

Clark Fork Operable Unit Budget Overview

In 2008, the Montana Department of Environmental Quality (DEQ) and the Department of Justice Natural Resource Damage Program (NRDP) and British Petroleum-Atlantic Richfield (BP-ARCO) entered into two consent decrees for remediation and natural resource damage claims. BP-ARCO paid the State approximately \$121 million: \$94 million for remedial action (DEQ) and \$27 million for restoration (NRDP). Following completion of Phase 7 construction in fall of 2025, the DEQ and NRDP analyzed actual capital costs of Phase 7 activities to include in spending projections on future phases, with 8.5 phases now completed and 13.5 phases remaining.

Year	Phase	Actual Capital Costs	2023 CFROU Strategic Plan Projected Capital Costs
2025	7	\$5,600,000	\$4,060,000

Why the Increase?

Budget increases due to:

- Recent economic changes such as increased fuel costs, inflation, and rapid increases in equipment repair costs
- Phase 7 increase in tailings volume removal and as a result backfill
- Phase 7 increase in tailings volumes created an increase in streambank treatment areas
- Cost increases attributed to actual onsite conditions encountered

DEQ and NRDP are accounting for these conditions in future work plans and budget projections to guide mitigation decisions and prevent unexpected cost increases. Both DEQ and NRDP continue to collaborate in assessing lessons learned and updating approaches to gain efficiencies in sequencing, expenditures, and the completion of phases. The goal of the agencies remains meeting the planned timeline of completing construction in 2038.

What do we do?

DEQ is currently in discussions with the Environmental Protection Agency (EPA) regarding anticipated additional funding needs and assessing available options, including but not limited to invoking the round robin. After the CFROU account is spent to zero, including \$9.4 million from the reserve account for “further response costs”, the “round robin” may be necessary to fund additional further response costs. In summary, the additional response costs initiate a “round robin” payment from the 2008 Consent Decree. The first round requires:

Total Expenditures	Remaining DEQ & NRDP Fund Balance May 2026
\$131,560,000	\$100,350,000

- EPA to pay the first \$5 million, if necessary,
- the State pay up to the next \$5 million (to be funded out of the CFR Reserve Account), if necessary, and
- ARCO (AR) pay up to the next \$5 million.

Any and all subsequent rounds of additional response cost payments follow the same order (EPA, the State, AR) and increase the amounts paid to \$10 million.

Looking to the Future

- Use of drone technology to analyze future phases and analyze success of phases completed gaining efficiencies
- Costs for Brush Matrix Streambank Treatment are approximately equal to those of double vegetated soil lift constructed streambanks but provide much better aquatic habitat
- Early identification of Preserve Vegetation areas during initial project planning
- Execution of Phase 7 Construction with respect to the Strategic Plan will provide efficiencies in future phases that will result in possible budget solutions
- Phase 7 project was the first Remedial Action completed under the Strategic Plan, which required additional planning and design work; however, it is anticipated that these efforts will help streamline future phase design work

Visit the Montana DEQ Federal Superfund website at <https://deq.mt.gov/cleanupandrec/Programs/superfundfed>, or scan the QR code with your mobile device. The contact information for key staff is listed below:

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