Libby Asbestos Superfund Oversight Committee

Summary from July 1, 2019 through July 31, 2022

Budget Overview:

There are four types of funds available to the State of Montana for Libby Superfund Site for Operation and Maintenance (O&M). Some of the requirements for use of the funds is limited based on settlement or appropriation of money. DEQ will be asking the Oversight Committee for input and discussion. Here is a summary of the type of funds:

1.) The State of Montana, DEQ received $5,167,000 for O&M as part of the 2008 bankruptcy settlement (Libby Asbestos Settlement Fund 08230). A total of $480,000 has been allocated from this account for FY2018, which was used for oversight and support of the Oversight Committee, since the 2015 SB315 appropriation and transfer did not start until July 1, 2018 (State Fiscal Year 2019).

Libby Asbestos Settlement (Fund 08230)	Fund Balance (07/31/2021)	Expenditures FY19 & 21	Expenditures FY22
Libby Settlement	$5,224,418.36	$110,410.75	$0.00
Libby Mediation Costs		$1,224,657.44	$17,575.28
Total	**$5,224,418.36**	**$1,335,068.19**	**$17,575.28**

2.) As authorized in Montana Code Annotated 75-10-743(10)(c) and 75-10-704(4)(j)(I)., DEQ received an appropriation of $600,000 annually form an Orphan Share transfer that started July 1, 2018. In addition, Montana Code Annotated 75-10-1601provides a framework on how this money can be used and establishes a permanent Trust fund to pay exclusively for costs to the State of cleanup and long-term O&M.

- 20% of the funds or $120,000 allocated to Libby Asbestos Cleanup Trust (Fund 09033).

Libby Asbestos Cleanup Trust (Fund 09033)	Fund Balance (07/31/2021)	SFY 2022 Revenue	Current Fund Balance
530025 STIP Participant Earnings	$22,826.12	$0.00	$22,826.12
582825 Income Transfers-Nonbudgeted	$480,000.00	$0.00	$480,000.00
582852 Income Transfers	$1,392,692.22	$0.00	$1,392,692.22
TOTALS	**$1,895,518.34**	**$0.00**	**$1,895,518.34**

- 80% of funds or $480,000 allocated to Libby Asbestos Cleanup and Operations Account (Fund 02130). The balance from the $480,000 allocated annually for O&M is moved to Libby Asbestos Cleanup Trust as an Income Transfer.
  - 25% of these funds or $120,000 used for administrative purposes.

Libby Asbestos Cleanup and Operations Account (Fund 02130)	Allocated Annually	Expenditures FY22	Projected FY22 Expenditures	Projected Balance FY22	Expenditures FY18 – 21
Personal Services	$22,400.00	$98.88	$22,301.12	$0.00	*$20,687.71*
Operating Expenses	$5,600.00	$23.73	$5,576.27	$0.00	*$21,955.01*
Transfer to Trust 09033	$402,000.00	$0.00	$402,000.00	$0.00	*$1,409,074.18*
Lincoln County MOA	$25,000.00	$0.00	$25,000.00	$0.00	*$3,160.08*
Fund reimbursement	$25,000.00	$0.00	$25,000.00	$0.00	*$2,100.00*
TOTALS	**$480,000.00**	**$122.61**	**$479,877.39**	**$0.00**	**$1,456,976.98**

3.) EPA has approximately $11 million in O&M funds for all operable units excluding operable unit 3 (mine site) and operable unit 6 (BNSF). The funds are administered by EPA to DEQ through a cooperative agreement grant. In addition, EPA will have their own charges to this funding source for administration and oversight. DEQ is the lead agency for implementation of work associated with O&M at Libby Operable Units 1, 2, 4, 5, 7, and 8 with the EPA as the support agency. O&M activities (site inspections and reporting) are funded through EPA Cooperative Agreement (CA) O&M V-96841701.

Libby EPA Cooperative Agreement (CA)	DEQ Allocation of Award	Expenses to Date	Current Balance
O&M V-96841701 (Fund 03798) 3/15/2017-5/31/22	$1,751,632.00	$510,059.33	$1,241,572.67
OU3 V-96882401 (Fund 03820) 10/1/2019-9/30/23	$990,366.00	$638,601.35	$351,764.65
Sitewide V-97841901 (Fund 03721) 4/20/2009-5/31/22	$9,706,508.00	$9,463,271.74	$243,236.26

Non-O&M Funding: DEQ performs management activities to support EPA at the Libby Asbestos Superfund site through the EPA CA Sitewide V-97841901. This funding covers DEQ's management activities at Libby Operable Unit 6, but previously covered Operable Units 1,2, 4, 5, 7, and 8 until they transitioned into O&M. DEQ, as the support agency, performs management and technical assistance for OU3, including remedial investigation and feasibility study activities, through EPA CA O&M V-96882401.

4.) Value of Unused W.R. Grace Settlement Funds to the State of Montana (balances & expenditures)
The Governor issued a letter on November 15, 2018, requesting EPA to make any remaining EPA-held remedial action settlement monies available to the State of Montana and Lincoln County for the purposes of implementing an Operations and Maintenance program for the Libby Asbestos Superfund Site. EPA issued a response on December 19, 2018 that stated they are committed to holding EPA's remaining funds, if other funding resources are insufficient to meet the costs of O&M, and this funding would require an application. LASOC issued a response letter on August 12, 2019, requesting additional clarification on securing these funds. The exact amount of remaining remedial action settlement monies is undetermined.

March 2021- DEQ reached out to EPA regarding the remaining amount. EPA is closing out contracts and does not yet have an estimate.