

Miles City Railyard, on North Montana Street in Miles City, Montana is an approximately 20-acre former railroad fueling and repair facility which has operated since the early 1900s. The facility is located near downtown Miles City close to residential properties. Spillage during fueling operations over the years and leaking underground pipes and underground storage tanks (USTs) resulted in significant petroleum hydrocarbon contamination of soil, sediment, and groundwater. Additionally, railcar paint stripping and sandblasting operations are likely responsible for lead contamination in soil and sediment. The city public water supply to the railyard and surrounding residential area comes from both the



Yellowstone River and groundwater wells located over a mile up gradient of the railyard; however, several domestic wells exist down gradient of the railyard. The Yellowstone River is about 4,000 feet north of the facility and the Tongue River slough is about 1,500 feet north. Groundwater flow direction is generally to the north from the site towards the Tongue River slough.

In July 1979, the Department of Health and Environmental Services (DHES), DEQ's predecessor, issued a Notice of Violation and Administrative Order under the Water Quality Act requiring Chicago Milwaukee Road to recover diesel fuel pollution from the groundwater and a recovery system was installed. In 1984, a consent decree was entered into by both Chicago Milwaukee Corporation (CMC) and DHES to resolve the 1979 matter. In 1985/1986, EPA conducted an inspection at the Facility and determined it would not become a federal superfund site. After some cleanup occurred under other DEQ programs, the State Superfund program became the regulatory lead for the Facility in July 1995. In August 1995, DEQ notified CMC Heartland Partners (formerly CMC) and Transisco Rail Services (currently Trinity Industries) they were



Tongue River Slough north of Miles City Railyard

liable parties and required them to remove all inactive USTs at the Facility. In 1995, four underground storage tanks along with a buried tank car used as an oil water separator were removed by DEQ as the liable parties failed to comply. In 2002, an aboveground storage tank used as part of the recovery system re-released approximately 37,000 gallons of diesel. A new extraction/recovery system was installed in 2004 to recover the re-released diesel. From 1995 through 2006, approximately 1,300 cubic yards of contaminated soil were removed, and approximately 500,000 gallons of diesel fuel were recovered, including the re-release.

On November 6, 2006, DEQ entered into an Interim Settlement Agreement and Compromise of Bankruptcy Claims with Trinity Railcar Repair, Inc., Trinity Industries, Inc., CMC Heartland Partners and Heartland

Partners, L.P. to settle certain claims related to the Facility. As part of the Agreement, Trinity Industries agreed to complete the remedial investigation (RI) and feasibility study (FS) for the Facility and reimburse DEQ oversight costs. The final RI report was approved by DEQ in April 2013. A final Risk Assessment for the Facility was approved by DEQ in July 2015. DEQ has reviewed the draft FS and Trinity Industries is working on completing a draft final FS. Following receipt of the draft final FS, DEQ will develop and take public comment on a proposed plan that will include estimated cleanup costs. After that, Trinity will finalize the FS and DEQ will issue the final cleanup decision (a record of decision or ROD) for the Miles City Railyard Facility.

In the 1990s, \$65,155.27 was spent on DEQ Petroleum Release ID No. 1720 at the Facility. Trinity paid \$50,000 and a total of \$1,618.45 has been reimbursed from the Montana Petroleum Release Cleanup Fund (Petro-Fund) for cleanup work on this petroleum release. Currently, DEQ oversight costs are approximately \$950,000 for State Superfund work including the RI, risk assessment, supplemental RI work (vapor intrusion sampling), and work to-date on the FS. DEQ can recover these costs once the ROD is issued.

FACILITY CONTACT

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