5186</u> <u>E-mail address: :</u> <u>Ari.Steinberg@SSAMarine.com</u>	<u>Jesus Sanchez</u> <u>Office for Regulatory Innovation and Assistance</u> <u>P.O. Box 40002</u> <u>Olympia, WA 98504-0002</u> <u>Phone: (360) 725-0629</u> <u>E-mail address:</u> <u>Jesus.Sanchez@gov.wa.gov</u>

ORDER OF PRECEDENCE is updated to incorporate the following revised documents into this CRA. In addition, in the event of an inconsistency in this CRA, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable Federal and state of Washington statutes and regulations
- Terms and Conditions as contained in this CRA
- ~~Exhibit A-1, Amended Project Work Plan~~
- ~~Attachment 1-1 of Exhibit A-1, Amended Project Schedule~~
- ~~Attachment 2-1 of Exhibit A-1, Amended Fee Estimates~~
- Exhibit A-2, Amended Project Work Plan
- Attachment 3 of Exhibit A-1, Standard Operating Procedures
- Any other provision, term or material incorporated herein by reference or otherwise incorporated

The effective date of this Amendment is the last date of execution.

ALL OTHER TERMS AND CONDITIONS OF THIS CONTRACT REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties hereby execute this Amendment.

PACIFIC INTERNATIONAL TERMINALS, INC.

OFFICE FOR REGULATORY INNOVATION AND ASSISTANCE



 Signature



 Jesus Sanchez

VP Project Development

 Title Date
3/31/14

Director 3/31/14

 Title Date

WASHINGTON STATE DEPARTMENT OF ECOLOGY

Polly Zehm
Signature

Deputy Director 2/11/14
Title Date

WASHINGTON STATE DEPARTMENT OF FISH AND WILDLIFE

Jeffrey R. Huggahl
Signature

Jeffrey R. Huggahl
Contracts and Purchasing Manager 3/20/14
Title Date

WASHINGTON STATE DEPARTMENT OF NATURAL RESOURCES

Kristin Sweuddal
Signature

Acting Division Manager 3/27/14
Title Date
for Kristin Sweuddal

NORTHWEST CLEAN AIR AGENCY

Mark Asmundson
Signature

EXECUTIVE DIRECTOR 1/27/14
Title Date

Exhibit A-2

Amended Project Work Plan

January 21, 2014

I. ORIA Project Coordination Framework – State Environmental Policy Act

Introduction

The Governor's Office for Regulatory Innovation and Assistance (ORIA) has responsibility to provide applicants, agencies, and interested and affected stakeholders with open and transparent access to knowledge and information on permitting and regulatory decision-making processes implemented by local, state, federal, and tribal agencies. ORIA assists stakeholders who seek clarity and understanding regarding the sequence, timing, scope, and scale of regulatory decision-making processes of significant and environmentally complex projects, such as the proposed Gateway Pacific Terminal/Custer Spur project (GPT project).

ORIA has provided leadership to the proposed GPT project since November 2010 following the applicant's (Pacific International Terminals, PI Terminals) request to Governor Gregoire for ORIA to lead a multi-agency permit (MAP) team to coordinate a complex multi-agency environmental review and regulatory decision-making process. ORIA will continue with this role as MAP team lead.

Separate from the MAP team role, ORIA will provide process-oriented State Environmental Policy Act (SEPA) support and meeting facilitation to the Washington State Department of Ecology (Ecology) and Whatcom County (SEPA co-lead agencies).

The following describes the scope of work related to the SEPA task under Amendment 2 to the cost-reimbursement contract for the timeframe January 1, through December 31, 2014.

State Environmental Policy Act Process Task

Separate SEPA and National Environmental Policy Act (NEPA) environmental impact statements (EIS) are being developed for the proposed GPT project. Tasks performed in support of SEPA review will be separate and distinct from ORIA's MAP team leadership role and will be directed by Ecology and Whatcom County. ORIA will provide direct assistance to Ecology, as well as to other state and local agencies involved with the SEPA process, as outlined in 'Roles and Responsibilities,' below.

ORIA's involvement during preparation of the SEPA document will be to engage state and local government agencies in a timely and efficient manner, and for activities relevant to their regulatory responsibilities, for development and review of the GPT EIS. Activities anticipated by ORIA, such as multi-agency review of and input to methodologies and technical reports, will be conducted under the direction of Ecology and Whatcom County, and their third party consultant, CH2MHill. The intent of ORIA's involvement is to enhance access to and coordination with the

multiple state and local agencies that have a technical or regulatory role in the SEPA EIS, without duplicating the work conducted by the third party consultant.

Materials generated during this work will be managed separately from those generated as part of the MAP team work (also see 'Limitations' section, below).

Roles and Responsibilities

- **SEPA MULTI-AGENCY GROUP**
 - This *ad hoc* group will be convened as needed.
 - The group involves agencies in addition to Ecology and Whatcom County, including but not limited to Departments of Natural Resources, Fish and Wildlife, Health, Transportation, and Archaeology and Historic Preservation; Whatcom County Health Department; and the Northwest Clean Air Agency.
 - Federal agencies will be invited to meetings as needed and at the direction of Whatcom County and Ecology.
 - The third party consultant (CH2MHill) will be invited to meetings at the direction of Whatcom County and Ecology.
 - This group may include project applicants when appropriate and as long as the co-lead agencies' Communication Protocol (see 'References') is followed.
 - Topic-specific meetings will be convened as needed to obtain input from agencies to inform and support the SEPA co-lead agencies.

- **ORIA Role**
 - ORIA will support regular communications between co-lead agencies and other permit agencies.
 - ORIA will facilitate communications to support resolution of issues and mitigate delays between permit agencies.
 - As directed by Ecology and Whatcom County, ORIA will set up SEPA multi-agency meetings, including but not limited to:
 - Arrange for meeting places.
 - Set agendas with input from agencies.
 - Invite appropriate agency staff.
 - Provide input on meeting materials.
 - Distribute materials ahead of meetings.
 - Facilitate meetings.
 - Complete meeting notes and action items.
 - Track action items.
 - Help refine research and coordination topics to enable completion of action items.
 - Help develop multi-agency milestone schedule and track milestones.
 - ORIA's facilitation role may include, but not be limited to, the following:
 - Planning: before the meeting, secure the meeting place, identify the participants, and develop and distribute meeting goals, agenda, and

technical materials at least two weeks ahead of meeting to allow participants time to review and prepare.

- Sharing: during the meeting, support open and positive communications, identify and help resolve conflicts, encourage all parties to fully participate, capture action items, and assign responsibility for action items.
 - Tracking: following the meeting, distribute notes (including actions items) within one week, check with those responsible on status of action items, support participants in completing work that is needed for the group, track progress against milestone schedule, and update schedule to show progress and delays.
- **PROJECT MANAGEMENT (PM) GROUP**
 - This group includes the co-lead agencies and third party consultant.
 - The third party consultant will set up and facilitate these meetings on behalf of the co-lead agencies.
 - The applicants may be included in these meetings when the co-lead agencies determine it is appropriate.
 - The co-lead Communication Protocol must be followed in any instance when the applicants are invited to meetings.
 - Weekly or bi-weekly meetings/phone calls will be scheduled for the following purposes:
 - Track SEPA progress against critical path schedule.
 - Track action items from prior meetings.
 - Discuss progress and coordination critical to SEPA process.
 - Other issues as co-lead agencies determine.
- **ORIA Role**
 - Attend PM group meetings to support Ecology and Whatcom County but not take part in organizing or facilitating meetings, unless requested by the agencies.
 - Gather information from a variety of state and local agencies to support the SEPA process, as directed by Ecology and Whatcom County.
- **ORIA Time & Budget Estimate, January 1 through December 31, 2014**
 - One quarter time (520 hours/year) * \$63/hour = \$32,760
 - Estimated contract balance = \$80,135
 - Proposed additional budget under Amendment 2 = \$0

Limitations

Limitations on ORIA related to the SEPA Process Task include the following:

- 1) ORIA will not post SEPA related materials to the GPT MAP team website unless approved by Ecology and Whatcom County.

- 2) ORIA will not be responsible for management of project or schedule for the co-leads' SEPA process.
- 3) ORIA will not discuss SEPA processes with the media or other interested parties outside of those defined above.

Teams

A number of teams are working at different levels to support clear communications, regular coordination, and progress on SEPA for the proposed GPT project:

- Project Applicants – PI Terminals and BNSF Railway. Project managers, company permit staff, and consulting team.
- Governor's Office for Regulatory Innovation and Assistance:
 - Project coordinator for agency communications, applicant communications, and tracking progress
 - Meeting facilitator for SEPA multi-agency group
- EIS Co-lead Team:
 - SEPA – Whatcom County and Washington State Department of Ecology
 - NEPA – U.S. Army Corps of Engineers
 - Co-lead EIS Consultant – CH2MHill project manager
- Environmental Regulatory Team:
 - Local and Regional Government – Whatcom County Health Department, Northwest Clean Air Agency *and Approval By IRH (m)*
 - State Permit Agencies – Washington State Departments of Fish and Wildlife and Natural Resources
 - Other State Agencies – Washington State Departments of Transportation, Health, Archaeology and Historic Properties, Agriculture, and Commerce, and Utilities and Transportation Commission
 - Federal Government – U.S. Environmental Protection Agency, National Marine Fisheries Service

References

GPT Project Websites:

- GPT MAP Team (ORIA): http://www.ezview.wa.gov/pr/site/alias_1357/welcome/22844/welcome.aspx
- GPT EIS: <http://www.eisgatewaypacificwa.gov/>
- Ecology: <http://www.ecy.wa.gov/geographic/gatewaypacific/>
- Whatcom County: <http://www.co.whatcom.wa.us/pds/plan/current/gpt-ssa/index.jsp>

GPT MAP Team Documents:

These documents provide background to the proposed GPT project and work the MAP team has done. As of April 2013, the MAP team is on hold and will likely be reactivated when GPT project permit applications are submitted for review.

- Cost Reimbursement Agreement (CRA) – the CRA is a contract between the applicant, PI Terminals and ORIA, including WA Dept of Ecology, Fish and Wildlife, Natural Resources, and Northwest Clean Air Agency:
[http://www.ezview.wa.gov/pr/Portals/_1357/images/default/Final%20Signed%20Cost-Reimbursement%20Agreement\(1\).pdf](http://www.ezview.wa.gov/pr/Portals/_1357/images/default/Final%20Signed%20Cost-Reimbursement%20Agreement(1).pdf)
- Amendment 1 to CRA:
[http://www.ezview.wa.gov/pr/Portals/_1357/images/default/Amend%201%20signed%206252012%20\(clean\).pdf](http://www.ezview.wa.gov/pr/Portals/_1357/images/default/Amend%201%20signed%206252012%20(clean).pdf)
- Standard Operating Procedures (SOP) – a guidance document that outlines MAP team purpose and goals; roles and responsibilities; documents and deliverables; conflict management; and process and schedule.
http://www.ezview.wa.gov/pr/Portals/_1357/images/default/MAP%20Team%20SOP%20ver%205.pdf

SEPA Agency Documents:

- Communication Protocol: <http://www.co.whatcom.wa.us/pds/plan/current/gpt-ssa/pdf/20120515-gpt-com-protocol.pdf>

II. Agency Cost-reimbursement Scope of Work

Introduction

The following four agencies, in addition to the Governor's Office for Regulatory Innovation and Assistance (ORIA), have participated in a cost-reimbursement contract to provide regulatory and permit support for the proposed Gateway Pacific Terminal/Custer Spur project (GPT project):

- Washington Department of Ecology (Ecology)
- Washington Department of Fish and Wildlife (WDFW)
- Washington Department of Natural Resources (DNR)
- Northwest Clean Air Agency (NWCAA)

The following describes the scope of work proposed for Amendment 2 to the cost-reimbursement contract for the timeframe January 1, through December 31, 2014.

Department of Ecology

Ecology is a regulatory lead, along with Whatcom County, for the State Environmental Policy Act (SEPA) environmental impact statement (EIS) being developed for the proposed GPT project.

Ecology staff assigned to the GPT project will perform the following:

- Coordinate with co-lead agencies (Whatcom County and the U.S. Army Corps of Engineers) regarding consultant contract, communications protocols, and other administrative tasks associated with the EIS.
- Provide oversight of SEPA EIS process including refining study approaches, methodologies, gap analyses, research, and technical reports.
- Convene technical review meetings to obtain input from other government agencies.
- Review and comment on documents provided by consultant and applicants.
- Conduct field visits if required for specific studies.

Ecology Time & Budget Estimate

Ecology has assigned a lead planner and numerous technical staff to the project. To accomplish the work for this project the following assumptions are made for 2014:

- Lead planner: three quarter time (1,560 hours/year) * \$68/hour = \$106,080
- Technical staff (approx. three): one half time (1,040 hours/year) * \$68/hour = \$70,720
- TOTAL = \$176,800
- Estimated contract balance = \$214,520
- Proposed additional budget under Amendment 2 = \$0

Other Regulatory Agencies

WDFW, DNR, and NWCAA will perform the following to support the SEPA EIS process and as requested by Ecology:

- Participate in technical review meetings to provide input on topics for which the agency has regulatory jurisdiction and expertise.
- Review and comment on documents for the SEPA EIS at the request of Ecology or other co-lead agencies.
- Conduct field visits if required for specific studies.

WDFW Time & Budget Estimate

WDFW has assigned technical staff to the project. To accomplish the work for this project the following assumptions are made for 2014:

- Technical staff (approx. two): one eighth time (260 hours/year) * \$57/hour = \$14,820
- Estimated contract balance = \$49,666
- Proposed additional budget under Amendment 2 = \$0

DNR Time & Budget Estimate

DNR has assigned technical staff to the project. To accomplish the work for this project the following assumptions are made for 2014:

- Technical staff (approx. two): one eighth time (260 hours/year) * \$54/hour = \$14,040
- Estimated contract balance = \$85,348
- Proposed additional budget under Amendment 2 = \$0

NWCAA Time & Budget Estimate

NWCAA has assigned technical staff to the project. To accomplish the work for this project the following assumptions are made for 2014:

- Technical staff (approx. one): one sixteenth time (130 hours/year) * \$91.50/hour = \$11,895
- Estimated contract balance = \$11,410
- Proposed additional budget under Amendment 2 = \$500

III. Fee Estimate

A summary of fees under Amendment 2 is provided in Table 1. The total contract amount has not been changed under Amendment 2.

Table 1: Summary of Government Agency Fees and Hours

Agency	Original Contract Fee	Amendment 1 Fee	Amendment 2 Fee	Total Contract Amount	Original Contract Hours	Amendment 1 Hours	Total Contract Hours
ORIA	\$160,847	\$290,280	-\$500	\$450,627	1,980	3,030	5,010
Ecology	\$109,234	\$254,509		\$363,743	1,665	3,880	5,545
DFW	\$48,098	\$20,014		\$68,112	850	384	1,234
DNR	\$72,342	\$21,505		\$93,847	1,222	384	1,606
NWCAA	\$0	\$43,382	+\$500	\$43,882	0	502	502
TOTALS	\$390,521	\$629,690	\$0	\$1,020,211	5,717	8,180	13,897



March 20, 2014

MEMORANDUM

TO: Megan Duffy, Deputy Supervisor
Aquatics and Geology and Earth Resources

FROM: Kristin Swenddal, Manager
Aquatic Resources Division 

SUBJECT: Delegation of Authority

During my absence of March 24, 2014 through March 27, 2014, I hereby delegate the authority and responsibility to act on behalf of the Aquatic Resources Division as division manager to:

1. For March 24, 2014 and March 25, 2014, to Blain Reeves, Assistant Division Manager for Operations; and
2. For March 26, 2014 and March 27, 2014, to Kyle Murphy, Assistant Division Manager for Program Support.

This includes the exercise of all authorities and responsibilities delegated to the division manager as authorized by the Delegation of Authority dated May 22, 2012.

c: Executive Management
Aquatic Resources Division
Region Managers
Division Managers

