



ARKANSAS  
Department of Environmental Quality

August 30, 2011

Arkansas Pollution Control and Ecology Commission  
Re: Funding Options for Study of Lake Catherine

Dear Commissioners:

I have been asked by members of the public to provide you with information about two trust funds administered by the Arkansas Department of Environmental Quality ("ADEQ"). The members of the public have suggested that these funds might be utilized to pay for the study of Lake Catherine discussed during the last Commission meeting in conjunction with UMETCO's requested change in the water quality standards. The two trust funds, the Petroleum Storage Tank ("PST") Trust Fund and the Landfill Post-Closure Trust Fund ("LFPCTF"), are funds administered by ADEQ. These trust funds were created by the state legislature for specific purposes and expenditures from these funds are statutorily restricted. The PST Trust Fund was created to ensure a funding source exists to respond to releases into the environment from petroleum storage tanks. Specifically, the PST Trust Fund was created to reimburse eligible owners or operators of storage tanks for clean-up costs, to pay third parties for compensatory damages, to clean-up releases from tanks with owners who are unknown or fail to initiate corrective actions timely, and to respond to emergencies associated with releases from PSTs. Fees on motor fuel paid by distributors or suppliers are deposited into the PST Trust Fund. The LFPCTF was created for the specific purpose of providing funds for corrective action when a closed solid waste landfill causes groundwater contamination, a hazard to public health, or endangers the environment. The LFPCTF also is used to ensure funds are available to conduct landfill post-closure maintenance where an owner or operator cannot be located or is unable to satisfy the post-closure care requirements. Fees collected by permittees on solid waste disposed at landfills are paid into the LFPCTF.

Although needed, funding a study of Lake Catherine is not a statutorily authorized expenditure under either of these trust funds. I believe legislative action would be required to divert money from the PST Trust Fund or the LFPCTF to conduct a study of Lake Catherine. Further, any attempt to secure legislative approval for expenditures that deviate from or are inconsistent with current state law may be met with objections from industry representatives who pay into these funds. If the Commission has questions about either of these trust funds or requires additional information, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Teresa Marks".

Teresa Marks  
Director

cc: Charles Moulton, Administrative Hearing Officer