

MEETING MINUTES
HUMAN SERVICES SUBCOMMITTEE
JANUARY 14, 1987

The meeting of the human services subcommittee was called to order by Chairman Cal Winslow at 8:12 a.m. on January 14, 1987 in room 108 of the state Capitol building.

ROLL CALL: All members were present.

(7b:000) Harold Robbins, chief of the Air Quality Bureau, reiterated on prepared testimony, which was divided in three (3) sections: Program Design, Major Accomplishments 1986/1987, and Major Goals for 1988/1989 (exhibit 1).

(7b:305) Sen Himsel asked a series of questions, to which Mr. Robbins answered:

1. The Montana EPA office does not duplicate any of the activities of the Air Quality Bureau. The EPA would be responsible for the implementation of the federal part of the federal Clean Air Act if the state operation was not in place.

2. State standards are more stringent in some cases, while in others the federal standards are more restrictive.

3. The new EPA standards have no counterpart in Montana, and the state will be required to adopt these standards.

4. Federal funding will not be increased, but is proposed at the 1986 level.

5. There is a level of effort funding required from the state for this bureau. This level cannot be reduced from year to year.

6. This bureau is not involved in noise pollution. Dr. Drynan interjected that Fish and Game does have regulations on waterways as to decibel levels. There is no noise abatement program in the state. There was a program in 1981-82 in the department of health, which was funded by the federal government to study noise and noise abatement. When the funding terminated the state elected not to continue the effort.

(7b:605) Chairman Winslow asked how many state standards were set outside of the legislative process. Mr. Robbins stated all standards were. The Montana Clean Air Act requires the board of health to adopt standards, it is not an option. Dr. Drynan commented that appointed commissions

and boards meet monthly or bimonthly. In the case of SO₂, two (2) years of continuous effort and testimony proceeded a determination.

(8a:000) Duane Robertson, chief of the Solid and Hazardous Waste Bureau, gave a description of the bureau, which includes the Solid Waste Management Program, Junk Vehicle Program, Hazardous Waste Management Program, Underground Storage Tank Program, and Superfund Program (exhibit 2).

(8a:039) At this time, Barry Damschen, of Damschen and Associates, presented an overview of the preliminary Feasibility Study of Hazardous Waste Management Options in Montana done for the department. The interim report is in six (6) sections: Introduction, Waste Quantities, Current Management Methods, Evaluation of Processing Technologies, Evaluation of Storage/Transfer Options, and Recommendations (exhibit 3).

(8a:204) Sen Himsl asked for an elaboration on the disposal of waste motor oil. Mr. Damschen stated that because of low oil prices and changes in dust control, there is not a good market for used motor oil. Options are being considered, and the report on the problem is forth coming. Duane Robertson interjected that used oil is not considered a hazardous waste.

Chairman Winslow asked about the stockpiling of barrels. Mr. Damschen stated there is a 270 day limit on stockpiling these barrels. Dr. Drynan replied the next deadline is June 30th.

(8a:374) Rep Bradley asked for information on the toxic waste treatment operation in Bozeman. Vic Anderson, DHES, replied that it was grant funded. It is a microbiological process to address some organics coming out as wastes. They are working toward a process for on-site waste disposal.

(8a:508) Chairman Winslow asked for clarification of time limits on proposed facility sites. Mr. Damschen stated staging areas have a ten (10) day limit. Transfer/storage sites have no time limit. Waste would be stored possibly 30 to 45 days before transport.

Rep Bradley asked how the storage/concepts would work for the smaller and more isolated towns. Mr. Damschen stated several "milk runs" would be done through a region a year. Runs would vary. The more populated areas would be covered more often, with runs specifically for the smaller areas to keep them in compliance with the 270 day limit.

(8a:654) Sen Manning chaired the remainder of the meeting in the absence of Chairman Winslow.

(8b:158) Rep Switzer asked about the feasibility of Mosby as an area collection site. Mr. Damschen stated a feasibility study is in the second phase of the project, at which time areas collection sites will be addressed.

(8b:185) Tom Woring, of Special Resources Management gave an overview of his current and future operations.

(8b:339) Duane Robertson presented an overview of the Solid Waste Program (exhibit 2). This program is 100% general funded. The bureau is supporting the budget proposed by the OBPP. The LFA budget excludes funding for the Billings operation.

Mr. Robertson covered the Junk Vehicle Program (exhibit 2 and 4). The Billings operations mentioned with the Solid Waste Program would also affect this program. They are also requesting \$15,000 for public service announcements not included in LFA current level.

(8b:642) The Underground Storage Tank Program was then presented. The program is requesting a budget modification of 3.0 FTE.

There being no further business, the committee adjourned at 10:25 a.m. (9a:069).

A handwritten signature in cursive script, reading "Cal Winslow", is written over a horizontal line.

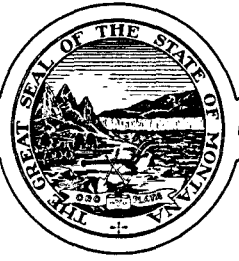
Cal Winslow, Chairman

HUMAN SERVICES SUB COMMITTEE

Date

January 14, 1987

[illegible]



TED SCHWINDEN, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

TESTIMONY

presented by

Air Quality Bureau
Department of Health and Environmental Sciences

Harold W. Robbins, Chief

Before

Joint Appropriations Subcommittee
on
Human Services

January 13, 1987

EXHIBIT 1

DATE 1.14.87

HB _____

The Department of Health and Environmental Science appreciates the opportunity to offer information to the subcommittee regarding the air quality program. Our testimony will be divided into three sections: Program Design; Major Accomplishments 1986/1987; and Major Goals 1988/1989.

Program Design.

In order to systematically provide air quality protection to the citizens of this state, the Air Quality Bureau accomplishes its day-to-day tasks in accordance with the provisions of the Montana and federal clean air acts (75-2-101 MCA and 42 USC 7401 et. seq., respectively). The purpose of the program is to attain and maintain air quality levels in the outdoor atmosphere considered safe to the public health and welfare. The primary tasks for accomplishing this goal are noted below:

Permit review.

One of the best ways to prevent an air quality problem is to require a permit before an industry constructs or expands their operation. This insures that quality air pollution abatement equipment is installed.

Inspections and Enforcement.

A structured schedule of inspections insures that all air pollution emitting facilities continue to operate their equipment in order to minimize air quality degradation. Enforcement may be taken when violations of rules are noted.

Ambient Air Quality Monitoring.

An air quality protection program would not be complete without knowledge of the air quality levels throughout the state. The state, counties, and industries all share in the cost of this surveillance.

Planning and Problem Correction.

Despite our best efforts, some areas of the state exceed various ambient air quality standards. In cooperation with the affected facilities and local agencies, plans are drawn up and implemented in order to correct these problems. New plans are also necessary from time-to-time in order to implement changing federal standards.

Special Studies.

Special studies are conducted on occasion to address specific problems. Most special studies attempt to determine source apportionment or health impacts.

Complaint Response.

Our agency relies on citizen comments and complaints as a means of bringing potential air quality problems to our attention. We attempt to answer each complaint as completely as possible.

The completion of the tasks above form the basic core of the air quality protection system for Montana. In order to provide a historical prospective of some of the above tasks, we have provided three graphs at the end of this testimony. These graphs show the number of permits, complaints, and ambient air quality data handled since 1980.

Major Accomplishments: 1986/1987.

The following provides a brief summary of the major accomplishments we have realized in the past 2 years:

1. Improved Permit System.
Our agency has long realized the complications of obtaining air quality permits for temporary sources such as rock crushers and asphalt batch plants (used for major highway construction). An innovative approach is now in effect which appears to meet federal requirements and yet at the same time vastly improves the speed in which permits are processed. The permit process reduces the number of permits required each year. This has not only made our workload more efficient, it has allowed the operators of these sources to obtain the necessary permits without significant delay to their own schedules.
2. Implementation of Lead plan for East Helena.
The East Helena area exceeds federal and state ambient air quality standards for lead. The department, city of East Helena, Montana Department of Highways, Asarco, and American Chemet have been working together for well over 4 years in an effort to find an efficient solution to this problem. A plan has been developed and is now being implemented to reduce lead concentrations in the air. All of the parties are contributing something to the solution.

EXHIBIT

DATE

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3. Improved Emissions Inventory.
The quality of emission data at both the state and national levels has been the source of some concern. Montana participated in a national project to improve this situation. A thorough review of emissions for calendar year 1985 was implemented and is now complete. This effort has improved our knowledge of air pollution emissions substantially.
4. Established a New Air Monitoring Network.
Following a review of major health studies, EPA is about to propose a new ambient air quality standard for particles in the atmosphere which are less than 10 microns (one micron is equivalent to millionth of a meter) in diameter. This has required the state to implement an entire network of instruments capable of measuring these particles. The network equipment was paid for by EPA, but the state bears the cost of installation and operation. The network is now in operation.
5. Tax Certification - Wood Stoves.
The 1985 legislative session passed a law which provides tax credits for "low emission" wood stoves. The law required the department to set up a certification program for which stoves would qualify for the tax. This program has been implemented and the department provides periodic updates to the list of stoves that are eligible for the tax credit.

Major Goals: 1988/1989.

In addition to the continuation of the tasks noted in the first section, we have several other specific accomplishments we think necessary over the next two years. Most of these goals are being implemented in order to meet federal requirements.

1. Air Toxics.
Congress has required EPA, and thus the states, to devote more time to the measurement and control of air toxics. An air toxic is an air pollutant which is believed to be carcinogenic (causes cancer) but for which no standard has been developed. This new program will require a reevaluation of certain other tasks in order to implement an effective air toxics strategy. A unique feature to this task is the use of "risk assessment" as opposed to the adoption of a "standard."

2. Implement New Air Quality Standard.
EPA is only a few months away from promulgating a new air quality standard (see 4. above). Federal law requires the state to develop a plan which will achieve and maintain compliance with this standard. The control of this air pollutant (particles less than 10 microns in diameter) will present many challenges to the agency and local governments. It is estimated that the major source of this air pollutant is automobiles (tail pipe and road) and wood stoves.
3. Complete Study of Particulates in Kalispell.
A study is underway in Kalispell to determine the source of particulates in 2 areas of the town. The area has experienced violations of air quality standard and the agency needs to be certain of the source apportionment before proceeding with any air quality abatement projects. The study should be completed in fiscal year 1988.
4. Implement Federal Standards for Wood Stoves.
A national standard regulating the emissions of air pollutants from wood stoves is under development. It is anticipated that the standard will become final in July of this year and go into effect the following year. The department will be responsible for implementing certain provisions of this standard.
5. Implement Control Strategies for Billings and Laurel
The Billings area has sulfur dioxide concentrations which exceed Montana air quality standards. The department and industries have been working together for many years trying to apportion the sources. The department has completed this effort and is now proposing rules before the board to implement an emission reduction strategy. The June special session and this session of the legislature has seen much interest in this activity. It is possible that actions by EPA (changing their short-term standard) or legislature may alter the schedule of these plans.

The department stands ready to answer any questions you may have about the air quality protection system for Montana.

EXHIBIT 1
DATE 1.14.87
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Permits

Air Quality Bureau

Permits Issued Per Year

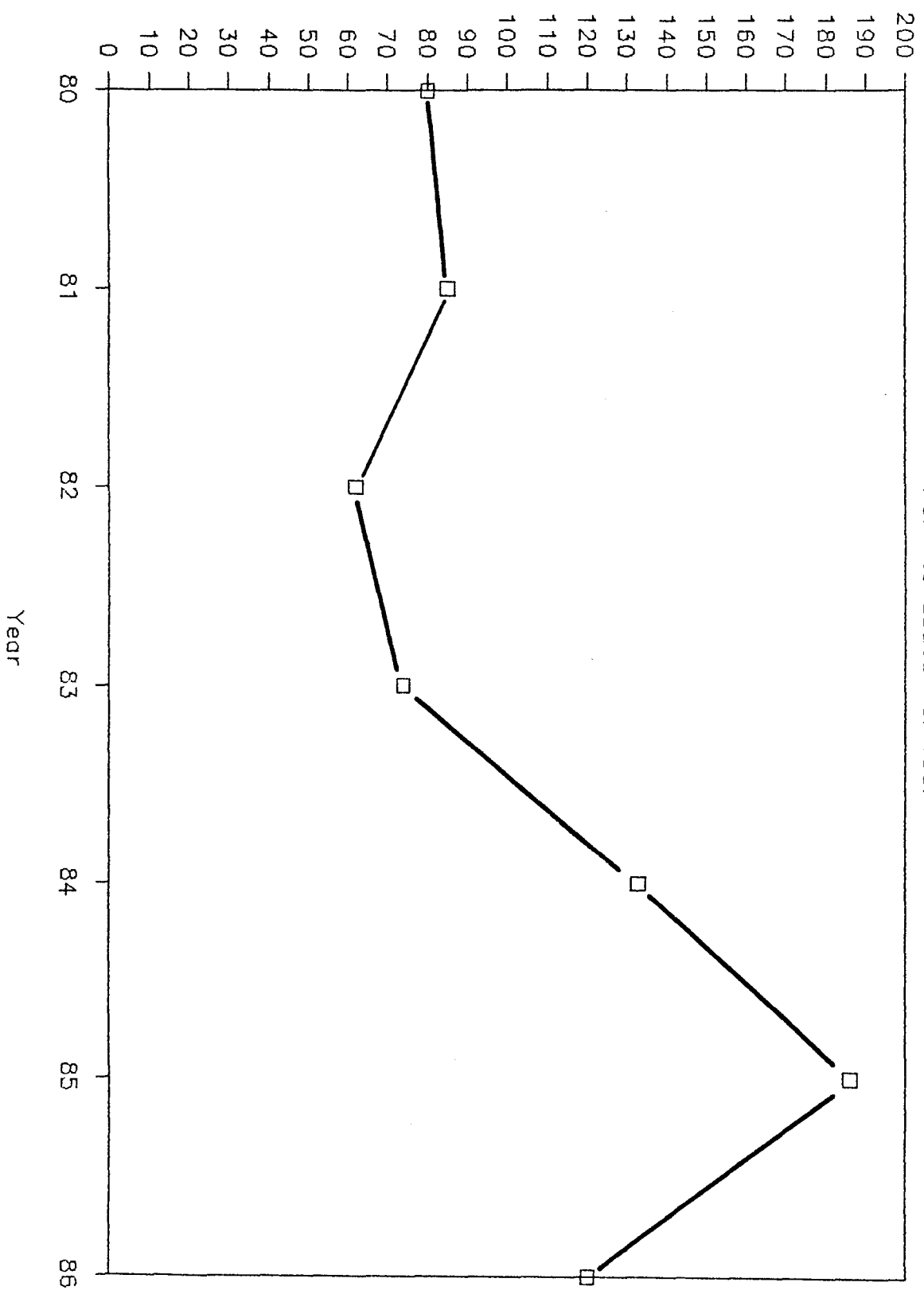


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Complaints

Air Quality Bureau Complaints per Year

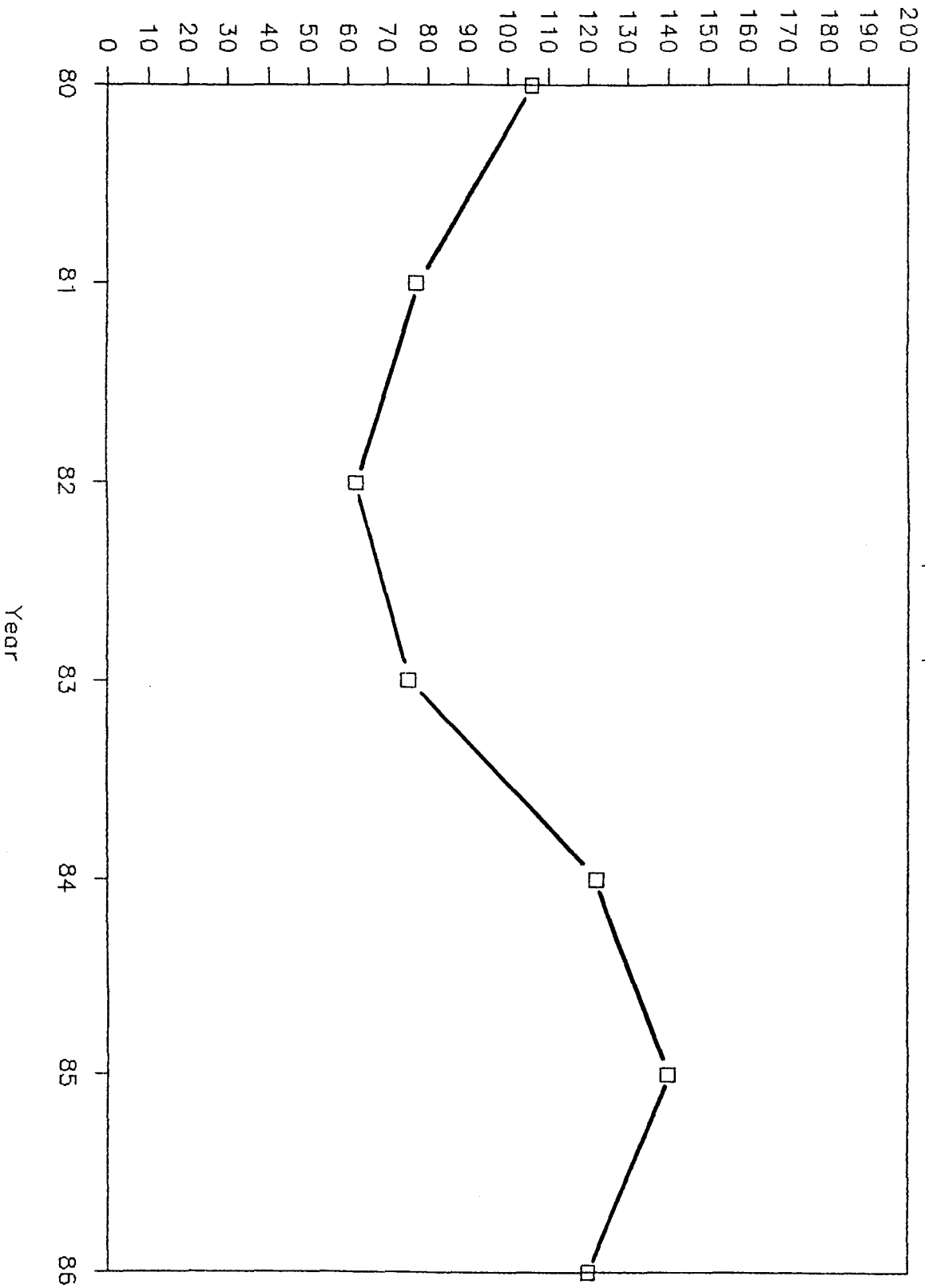


EXHIBIT
DATE 1-14-87
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Air Quality Bureau

Data Collected per Year

Data Collection
(Thousands)

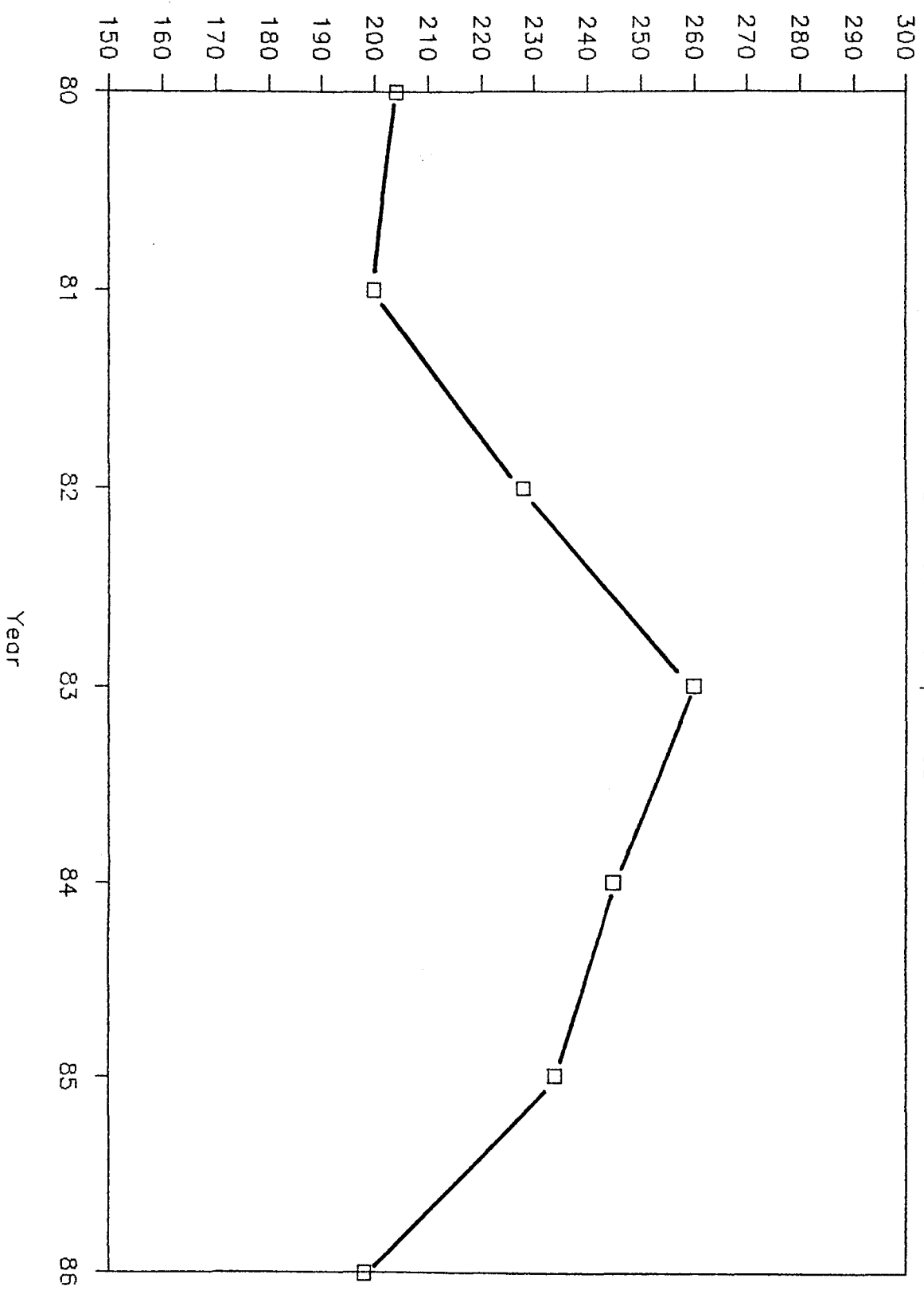


EXHIBIT 2
DATE 1-14-87
HB 1-13-87

SOLID & HAZARDOUS WASTE PROGRAM DESCRIPTION
FY 88-89

The Solid & Hazardous Waste Bureau administers seven programs to protect public health and the environment in Montana. Twenty two employees are presently included in the Bureau's Solid Waste, Hazardous Waste, Underground Storage Tank, Superfund and Junk Vehicle Programs.

Solid Waste Management Program

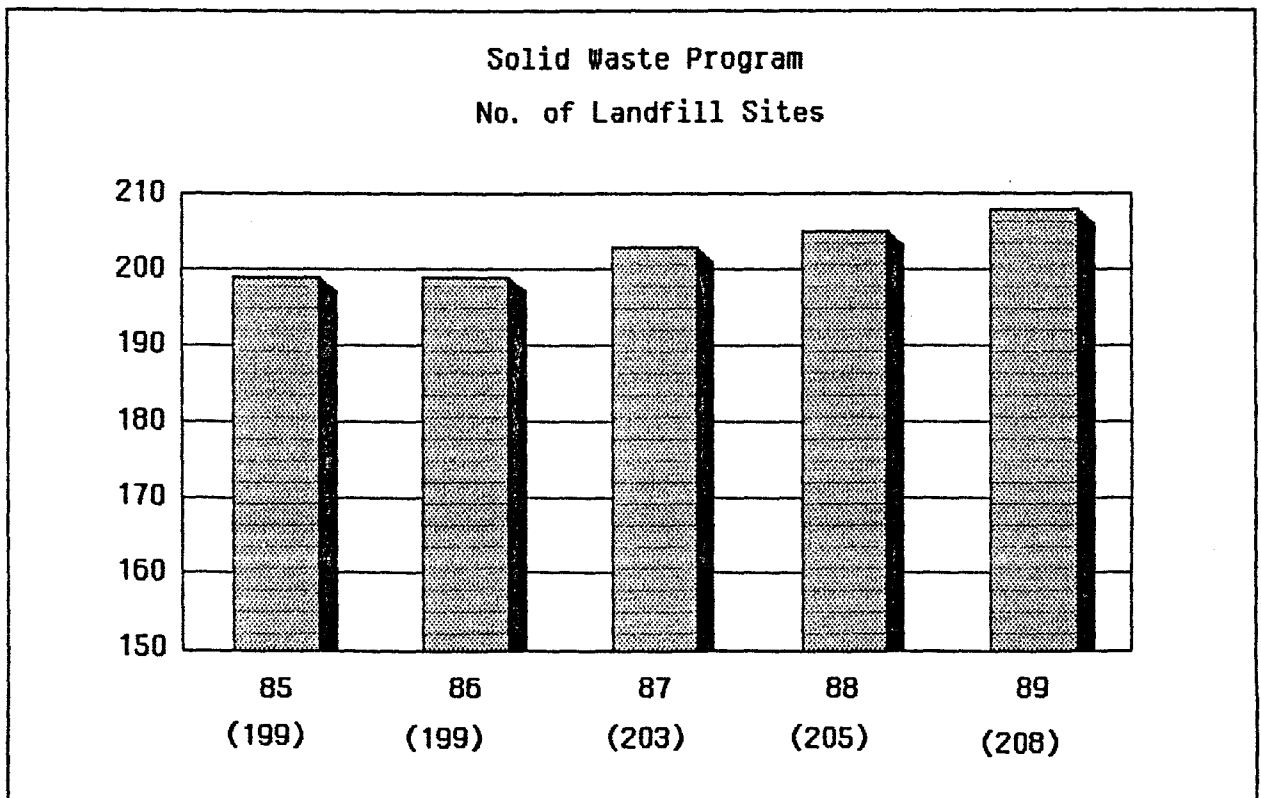
The Solid Waste Program is responsible for licensing, technical assistance, inspection and enforcement for 203 municipal, county and private waste management systems located throughout the state. The program provides technical assistance in the disposition of non-hazardous industrial waste, is active in directing non-regulated hazardous waste to suitable sanitary landfills and is responsible for administering the septic tank cleaning law and rule.

Currently 2.08 employees are assigned to the Solid Waste Management Program. One employee is located in the Billings Environmental Health Office to better serve the needs of Eastern Montana. One-half of this FTE is funded through the Solid Waste Program and the other half through the Junk Vehicle Program. In order to maintain a minimum Solid Waste Program, it will be necessary to continue at this level.

The program budget for FY88 is \$75,713 and for FY89 is \$75,289. The funding source is 100 percent general fund.

FACT SHEET SOLID WASTE PROGRAM

- * The Solid Waste Program provides statewide for the proper management of solid waste including:
 - * municipal waste
 - * septage
 - * industrial waste
 - * non-regulated hazardous waste
- * Program administers requirements for storage, disposal and recycling of solid waste through a licensing procedure for:
 - * 245 solid waste facilities of which 203 are landfill sites.



- * Program annually licenses 110 septic tank pumpers
- * Federal hazardous waste standards will impact all solid waste operations in requirements for:
 - * groundwater monitoring at disposal sites
 - * prohibiting disposal of smaller quantities of hazardous wastes in landfills
- * The Solid Waste Program must provide extensive technical assistance to solid waste facilities because of these federal requirements.
- * Program Budget

	FY 88	FY89
100 % General Fund	\$ 75,713	\$ 75,289

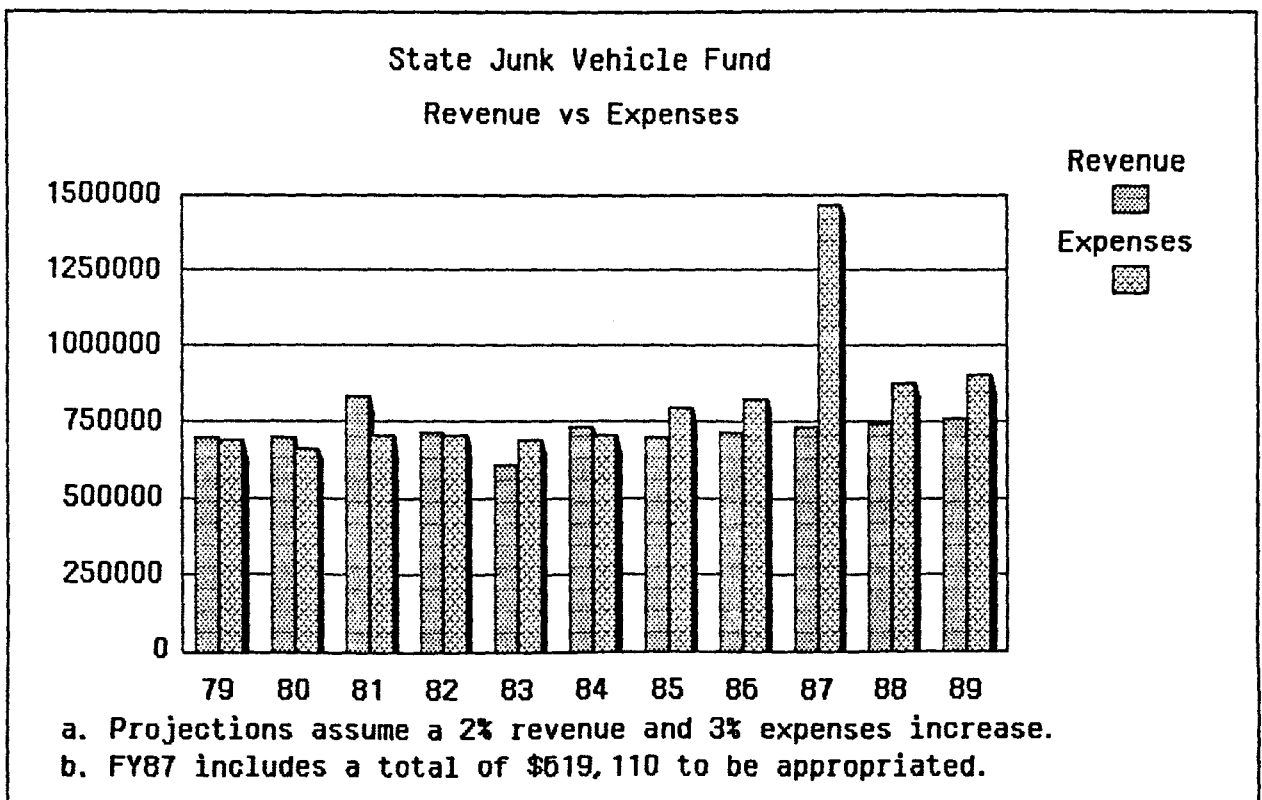
Junk Vehicle Program

The Junk Vehicle Program is the only statewide resource recovery program in Montana. Between 6000 and 7000 junk vehicles per year are being crushed and transported to foundries to be made into new steel products. Over 100,000 tons have been recycled since the beginning of the program in 1974. It is considered to be the finest statewide junk vehicle program in the United States, and requests are continually received from other states for information about the program. County and city governments are very supportive because adequate funds are provided to them to handle the junk vehicle problems in their areas. The fees to the citizens of Montana are \$1.50 for a vehicle title transfer and \$.50 each time a car is re-registered.

Currently 4.58 employees are working in the program to take care of licensing 214 private wrecking yards and 56 county motor vehicle graveyards, answer complaint calls, provide technical assistance to counties, cities and private citizens, let bids for crushing contracts, inspect county and private wrecking facilities and enforce the provisions of the act and administrative rules. One employee is located in the Billings office to carry out the above-mentioned tasks in eastern Montana. One-half of this FTE is funded through the Junk Vehicle Program. The Junk Vehicle Program is funded from a special Earmarked Revenue Account that was established for that purpose. The fees have been reduced to the point where the program expenses exceed the income. The program budget for FY88 is \$1,066,161 and for FY89 it is \$1,069,119.

FACT SHEET JUNK VEHICLE PROGRAM

- * The program collects and recycles between 6000 and 7000 junk vehicles per year
- * Since 1974, the program has recycled 100,000 tons of junk vehicles
- * Program annually allocates grants to local governments for the maintenance of local junk vehicle collection programs
- * Resources for the program come from crushing fees, vehicle title transfer fee (\$1.50 per vehicle), and vehicle re-registration fees (\$.50 per vehicle).
- * Fees have been reduced to where program expense exceeds income.



- * Program
 - * annually licenses 214 private wrecking yards and 56 county motor vehicle graveyards.
 - * answers citizen complaint calls
 - * provides technical assistance to county programs
 - * issues crushing contracts
 - * inspects public and private wrecking facilities
 - * monitors spending at county level

Hazardous Waste Management Program

The Resource Conservation and Recovery Act of 1976 requires the institution of a national program to control hazardous wastes. The 47th Montana Legislature passed the current "Montana Hazardous Waste Act" which authorized the establishment of a state hazardous waste management program. Because of growing concerns nationally over the proper management of hazardous wastes, the U.S. Congress has passed a statute to ensure that a much larger universe of hazardous wastes are managed in an acceptable manner. It is anticipated that at least 800 Montana hazardous waste generators will be added to the regulated community.

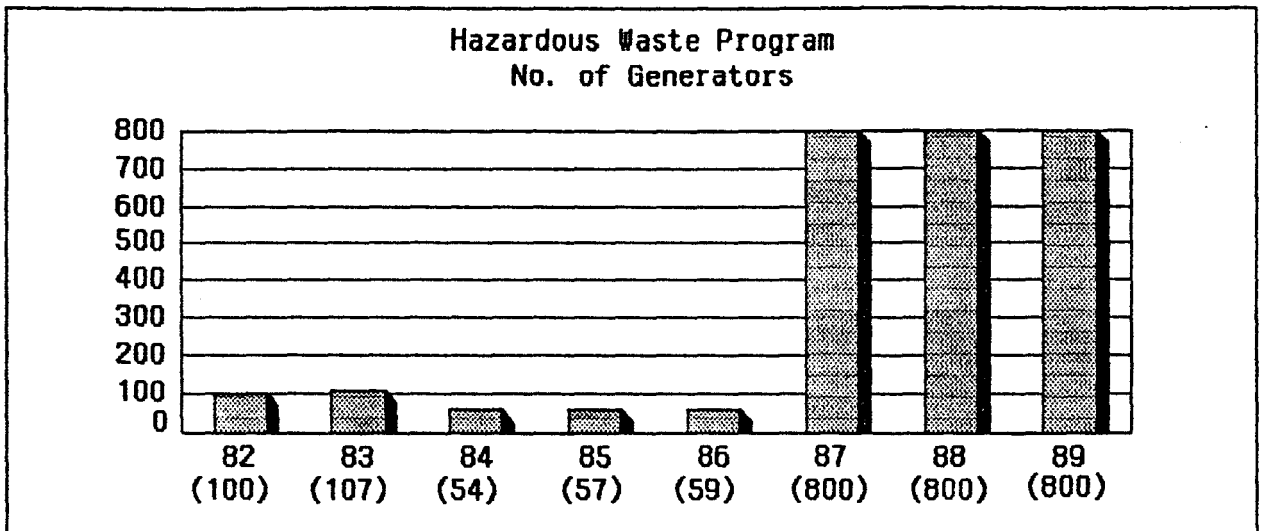
To meet the needs of the program, the Bureau maintains a staff of 8.83 FTEs. Staff duties include: review of waste manifest information and related records; review and processing of facility permit applications; inspections and sampling; preparation of enforcement actions; and reporting. Program staff provide extensive technical assistance to regulated businesses in the proper handling and disposal of hazardous wastes. The bureau also maintains an active role in the state emergency response team which coordinates and assists in the containment and clean-up of hazardous material spills. The bureau provides over 30 percent of the staffing of this response team.

The Department has a contractor evaluating the feasibility and cost of several hazardous waste management options. The preliminary conclusion is that a collection transfer station is the best option for Montana's needs. The study isn't finished yet but it appears the consultant's conclusion will be for the state to build and own the facility and lease it to the private sector to operate. That way the state can make sure the service is available to all of our residents and be able to change operators if the service isn't satisfactory. We already have the money to construct the facility but will need the spending authority rolled over to the next biennium.

The current level hazardous waste program is funded 75 percent federal and 25 percent state. The 25 percent state funding is provided from the RIT Account. For the state to maintain the hazardous waste program in FY88, \$95,499 in state funds are requested to match \$286,496 in federal grant funds and \$95,749 in state funds to match \$287,248 in federal funds for FY89.

FACT SHEET HAZARDOUS WASTE PROGRAM

- * The state hazardous waste program has been in effect since 1980.
- * Because of changes in federal statute the number of regulated hazardous waste generators will increase substantially.



- * Program permits all hazardous waste treatment/storage/disposal facilities in the state.
- * Program conducts following efforts:

Program Development

- * Develop legislation/regulations equivalent to EPA and most suitable for Montana
- * Provide public education
- * Develop hazardous waste collection/transfer station program

Program Implementation

- * Compliance inspections of hazardous waste generators, transporters and treatment/storage/disposal facilities
- * Responding to citizen complaints
- * Provide technical assistance to hazardous waste generators
- * Maintain manifest processing and tracking system

Facility Permitting

- * Requiring timely permit application submittals and conduct review of application
- * Drafting and issuing final permits
- * Conducting public noticing and hearings

Enforcement

- * Conduct appropriate enforcement action for significant non-complying generators and facilities.

* Program Budgets		<u>FY 88</u>	<u>FY 89</u>
	EPA	\$286,496	\$ 287,248
	RIT	\$ 95,499	\$ 95,749

Underground Storage Tank Program (UST)

The Underground Storage Tank Program is intended to address and prevent leaking underground storage tanks. The program currently maintains a staff of three (3) FTEs. The first task was to identify the locations and owners/operators of underground tanks. During the biennium, standards will be put in place for tank testing, inventory recordkeeping, ground-water monitoring, financial assurance for clean-up costs, and tank design/installation requirements. Program staff respond to leaking underground storage tanks and initiate corrective action as such tanks are found. Also, the program provides technical assistance and training to industry and other tank owners in the areas of leak detection technologies, tank installation practices, tank repairs, tank closure and corrective action techniques.

The 1986 Superfund Amendments included a section creating a 5-year UST Trust Account totalling \$500 million that can be used to investigate and clean up UST related contamination when the responsible party cannot be identified or is insolvent. Depending on the circumstances, the state may have to match 10% of those costs.

For the next biennium the UST program will be funded 75 percent federal and 25 percent state. The 25 percent state funding is provided from the RIT Account. For the state to maintain the UST program in FY88, \$43,376 in state funds are requested to match \$140,302 in federal grant funds, and in FY89 \$31,709 in state funds to match \$105,263 in federal grant funds.

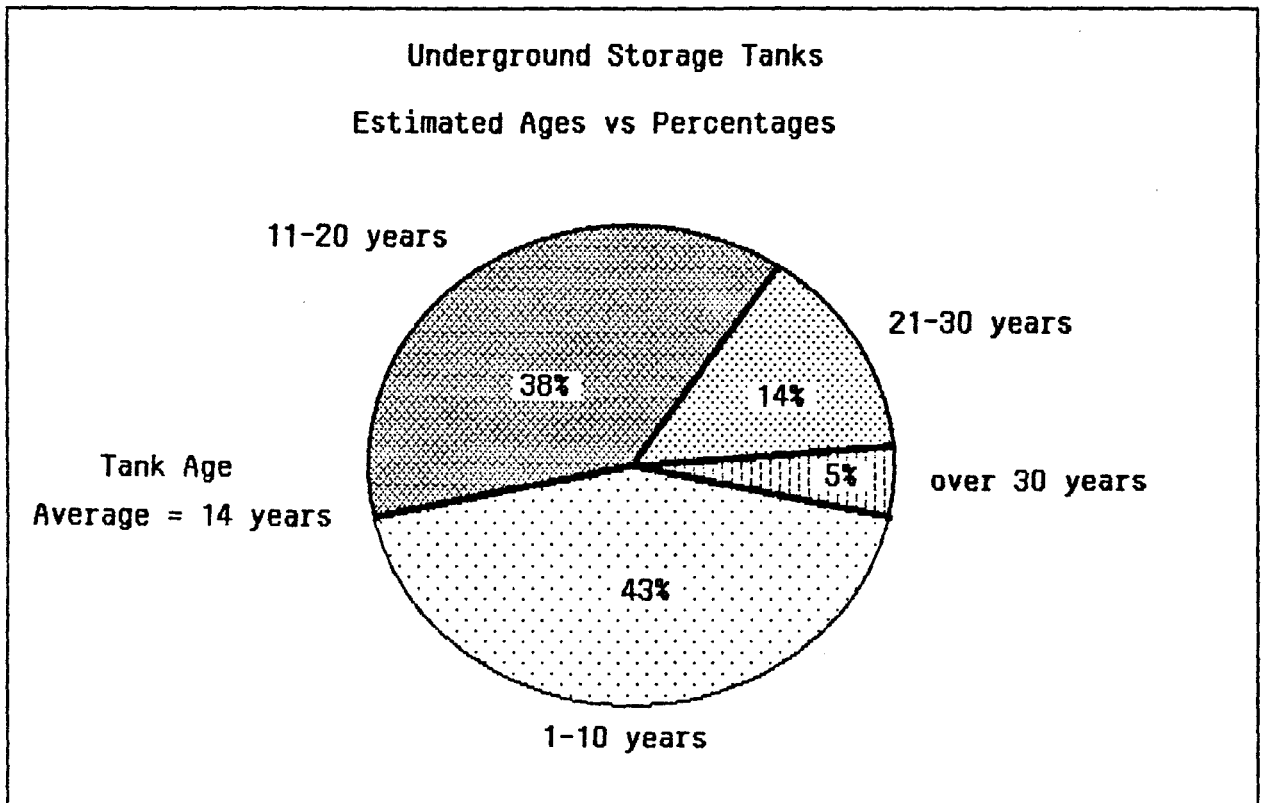
UST MODIFIED

The department is requesting an additional 1½ FTEs consisting of one (1) technical person and one-half lawyer. The additional staff will be required for program rules development, contract administration, cooperative agreement between federal, state and local agencies, leak investigation, and corrective action oversight.

Increased program awareness and problem recognition is resulting in additional workloads as tank owners are starting to investigate and discover active or past leaks.

FACT SHEET
UNDERGROUND STORAGE TANK PROGRAM (UST)

- * Estimated 18,000 underground storage tanks within Montana
- * To date, leaking underground storage tanks have contaminated several groundwater sources in Montana.
- * Leaks occur primarily because of:
 - * improper tank and piping installation
 - * tank failure due to corrosion



- * UST program objectives are prevention of future groundwater contamination by:
 - * improving quality of underground tank systems
 - * increasing responsibility of tank answers to:
 - * prevent, detect and correct leaks
- * Ust program to:
 - * locate all tanks
 - * develop & administer standards for:
 - * Tank Design
 - * installation
 - * leak detection requirements
 - * respond to leak incidents
- * Program Budget

	<u>FY 88</u>	<u>FY 89</u>
EPA	\$140,302	\$105,263
RIT	\$43,376	\$ 31,701

CERCLA (Superfund) Program

The Montana "Superfund Act" and its companion federal "Comprehensive Environmental Response, Compensation and Liabilities Act" are intended to address the need for clean-up and remedial actions at sites impacted by past actions involving the dumping of hazardous substances. The federal superfund law was reauthorized in November of 1986 at \$8.5 billion over 5 years. Our best estimate is that approximately \$25 million in FY 88 and \$40 million in FY89 will be spent in Montana on clean-ups. The U.S. EPA has estimated the clean-up costs may be as high as \$100 million/year. The next five years are an opportune time for Montana to investigate and correct some big expensive problems at a minimal expense to Montana. Under the Superfund Program, the state may enter into contracts and cooperative agreements with the federal government to conduct site investigations and remedial activities. Duties of the program staff include: data gathering, responsible party identification, clean-up options and detailed cost identification, cost/benefit analysis, coordination of cooperative agreements, contract monitoring, and conducting public participation activities.

The current Superfund Program is dealing with seven sites which are on the National Priority List. These sites are located at: Milltown, Anaconda, Butte-Silver Bow, Libby, East Helena, Bozeman and Columbus. In addition, the program is working on two sites which have been proposed to be placed on the National Priority List. These sites are located at Somers and Butte. The department has taken the lead for Milltown and Silverbow Creek and the EPA is the lead agency for the others. Many sites throughout Montana have been reported to have received hazardous materials in past years. In order to investigate these sites and initially make a determination for remedial action, the bureau currently has 1 FTE assigned to this program. It is anticipated that in the next biennium, 20 potentially abandoned hazardous waste sites will be investigated under this program. This project is 100% federally funded and bridges the gap between the Hazardous Waste and Superfund Programs.

The Superfund Program is a current level program of 3.5 FTEs. Because of the ever-changing scope of the program, there is never going to be a representative base year. Current staff represent an ongoing core staff for the Superfund Program. The field investigation and feasibility studies are funded 100% by the U.S. EPA. After a clean-up method is chosen, the state must pay 10% of the cost with U.S. EPA (via Superfund) paying 90%, unless it is a publicly owned site, then the state share is 50%.

Under the Superfund Program, EPA can seek cost recovery from responsible parties at the completion of clean-up. This cost recovery can be up to three times the actual cost of clean-up.

The present Solid and Hazardous Waste Bureau budget does not include the full 6% allotment from the RIT account. \$60,000 has been budgeted for non-matching program needs. These funds will be used to do those tasks necessary to get the information on a site that will enable the department to require a responsible party to do clean-ups or in the case

of a site with no responsible party to gather enough information to apply for clean-up funds from other sources. Also we may use the funds for emergency response activities.

The department will be introducing a bill to set up a CERCLA/Superfund account. Money will go into the account from several sources including, a separate 6% allocation from the RIT, any unspent money remaining from the existing DHES 6% allotment, proceeds from bond sales authorized by the bill, interest on the account itself, and any penalties and damage settlements. The state should be in a position to fund future projects and to pay for any operation and maintenance costs that would be necessary to maintain a clean-up.

Money would be taken from the account to pay for: state matching funds required for Superfund clean-ups and natural resource damage lawsuits (\$200,000 for the biennium).

Under the present Superfund Law the state and EPA will share any operation and maintenance costs associated with a clean-up on a 90% federal 10% state basis for the first ten years. After that time, 100% of the operation and maintenance cost must be paid by the state.

CERCLA (Superfund) Modified

An additional 3.0 FTEs are being requested as a modified to add to the core group (half-time attorney, a half-time administrative aide, an information officer, and an accountant/fiscal manager). It is our intention to request additional FTEs as projects are funded.

The modified budgets are \$4.1 million for FY88 and \$5.3 million for FY89, of which 3 percent is for personnel and support and the remaining 97% for contracted services. Contracts will be used to do field sampling, preparation of feasibility studies, and design work.

FACT SHEET CERCLA (SUPERFUND) PROGRAM

* Current Superfund sites are:

National Priority List Sites

Asarco-Helena

Anaconda Smelter-Anaconda

Idaho Pole Bozeman

Mouat-Columbus

Silver Bow Creek-Butte/Deer Lodge

Milltown-Missoula

Champion Paper-Libby

Proposed

BN Somers

Mt. Pole-Butte

Potential

Comet Oil-Billings

Mother Lode-Helena

Reliance Refinery-Kalispell

Yale Refinery-Kalispell

Hart Refinery-Missoula

* Program is intended to:

- * Investigate past sources of releases and threats of possible hazardous substances releases.
- * Determine actions to control releases where the responsible parties fail to make responses
- * Enter into cooperative agreements with EPA for the management plan commitments for remedial investigations/feasibility studies and remedial action at specific sites
- * Provide management assistance to federal-lead CERCLA activities
- * Monitor remedial activities at sites where responsible parties undertake clean-up activities
- * Program funding is:

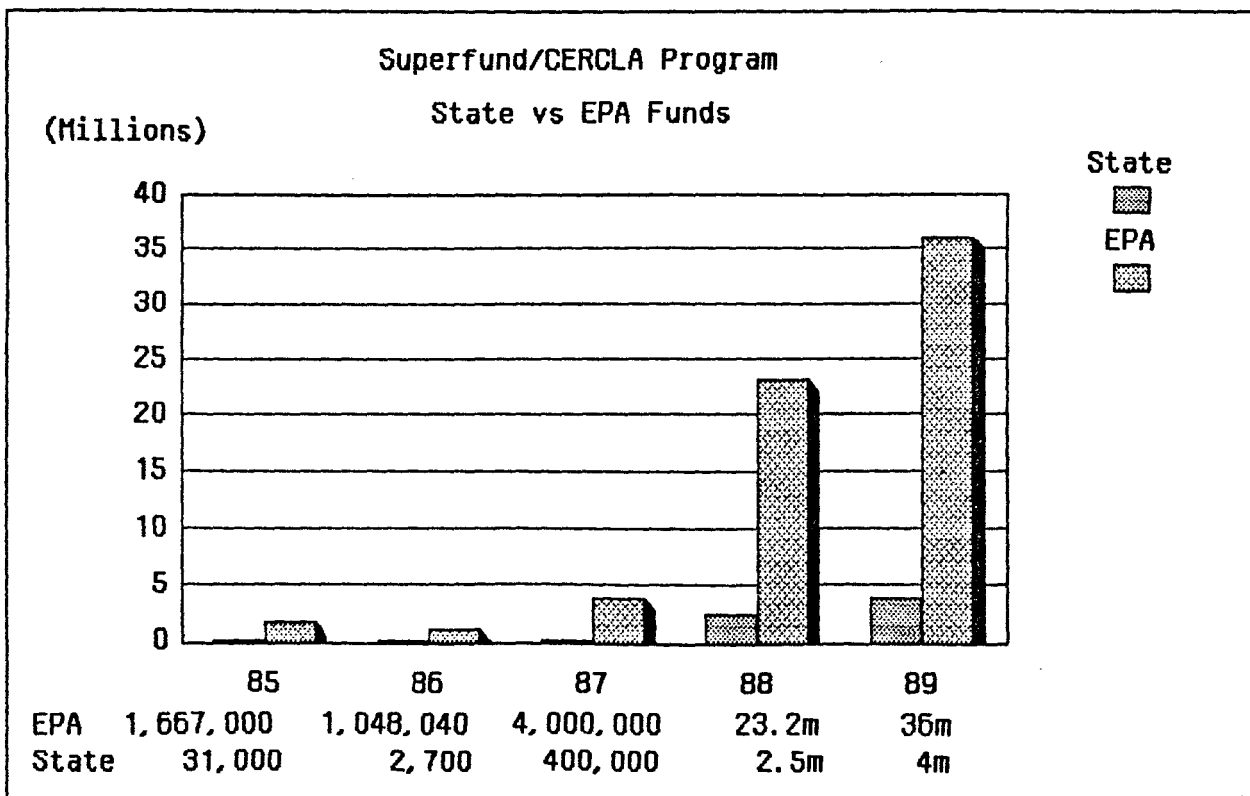


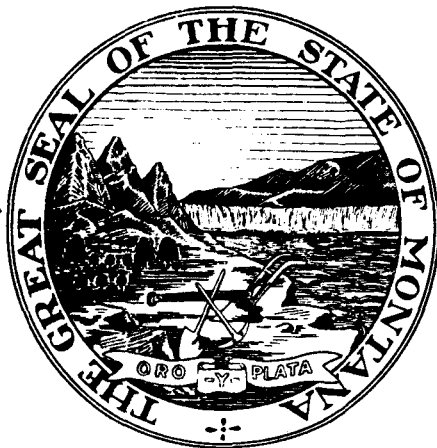
EXHIBIT 3

DATE 1.14.87

HB

Feasibility Study of Hazardous Waste Management Options in Montana

Phase One Interim Report



January, 1987

**Montana Department of Health and
Environmental Sciences
Solid and Hazardous Waste Bureau**

4
EXHIBIT _____
DATE 1.14.87
HB _____

MOTOR VEHICLE RECYCLING AND DISPOSAL PROGRAM
PROGRESS AND FINANCIAL REPORT

SUBMITTED TO THE MONTANA FIFTIETH LEGISLATURE — 1987

BY THE

MONTANA DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES
ENVIRONMENTAL SCIENCES DIVISION
SOLID & HAZARDOUS WASTE BUREAU
HELENA, MONTANA

EXHIBIT 4
1-24-87

Motor Vehicle Recycling and Disposal Program
Legislative Report — December 31, 1986 HB _____

MONTANA DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES
SOLID & HAZARDOUS WASTE BUREAU

Program Description

In 1973 the Montana Legislature passed the Montana Motor Vehicle Recycling and Disposal Act, commonly referred to as the state junk vehicle law. The law and regulations adopted pursuant to it serve to improve the aesthetics of Montana and promote recycling by requiring all junk vehicles to be screened from public view and all motor vehicle wrecking facilities to be screened and licensed.

The law also provides for the establishment and funding of county junk vehicle programs. Through these 56 programs, unwanted junk vehicles may be removed at no charge to the owner. Vehicles collected by the county programs are stored in a facility and recycled by the state through car crushing contracts.

The Solid and Hazardous Waste Bureau of the Montana Department of Health and Environmental Sciences administers the junk vehicle law. Both state and county junk vehicle program officials enforce it.

The Junk Vehicle Program is the only statewide resource recovery program in Montana. Over 100,000 tons of junk vehicles have been collected and recycled through it. This recycling effort translates into a significant energy savings and a large reduction in mining wastes and air and water pollution over the economic and environmental costs of producing steel from primary materials.

After thirteen program years, Montana counties are still collecting an average of 6,000 junk vehicles each year that otherwise might not enter the recycling stream. Additionally, thousands more are screened from view or removed through private wrecking facilities as a result of enforcement of the junk vehicle law.

Fiscal Statement

Section 75-10-533 MCA of the state junk vehicle law requires the Department to prepare the following report for each Legislature. This review serves to assure that program revenue collections do not exceed program operational expenditures.

The fund has two basic expenditure items: grants to counties to operate local junk vehicle collection and recycling programs and DHES expenditures for administration. Total costs have increased in the past three fiscal years and averaged \$720,000 over the past eight fiscal years.

The program has two major revenue sources. The largest comes from the junk vehicle fee assessments made during vehicle license registration and totals about \$600,000 each year. At current fee levels of .50 cents for re-registrations and \$1.50 for each title transfer, this figure will remain stable or fluctuate slightly with vehicle population.

Revenue from the sale of junk vehicles recycled through the program is the second greatest source of funding and is expected to average approximately \$50,000 annually. This figure varies considerably in the short term depending on the strength of the scrap market and the tonnage of vehicles available for recycling. Revenue from junk vehicle recycling projects has fluctuated between a high of \$248,000 in FY81 to a dismal low of \$18,000 during the steel market collapse of FY83.

4
Up to FY83, revenues matched or exceeded expenditures. In fiscal years 83, 85, and 86, expenditures exceeded revenues by approximately \$100,000 per fiscal year. This trend of increased expenditures over revenues is expected to continue. HB 114.87

The accompanying operating statement presents two scenarios for the Junk Vehicle Fund. For the first scenario, where we assume revenue from crushing, repayment of the Bicentennial loan, and expenditure of entire county eligibility grants, the anticipated fund balance in FY89 is (-\$134,119). However, county programs typically do not spend their entire eligibility grants. In the second scenario, the best actual case, we assume revenue from crushing, repayment of the Bicentennial loan, and return of approximately 13% of the county program funds per fiscal year. The anticipated fund balance in FY89 for this scenario is \$172,324.

Beginning in FY89, county programs will have to be funded on a quarterly or monthly basis because the Fund will not have enough money to provide counties their full eligibility grants at the beginning of the fiscal year. If current funding levels are to be maintained, a fee increase will be necessary for the 1990-1991 biennium.

EXHIBIT 4DATE 1.14.87

HB _____

JUNK VEHICLE DISPOSAL PROGRAMACTUAL & ESTIMATED OPERATING STATEMENTDATE: 1 JULY 1984 — 30 JUNE 1989ACTUAL OPERATING STATEMENT

Fund Balance: July 1, 1984.....\$1,641,624

Fiscal Year 1985

Expenditures:

Administrative Costs.....	\$143,540
Env. Sciences Division.....	20,393
County Programs.....	705,023
Superfund Match.....	31,352
Prior Year Adjustments.....	(108,158)
Total Expenditures.....	\$792,150

Balance Less Expenditures.....\$ 849,474

Revenues:

Wrecking Yard License Fees.....	\$ 10,238
\$1.50 Title Transfer Fees.....	275,758
\$.50 Registration Fees.....	349,695
Sale of Junked Vehicles.....	59,696
Prior Year Adjustments.....	(37)
Total Revenues.....	\$695,350

Fund Balance: July 1, 1985.....\$1,544,824

Fiscal Year 1986

Expenditures:

Administrative Costs.....	\$152,277
Env. Sciences Division.....	53,395
County Programs.....	629,613
UST Match.....	1,581
Prior Year Adjustments.....	(14,075)
Total Expenditures.....	\$822,791

Balance Less Expenditures.....\$ 722,033

Revenues:

Wrecking Yard License Fees.....	\$ 10,688
\$1.50 Title Transfer Fees.....	267,724
\$.50 Registration Fees.....	354,819
Sale of Junked Vehicles.....	82,666
Prior Year Adjustments.....	(26)
Total Revenues.....	\$715,871

Fund Balance: July 1, 1986.....\$1,437,904

ESTIMATED OPERATING STATEMENT

Note: This statement assumes that we will receive revenue from crushing and the the Bicentennial Loan of \$119,110 authorized by the Legislature in FY87 will be repaid. *

Fund Balance: July 1, 1986.....\$1,437,904

Fiscal Year 1987

Budgeted Expenditures:

Administrative Costs.....	\$191,744
Env. Sciences Division.....	57,053
County Programs.....	768,006
UST Match.....	51,482
To General Fund.....	500,000
Total Expenditures.....	\$1,568,285

Balance Less Expenditures.....\$ (130,381)

Anticipated Revenues:

Wrecking Yard License Fees.....	\$ 10,700
\$1.50 Title Transfer Fees.....	259,430
\$.50 Registration Fees.....	361,915
Sale of Junked Vehicles.....	50,000
Total Revenues.....	\$682,045

Fund Balance: July 1, 1987.....\$551,664

Fiscal Year 1988

Budgeted Expenditures:

Administrative Costs.....	\$180,545
Env. Sciences Division.....	60,563
County Programs.....	785,616
Total Expenditures.....	\$1,026,724

Balance Less Expenditures.....\$(475,060)

Anticipated Revenues:

Wrecking Yard License Fees.....	\$ 10,750
\$1.50 Title Transfer Fees.....	254,241
\$.50 Registration Fees.....	369,153
Sale of Junked Vehicles.....	40,000
Total Revenues.....	\$674,144

Fund Balance: July 1, 1988.....\$199,084

ESTIMATED OPERATING STATEMENT

Fund Balance: July 1, 1988.....\$199,084

Fiscal Year 1989

Budgeted Expenditures:

Administrative Costs.....	\$165,489
Env. Sciences Division.....	60,576
County Programs.....	803,630
Total Expenditures.....	\$1,029,695

Balance Less Expenditures.....\$(830,611)

Anticipated Revenues:

Wrecking Yard License Fees.....	\$ 10,800
\$1.50 Title Transfer Fees.....	249,156
\$.50 Registration Fees.....	376,536
Sale of Junked Vehicles.....	60,000
Total Revenues.....	\$696,492

Fund Balance: July 1, 1989.....\$(134,119)*

*

Many factors influence the expenses and revenue of the junk vehicle program. Major revenue factors include revenues from crushing/sale of vehicles, reregistration fees, and title transfer fees. The major expense factor is grants to counties which typically averages about 75%-80% of the total program cost. Based on our best estimate of future conditions, using historic trends, and the following assumptions, we project a fiscal year end (FYE) 1987 fund balance of \$651,505; a FYE88 fund balance of \$401,055; and a FYE89 fund balance of \$172,324.

Assumptions:

1. The \$119,110 Bicentennial loan is repaid;
2. The car crushing revenues continue near current levels; and
3. The counties do not spend 100% of the grant funds.

VISITORS' REGISTER

HUMAN SERVICES SUB COMMITTEE

BILL NO. _____

DATE

January 14, 1987

SPONSOR _____

DEPT _____

NAME (please print)	Representing	SUPPORT	OPPOSE
Barry DAMSCHEN	DAMSCHEN & ASSOC		
Ray Hoffman	DHES		
Duane Robertson	DHES		
Vic ANDERSEN	DHES		
Roger Thorvilson	DHES		
Lois STENBERG	OBPP		
Chris Volinewsky	Lobbyist for DD		
Bruce Hayden	Gen Office		
Don Willemis	DHES		
Rich Meis	MEIC		
Diane Sands	Women's Lobbyist Fund		
Tom Warring	Special Resource Management		
Bill Opitz	DHES	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.