

MINUTES
SPECIAL MEETING
DECEMBER 6, 2011
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Special Meeting to order. Roll call was taken.

Commissioners present: Dan Hess, Larry Pfund, Jack Bland, Bill Hunsinger and Floyd Holcom.

Staff present: Executive Director, Jack Crider. Also present, Port Attorney, Thane Tiensen.

CONSIDER ENVIRONMENTAL MITIGATION SETTLEMENT

Executive Director Jack Crider reported on the terms of the area-wide contamination settlement which is the conclusion of mediation held a week ago with six insurance carriers. The proposed settlement is for the six insurance carriers to pay the Port of Astoria \$550,000 to settle potential claims that the Port has on their insurance. It is a fair settlement and will allow the port to proceed forward with other potential claims. This will hopefully conclude the challenges of area-wide contamination issue that the Port has struggled with for over 10 years.

Port Attorney, Thane Tiensen reviewed the details of the settlement. The decision to be made is whether or not the Port of Astoria will accept a settlement of \$550,000 offered by the six insurance companies, subject to the terms and conditions under which the offer was made. The settlement reflects only post-tender liability exposure. The insurance companies will have no liability for pre-tender costs. Tender is July 2009 when the insurance companies were put on notice for claims. The Oregon Department of Environmental Quality has demanded the Port and tenants (responsible parties) clean up the areas identified as contaminated. The settlement reflects potential liability the insurance companies will have for the five sites. The liabilities are limited to post-tender costs. If the insurance companies and the Port proceeded to trial, the carriers would only be liable for \$35,000 because only costs incurred by the port since notification would be collectable. The settlement is a collective one. The Port can allocate payment where wanted.

Commissioner Holcom moved to authorize the Executive Director and counsel to move forward with the settlement as described in the director's report and to execute any necessary settlement documents. Commissioner Bland seconded the motion. The motion carried unanimously.

There being no further business, the meeting was adjourned.