

## Corrective Action Plan Progress August 2022

### Findings of the Performance Audit – Administration of the Petroleum Tank Release Cleanup Fund – October 2021.

This update is to report out on DEQ's Corrective Plan Progress, the combined PTRCB and DEQ CAP was submitted to the Legislative Audit Committee November 20, 2021.

**To address audit finding #2 “We recommend the Montana legislature clarify statute by making amendments as needed to clarify the Petroleum Tank Release Compensation Board does not have a role in approving or basing reimbursement on the specific methods prescribed w/in approved corrective action plans that bring an eligible petroleum release to closure”**

DEQ has drafted statute changes for consideration by the Legislative Audit Committee that we believe would clarify the Petroleum Tank Release Compensation Board does not have a role in approving or basing reimbursement on the specific methods prescribed w/in approved corrective action plans that bring an eligible petroleum release to closure. These draft changes are posted to the DEQ website, under the petroleum tank cleanup page, Legislative Audit Workplan Update tab, for review and comment by PTRCB members and other stakeholders.

**To address Audit finding #3 “We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to develop a process, seeking legislation if necessary, whereby remediation projects are competitively bid to bring releases to closure, in accordance with existing state procurement laws.”**

DEQ posted summaries from 3 states, WY, CO, UT and a comparison table of each of the states processes online under the petroleum tank cleanup page, Legislative Audit Workplan Update tab. In addition, DEQ sent out a doodle poll to determine stakeholder interest in process modifications, specifically a bid system, and to query where stakeholders believe current processes could be improved. As a conclusion of our and PTRCB's outreach, DEQ requested an extension to continue the bid process discussions and look for other possible solutions over the next biennium. Assessment is needed to determine the legality of a bid process, how a bid process might be implemented, and if it would lead to increased efficiency (i.e., cost and cleanup times). We will continue to evaluate alternative options used by other states and may use a national conference as a forum to discuss options. DEQ proposes to reexamine this topic in 2025 and if there is support for a proposal/bid process to move forward as appropriate.

**For recommendation #4 “We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to seek legislation that prepares the fund for the eventual closure of all historic underground storage tank release in Montana.”**

DEQ updated our prediction of costs to bring all current releases to closure. DEQ estimates eligible releases will take approximately \$114 million to bring to closure, \$26 million for sites where eligibility is yet undetermined (have not applied, suspended or withdrawn). This is only for current sites and does not include an estimation to clean up future releases. Considering approximately 7 million in revenue per year is distributed to the fund, it would take 20 years of funding just to resolve the current releases (assuming all undetermined sites are found eligible). Due to this calculation, DEQ suggests

discussing approaches with the board and stakeholders, but focusing on resolving releases versus legislation to close the fund. DEQ proposes to continue to discuss approaches for eventual closure of the fund with stakeholders and the Board. DEQ recommends that the fund soundness be evaluated routinely as historic (legacy) releases are resolved.

Now, Shannon will give an overview of the doodle poll and results and Marla will discuss the estimated future costs to bring releases to closure.