

Consent Agenda Briefing for PWSRCAC Board of Directors – January 2026

ACTION ITEM

Sponsor: Robbin Capers and the TOEM Committee

Project number and name or topic: 6512 - Maintaining the Secondary Containment Systems at the VMT Update

1. **Description of agenda item:** The Board is being asked to approve an FY2026 contract increase with Dr. Craig Benson in a new amount not to exceed \$50,000. The Board approved a budget modification adding \$25,000 from contingency to Project 6512 at their special meeting on December 11, 2025. This request is to approve the corresponding change order to increase contract 6512.26.01 with Dr. Craig Benson.

Dr. Benson has been an invaluable subject matter expert in helping the Council develop comments on Alyeska's proposed Electrical Leak Location (ELL) and hydraulic tests of the East Tank Farm secondary containment system and conferring with the Spill Prevention and Response Division of ADEC on this issue. These additional funds would be used to keep Dr. Benson on retainer as we continue to navigate through this process.

2. **Why is this item important to PWSRCAC:** Secondary containment systems are required by state and federal regulations to hold oil in the event of a spill from a tank or pipe until the spill can be detected and cleaned up. The VMT utilizes 13 crude oil storage tanks in their East Tank Farm to facilitate terminal operations (Tank 8 is currently out of service with no current plan to be brought back online). These tanks are within secondary containment systems.

One of the major components of the secondary containment systems at the VMT's East Tank Farm is the catalytically blown asphalt (CBA) liner which was installed during terminal construction, around 1976. The CBA liner is located under approximately five feet of earthen fill within the seven secondary containment areas (or "dike cells") in the East Tank Farm, each containing two crude oil storage tanks. The East Tank Farm's CBA liner has been consistently found to exhibit cracks or holes during events that require it to be exposed (approximately 19% of such events) indicating that this liner, and thereby the secondary containment system, may not hold spilled oil before it could be detected and cleaned up.

For over two decades PWSRCAC has voiced concerns to Alyeska, as well as state and federal regulators, regarding the ability of the CBA liner to meet regulatory standards and the risks that a compromised liner poses in the event of a spill from the crude oil storage tanks at the VMT. In a recent development on May 11, 2022, a decision was issued by ADEC, which was then incorporated into the most recent 2024 VMT C-Plan Renewal, requiring that Alyeska:

- Identify "preliminary" methods to evaluate the integrity of the CBA liner in the East Tank Farm by October 1, 2023
- Identify "final" methods by March 1, 2025

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On February 28, 2025, Alyeska selected ELL as their testing method for the secondary containment system (SCS) at the VMT. Then on August 15, 2025, Alyeska changed course and proposed a hydraulic test (or flood test) be used to verify the integrity of the SCS. This is in fulfillment of the 2024 Valdez Marine Terminal (VMT) Contingency Plan Condition of Approval #1 and any other continued follow-up related to the ADEC condition of approval regarding the testing of the secondary containment liner at the VMT.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
XCOM	4/28/2022	Accepted the report titled "Utilizing Numerical Simulation to Estimate the Volume of Oil Leaked Through a Damaged Secondary Containment Liner" dated February 7, 2022 as final and for public distribution.
Board	1/25/2023	Accepted the report titled "Methodologies for Evaluating Defects in the Catalytically Blown Asphalt Liner in the Secondary Containment System at the Valdez Marine Terminal" by Dr. Craig H. Benson dated November 29, 2022, as meeting the terms and conditions of Contract 6512.22.02, with direction to staff to forward the report to Alyeska, and state and federal regulators accompanied by a cover letter summarizing findings and recommendations with requests for appropriate action and a complete response; and authorized staff to negotiate a contract change order, for contract #6512.22.02, with Dr. Craig H. Benson, adding \$7,900 for compensation to attend meetings with the Council, Alyeska, and state and federal regulators promoting the findings and recommendations of his November 29, 2022 report and extending the term of the contract to June 30, 2023.
XCOM	7/18/2024	Authorized the Executive Director to increase the contract with Dr. Craig Benson for deliverables associated with project 6512 Maintaining the Secondary Containment Liner, in an amount not to exceed \$38,000.
Board	11/24/2024	Directed staff to request an informal review to ADEC pertaining to Condition of Approval #1 related inspection of the secondary containment liners as outlined in the recently approved Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan.
Board	3/19/2025	Approved a FY2025 budget modification transferring \$7,000 from the contingency fund to project 6512, and authorize the Executive Director to carry out a corresponding change order to increase contract 6512.24.01 with Dr. Craig Benson and Dr. Joe Scalia in an amount not to exceed \$45,000.
Board	5/1/2025	Accepted the report titled "Review of Electrical Leak Location and Electrical Resistivity Tomography Pilot Study of the Secondary Containment System at the Valdez Marine Terminal West Tank Farm Conducted July 2024" by Dr. Joseph Scalia and Dr. Craig H. Benson in fulfillment of contract 6512.24.01.
XCOM	11/20/2025	Accepted the following analyses to be attached and/or incorporated into the Council's submittal to ADEC regarding Alyeska's proposed hydro-test to demonstrate the integrity of the catalytically blown asphalt liner used for secondary containment in the East Tank Farm at the VMT: "Proposed hydraulic test to evaluate catalytically blown asphalt (CBA) liner at Valdez Marine Terminal" memorandum by Dr. Craig Benson.
Board	12/11/25	Approved a budget modification adding \$25,000 from contingency to project 6512 Maintaining the Secondary Containment Liner.

4. **Summary of policy, issues, support, or opposition:** For at least the past three VMT contingency plan (C-Plan) renewals (going back to 2008), the Council has submitted comments to Alyeska and ADEC with recommendations pertaining to the CBA liner and secondary containment systems. For the 2019 C-Plan renewal, the Council and Alyeska both filed "informal

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reviews” with ADEC regarding the secondary containment systems, which is a formal way of working out disagreements about the C-Plan without further appeal. Those two “informal reviews” were resolved when ADEC issued the aforementioned May 11, 2022 decision requiring Alyeska to identify final CBA liner evaluation methods for the East Tank Farm by March 1, 2025. This March 1, 2025 submission date was in turn incorporated into the most recent 2024 VMT C-Plan renewal, under Condition of Approval #1.

5. **Committee Recommendation:** Maintaining the secondary containment liner is a high priority and high ranking project for the TOEM and OSPR Committees, and associated project teams. The TOEM Committee recommends the Board approve the recommended increase to Dr. Benson’s FY2026 contract.

6. **Relationship to LRP and Budget:** Project 6512 - Maintaining the Secondary Containment Liner is in the approved FY2026 budget for \$25,000, with a resulting revised total budget amount of \$50,000, should this action be approved.

7. **Action Requested of the Board of Directors:** Authorize a change order increasing contract 6512.26.01 with Dr. Craig Benson by \$25,000 for a new not to exceed total amount of \$50,000.

8. **Alternatives:** None recommended.

9. **Attachments:** None.