



STATE ENVIRONMENTAL POLICY ACT (SEPA) CHECKLIST

A. BACKGROUND

1. Name of proposed project, if applicable:

Port of Anacortes - Pier 2 Prilled Sulfur Shipment Operations

2. Name of applicant:

Port of Anacortes

3. Address and phone number of applicant and contact person:

John Hachey
Director of Operations
Port of Anacortes
P.O. Box 297
Anacortes, WA 98221
(360) 299-1829

4. Date checklist prepared:

December 2, 2009

5. Agency requesting checklist:

Port of Anacortes

6. Proposed timing or schedule (including phasing, if applicable):

Bulk prilled sulfur loading operations are proposed to begin in the third quarter of 2010.

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

None anticipated.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

Bulk loading operation facilities have undergone SEPA review for prior capital facilities construction at Pier 2.

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

None known.



10. List any government approvals or permits that will be needed for your proposal, if known.

A modification of the existing air operating permit for Pier 2 loading operations from the Northwest Clean Air Agency is required. The Port will submit a Notice of Construction and Application for Approval to the Northwest Clean Air Agency (NWCAA) seeking an Order of Approval for the sulfur loading operations.

In a separate action, the Port is studying modification of the existing wash water and stormwater system to improve water quality discharges or eliminate them completely. This may include transfer of all wash water and stormwater to the City of Anacortes sanitary sewer. Consequently, the industrial stormwater general permit may be modified.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

Pier 2 is an existing bulk loading marine terminal designed to accommodate the storing, sorting loading, unloading and handling of bulk cargos and other large items. Moreover, the docking of ships and barges for loading and unloading of bulk cargo and other cargo is the long standing and current marine use. There are no existing or projected land uses or plans to alter this long standing marine use.

The Port of Anacortes' Pier 2 is an existing bulk cargo terminal which has been and will continue to be used to store, sort, assemble, load and unload a variety of bulk cargos. Pier 2 has an existing mechanized conveyor loading system for loading of some bulk cargos. The existing structures and facilities at Pier 2 will be used for prilled sulfur loading operations.

The Port proposes to ship prilled sulfur through the existing facility which necessitates modification of the existing air operating permit for loading operations at Pier 2. The approved modification would allow the transfer of up to 300,000 metric tons per year of prilled sulfur onto ships using the existing mechanized conveyor loading system. The prilled sulfur loading rate is anticipated to begin at 130,000 metric tons per year at the outset, with a potential for increasing to 300,000 metric tons per year in the future. No capital improvements or other modifications to existing operations are proposed except as may be required to comply with applicable existing or future stormwater discharge permits.

Sulfur is a molten byproduct of oil refinery operations. Molten sulfur is processed into prills (small hard irregular pellets) at several off-site facilities. No onsite storage of prilled sulfur will take place at Pier 2. The prilled sulfur will arrive in covered trucks and then be unloaded directly via bottom dump over the hopper of the existing conveyor system. The prills will be conveyed directly into the hold of a ship berthed at Pier 2.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.



Pier 2, an industrial bulk cargo terminal, is located on the south side of the Guemes Channel on 4th Street between "R" and "T" Avenues, just east of the Dakota Creek Shipyard. The property is located in the northwest corner of Section 18, Range 2E, and Township 35N (see attached vicinity map and site plan). The entire property is approximately 13 acres with the northern portion currently used as a bulk terminal facility as described above.

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. **General description of the site (circle one): Flat, rolling, hilly, steep slopes, mountainous, other**

The 13-acre Pier 2 was constructed on land and over water. The northern portion is supported by pilings over the Guemes Channel. It is flat and paved with asphalt; no vegetation is present. The approximately 6-acre northern portion of the pier will be used for shipping the prilled sulfur.

- b. **What is the steepest slope on the site (approximate percent slope)?**

The site is flat.

- b. **What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.**

There are fill soils underlying a portion of the southern part of Pier 2; however, the entire pier is paved with asphalt.

- d. **Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.**

No.

- e. **Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.**

No filling or grading is proposed.

- f. **Could erosion occur as a result of clearing, construction, or use? If so, generally describe.**

Not applicable.

- g. **About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?**

The project does not involve construction; the pier will remain paved.

- h. **Proposed measures to reduce or control erosion, or other impacts to the earth, if any:**



None required.

2. Air

- a. **What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.**

Potential short-term air emissions will be limited to diesel engine emissions from trucks and from ships idling at Pier 2. Neither source of emissions is anticipated to be significant within a regional air quality perspective.

The prilled sulfur loading operation has the potential to generate small amounts of particulate matter (dust). Dust control measures are currently in place at the mechanized conveyor loading system. These controls include a covered conveyor system and a mist spray at the hopper where the bulk cargo is unloaded and at the spout where the bulk cargo exits the system. Potential emissions are well below the thresholds for prevention of significant deterioration (PSD) of air quality and operations are expected to be in compliance with NWCAA and Washington Department of Ecology regulations.

Sulfur prills also may contain trace amounts of entrained residual hydrogen sulfide which can cause odors and is a toxic air pollutant regulated by the state. However, it is unlikely that odors will be detected outside of the Pier 2 property boundary. During a test loading event, the sulfur odor was detectable by most observers only within 50 feet of the loading operation.

- b. **Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.**

No. Sources of emissions include adjacent shipyard operations and vehicle traffic on local streets, which would not affect the proposed project.

- c. **Proposed measures to reduce or control emissions or other impacts to air, if any:**

The facility will be operated and maintained in accordance with existing regulations, including compliance with a dust management plan, as well as any other conditions or controls imposed by the NWCAA during permit review and approval.

Existing emission controls currently in place for operation of the mechanical conveyor loading system will be applied to the prilled sulfur loading operation. These include: (i) use of fogging (mist) systems at the truck/trailer unloading point and at the conveyor end spout and (ii) enclosure of the conveyor, and (iii) covering of trucks/trailers to and from the marine terminal. In addition to (i) and (ii) above, the existing permit limits visible emissions, requires minimization of the drop-loading vertical distance, requires use of a wheel wash system for trucks leaving the terminal, and prohibits on-terminal storage of materials.



3. Water

a. Surface:

- 1) **Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.**

Pier 2 is located along and over the south side of Guemes Channel.

- 2) **Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.**

No capital improvements are proposed. Pier 2 is an existing over-water structure and the sulfur loading operation would take place on the pier via a conveyor over the ship hold.

- 3) **Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.**

No dredging or filling is proposed.

- 4) **Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.**

No.

- 5) **Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.**

No.

- 6) **Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.**

No discharges are anticipated from Pier 2 except in compliance with any existing or modified National Pollutant Discharge Elimination System (NPDES) state industrial stormwater general permit. Potential for discharges to stormwater are discussed below under section c.

b. Ground:

- 1) **Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.**

No.

- 2) **Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals...; agricultural; etc.). Describe the general size of the system,**



the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

Not applicable.

c. Water runoff (including stormwater):

- 1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.**

The north portion of Pier 2 where the bulk loading operations occur is currently covered by an industrial stormwater general permit issued by the Department of Ecology. Wash water is discharged to the City of Anacortes wastewater treatment facility and stormwater to the Guemes Channel via an outfall. Stormwater flow rates will remain the same because there will be no increase in impervious surface required for the prilled sulfur loading operations.

In a separate action, the Port is studying modification of the existing wash water and stormwater system to improve water quality discharges or eliminate them completely. This may include transfer of all wash water and stormwater to the City of Anacortes sanitary sewer.

- 2) Could waste materials enter ground or surface waters? If so, generally describe.**

There is a remote potential that prilled sulfur could enter Guemes Channel surface waters due to an accidental spill from the mechanized conveyor system between the ship and the pier face. However, the loading is monitored continually and the discharge spout is left inside the ship hold throughout the loading event. In the unlikely event of a malfunction causing a spill to water, the operator would immediately stop the conveyor belt and loading operation to prevent sulfur from entering the Channel.

d. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

Stormwater is currently discharged to Guemes Channel and to the City wastewater treatment plant under the requirements of the NPDES state industrial stormwater general permit. The requires implementation and maintenance of best management practices to control stormwater discharges from the site, monitoring and reporting of discharges, and effluent limitations in compliance with the stormwater discharge permit

In a separate action, the Port is studying modification of the existing wash water and stormwater system to improve water quality discharges or eliminate them completely. This may include transfer of all wash water and stormwater to the City of Anacortes sanitary sewer.

4. Plants

- a. Check or circle types of vegetation found on the site:** None

_____ deciduous tree: alder, maple, aspen, other

_____ evergreen tree: fir, cedar, pine, other



- _____ shrubs
- _____ grass
- _____ pasture
- _____ crop or grain
- _____ wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other
- _____ water plants: water lily, eelgrass, milfoil, other:
- _____ other types of vegetation

b. What kind and amount of vegetation will be removed or altered?

None.

c. List threatened or endangered species known to be on or near the site.

None are known.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

Not applicable.

5. Animals

a. Circle any birds and animals which have been observed on or near the site or are known to be on or near the site:

Observed birds and animals-

Birds: hawk, heron, eagle, songbirds, gulls, common loon, Brandt's cormorant, osprey, great blue heron

Fish: salmon, bull trout, crab

Several bald eagle nesting territories occur in the vicinity, primarily near Fidalgo Bay, West Guemes Channel and Guemes Island. Numerous waterfowl and shorebirds also use the Guemes Channel area, primarily in the winter and during migration.

b. List any threatened or endangered species known to be on or near the site.

Federally listed or threatened species that could potentially occur in Guemes Channel include the Puget Sound Chinook salmon, Puget Sound Steelhead, Coastal-Puget Sound Bull Trout, Marbled Murrelet, and Southern Resident Orca.

c. Is the site part of a migration route? If so, explain.

The Puget Sound area is part of the Pacific flyway; birds that are seen in the area vary seasonally due to migration.

d. Proposed measures to preserve or enhance wildlife, if any:



None proposed.

6. Energy and natural resources

a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

1. The trucks and trailers are powered by diesel or gasoline engines.
2. Electricity will be used to operate the sulfur loading equipment at the site.
3. The Port of Anacortes employs a gasoline powered vacuum sweeper to clean the surface of Pier 2 during and after loading operations.
4. The ships that receive the prilled sulfur have power plants that provide onboard ship power during loading operations

b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

No.

c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:

None proposed.

7. Environmental health

a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.

Loading prilled sulfur onto the conveyor belt has the potential to generate small and localized amounts of sulfur dust. However, water misters are used during loading to prevent particulate matter from becoming airborne. Prilled sulfur is not considered a toxic chemical by the regulatory agencies and is not regulated as a hazardous material by the US Department of Transportation. Because sulfur prills will not be stored on the Pier 2 Bulk Cargo Terminal, there is minimal potential for gasses to build up and cause odor or for the prills to catch fire. The International Maritime Organization recently adopted an amendment stating that "formed sulfur products (including prills) are not considered combustible/flammable solids".

1) Describe special emergency services that might be required.

No special emergency service requirements are anticipated.

2) Proposed measures to reduce or control environmental health hazards, if any:

Air emissions will be subject to conditions imposed by the NWCAA permit. The Port has a Contingency Plan for transportation and maritime loading of bulk products. The Plan includes measures for minimizing the risk of spills or accidents during bulk



loading, and includes best management practices for truck loading, transport, and ship loading operations. Procedures for emergency response notification, emergency coordination, and follow up are established in the plan. No additional contingency measures are required for the handling of prilled sulfur. Metropolitan Stevedore, the Port's tenant and shipping operator, ensures that Longshore workers receive health and safety training through the Pacific Maritime Association.

The trucks and trailers will be covered during transport. No prilled sulfur will be stored at Pier 2. The trucks and trailers will unload the prilled sulfur via bottom dump directly into the hopper of the mechanized conveyor loading system. Water misters will be used at the hopper and at the spout of the conveyor system to mitigate and reduce the creation of sulfur dust.

b. Noise

1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

Existing noise will not affect sulfur loading operations.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

Noise could be generated from the trucks driving on and off Pier 2 as well as from operation of the loading equipment. Noise levels would be the same as existing levels from operation of the mechanical conveyor loading system. Assuming the potential volume of 300,000 metric tons per year there will be approximately 25 total ship loading events per year with each event lasting about 2 to 7 days from 7: a.m. to 10:00 p.m.

3) Proposed measures to reduce or control noise impacts, if any:

None are necessary beyond on the current limitation on hours of operation. The current hours of operation for loading operations at Pier 2 are limited to 7:00 a.m. to 10:00 p.m. during days when ships or barges are available for loading.

No additional restrictions are proposed.

8. Land and shoreline use

a. What is the current use of the site and adjacent properties?

Pier 2 is a multi-cargo bulk loading facility that is available to store, sort and load bulk cargo on ships and barges. Portions of Pier 2 are also currently used to (i) temporarily sort and handle soils and sediments from the Port of Anacortes' former Scott site environmental cleanup efforts and (ii) store and assemble modules and ship sections. Other commodities are handled according to shipping and market opportunities. Adjacent properties include manufacturing and shipping uses with an active shipyard to the west, city wastewater treatment plant to the south, and mixed open space, commercial, restaurant, and residential to the east.

b. Has the site been used for agriculture? If so, describe.



No.

c. Describe any structures on the site.

Structures on the site include the storm water settling pond, the wash water recycling tanks, the mechanical conveyor loading system, a Port of Anacortes shop building, a truck wheel wash facility, Metropolitan Stevedore offices and associated storage buildings, longshoreman's building, and other small miscellaneous structures. The Port of Anacortes has erected a 30,000 square foot portable tent structure which is currently being used to contain the soils and sediments that are sorted and loaded as part of the Port of Anacortes' former Scott site environmental remediation project.

d. Will any structures be demolished? If so, what?

No.

e. What is the current zoning classification of the site?

Manufacturing and Shipping.

f. What is the current comprehensive plan designation of the site?

The City of Anacortes 2007 Comprehensive Plan designates the site as Manufacturing and Shipping.

g. If applicable, what is the current shoreline master program designation of the site?

The current shoreline master program designation is Urban I.

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

No.

i. Approximately how many people would reside or work in the completed project?

Approximately 11 Metropolitan Stevedoring employees will work during each prilled sulfur loading event.

There are no residents associated with Pier 2.

j. Approximately how many people would the completed project displace?

Not applicable.

k. Proposed measures to avoid or reduce displacement impacts, if any:

Not applicable.



I. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The proposed sulfur loading operation would not interfere with existing or future marine-related uses in the Guemes Channel and is compatible with existing and projected land uses.

Pier 2 is an existing bulk loading marine terminal designed to accommodate the storing, sorting, loading, unloading, and handling of bulk cargos and other large items. Moreover, the docking of ships and barges for loading and unloading of bulk cargo and other cargo is the long-standing and current marine use. There are no existing or projected land uses or plans to alter this long standing marine use.

9. Housing

a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low income housing.

Not applicable.

b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low income housing.

Not applicable.

c. Proposed measures to reduce or control housing impacts, if any:

Not applicable.

10. Aesthetics

a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

No new structures are proposed.

b. What views in the immediate vicinity would be altered or obstructed?

Existing views would not be altered.

c. Proposed measures to reduce or control aesthetic impacts, if any:

None proposed.

11. Light and glare

a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

No new lighting is proposed. The loading operations will occur between 7:00 a.m. and 10:00 p.m.



- b. Could light or glare from the finished project be a safety hazard or interfere with views?**

No.

- c. What existing off-site sources of light or glare may affect your proposal?**

None.

- d. Proposed measures to reduce or control light and glare impacts, if any:**

None.

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?**

Except for recreational boats using the Guemes Channel, there are no recreational opportunities in the immediate area of the marine terminal.

- b. Would the proposed project displace any existing recreational uses? If so, describe.**

No.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:**

None required.

13. Historic and cultural preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.**

No.

- b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.**

No specific landmarks or evidence of historic, archeological, scientific, or cultural significance are known in the area.

- c. Proposed measures to reduce or control impacts, if any:**

None required.

14. Transportation



- a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.**

Pier 2 is located north of downtown Anacortes. The truck access route is R Avenue, which becomes Q Avenue, and provides the north-south connection between State Route (SR) 20 through Anacortes. Primary access to the site is via Q Avenue to 4th Street.

- b. Is site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?**

The site is served by public transit by SKAT (Skagit Transit) Route 410. The nearest bus stop is located on Q Avenue and 5th Street.

- b. How many parking spaces would the completed project have? How many would the project eliminate?**

Not applicable.

- d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).**

No new road improvements are required. Funding for ongoing maintenance of existing truck routes will be provided through an interlocal agreement between the Port and the City of Anacortes.

- e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.**

Yes, the sulfur loading project is a marine transportation project.

- f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.**

The anticipated initial annual loading rate is 130,000 metric tons per year, with the potential that eventually up to 300,000 metric tons per year could be handled. Each loading operation (up to 20,000 metric tons) would take about 5 days, with trucks entering and leaving the terminal between 7 a.m. and 10 p.m. Approximately 266 trips per day would occur during active loading, or approximately 18 trips per hour during active loading. A recent traffic impact study (2008) for the Northwest Career and Technical Academy currently being constructed on R Avenue indicated that weekday peak hour (4:30 to 5:30 p.m.) volumes on the truck route are 1,154 vehicles per hour. Adding 18 trips per hour for up to 5 days twice a month will not result in a significant impact on existing levels of service along the truck route.

- g. Proposed measures to reduce or control transportation impacts, if any:**

The Port anticipates entering into an interlocal agreement with the City of Anacortes to provide funding for regular road maintenance on Q and R Avenues.

15. Public services



- a. **Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so, generally describe.**

No.

- b. **Proposed measures to reduce or control direct impacts on public services, if any.**

Not applicable except as noted above for ongoing maintenance.

16. Utilities

- a. **Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other.**

- b. **Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.**

Utilities and providers at the site are as follows:

Electricity	Puget Sound Energy
Natural gas	Cascade Natural Gas
Telephone	Verizon
Water, Sewer, Refuse services	City of Anacortes

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

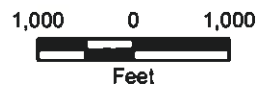
Signature:

A handwritten signature in blue ink that reads "Connie Thoman".

**Connie Thoman, Environmental Administrator
Port of Anacortes**

Date Submitted:

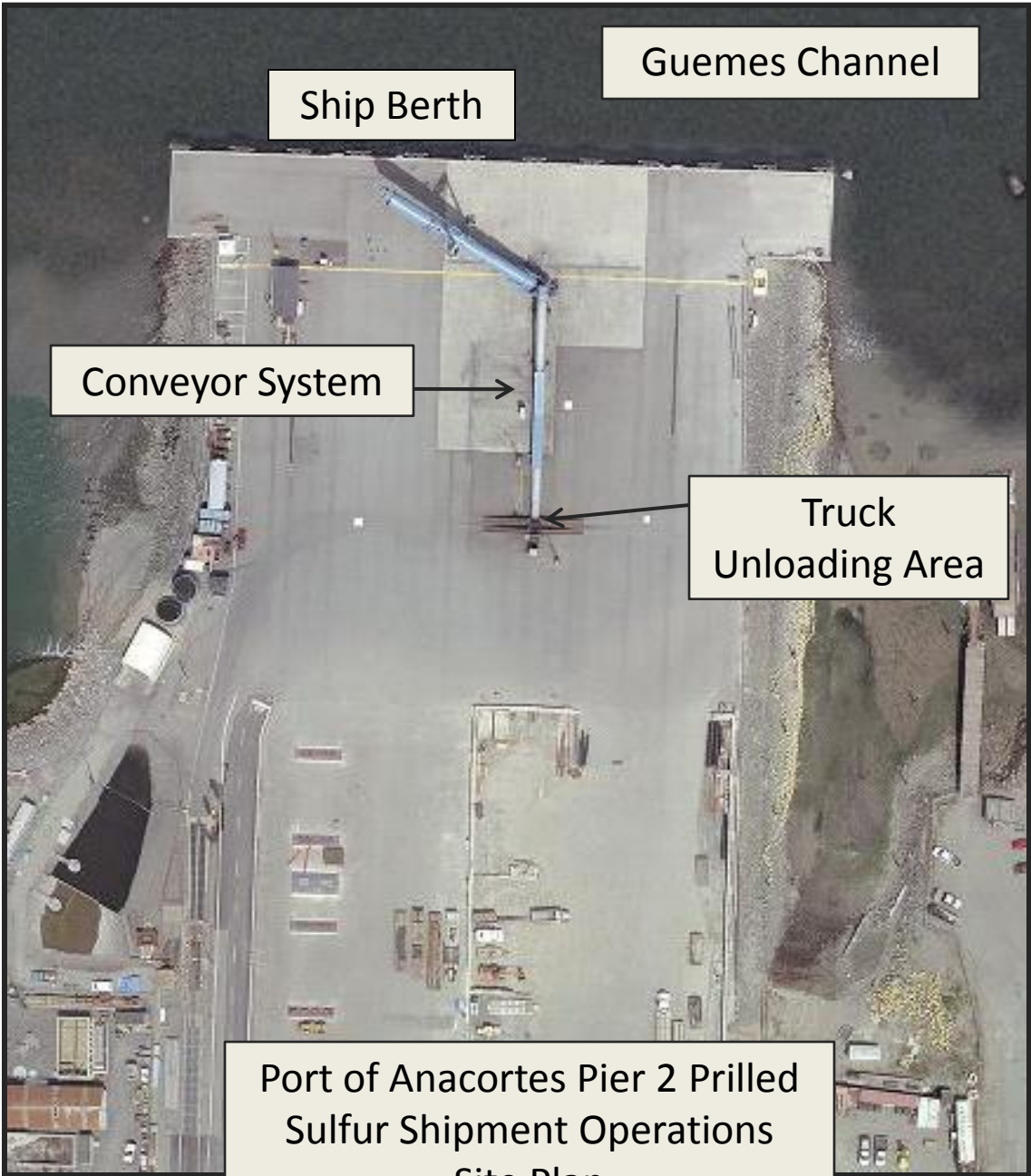
December 2, 2009



Vicinity Map

Anacortes, Washington

Figure 1



Guemes Channel

Ship Berth

Conveyor System

Truck Unloading Area

Port of Anacortes Pier 2 Prilled Sulfur Shipment Operations Site Plan