

**2013 - 2015  
MONTANA  
ENVIRONMENTAL PERFORMANCE  
PARTNERSHIP AGREEMENT**

**Between**

**THE MONTANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY**

**And**

**THE U.S. ENVIRONMENTAL PROTECTION AGENCY  
REGION VIII**

**Effective  
July 1, 2013**

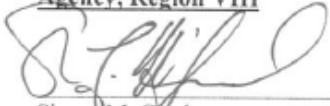
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**APPROVALS**

By signing this agreement, the Montana Department of Environmental Quality (DEQ) and Environmental Protection Agency (EPA) jointly agree to the national environmental performance partnership system beginning July 1, 2013. The EPA commits funding to DEQ in amounts specified in fiscal applications submitted under the terms of the state's environmental Performance Partnership Grant (PPG). In return, the DEQ will expend the federal resources to carry out the environmental programs. EPA and DEQ also agree to carry out their roles and work as defined in the agreement.

**U.S. Environmental Protection Agency, Region VIII**



Shaun McGrath  
Regional Administrator

8/27/2013

Date

**Montana Department of Environmental Quality**



Tracy Stone-Manning  
Director

Aug 7, 2013

Date



Julie A. DalSoglio, Director  
Montana Office

8/22/13

Date

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**U.S. Environmental Protection Agency, Region VIII**

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## **CHAPTER 1 INTRODUCTION, ROLES OF THE EPA AND DEQ**

### ***1.1 BACKGROUND***

This Montana Environmental Performance Partnership Agreement (PPA) is an agreement that identifies and explains key environmental priorities and goals in Montana and the working relationship between the Montana Department of Environmental Quality (DEQ) and the U.S. Environmental Protection Agency (EPA). The 2013-15 PPA establishes agreements to achieve the goals of the National Environmental Performance Partnership System (NEPPS). The NEPPS provides a framework for delineation of DEQ and EPA roles in carrying out environmental laws in each state. It allows DEQ to identify key state priorities, to allocate federal resources to the highest state priorities and to have more flexibility in finding ways to achieve mutually agreed on goals. EPA seeks to work jointly with the DEQ to find the most effective way to achieve national standards and goals, while meeting state environmental priorities.

DEQ and EPA participated in a pilot project involving Fiscal Year 2010-11 (FY10/11) work plans for State Continuing Environmental Program (CEP) grants. Under the pilot, EPA and DEQ tested the feasibility of including certain essential elements in work plans to address Office of Management and Budget (OMB) directives for a standardized template for state grant agreements. Those essential elements include: 1) Linkages to EPA's Strategic Plan Architecture; 2) Related EPA/State Measures; and 3) Planned Accomplishments. Many sections of this PPA reflect the updated elements.

### ***1.2 PURPOSE***

The PPA serves several purposes. First, it defines the roles of and the relationship between the EPA and the environmental programs of the DEQ. Second, it identifies the major environmental problems in Montana, describes the priority goals, objectives and key initiatives to address the problems and establishes the means to evaluate progress. Third, it is the vehicle that defines Montana's set of program commitments for which federal resources are made available to the DEQ to manage selected environmental programs. As such, it constitutes the full program plan for the environmental Performance Partnership Grant (PPG) to DEQ and will be used to evaluate the success of the PPG.

### ***1.3 SCOPE***

This PPA generally addresses the environmental programs within the DEQ, with emphasis on those that receive funding from EPA. The agreement delineates those programs and activities that are grant commitments.

This PPA describes the work commitments to be completed during the project period 2013-2015, but does not supersede the existing Memoranda of Agreement (MOA), delegations and enforcement agreements. Also, the DEQ will maintain negotiated core programs, as required by

federal and state statutes and rules, and as reflected in program authorizations and other formal agreements (e.g. MOAs, Enforcement Agreements).

DEQ also has identified program areas that may not be fully implemented due to flat or reduced programmatic funding levels. The Montana Legislature again has reduced DEQ appropriation levels in state general fund and statutory fee caps have not been changed. Should federal budget cuts affect the resources available through the Performance Partnership Grant (PPG), DEQ may need to renegotiate portions of this PPA.

To provide a comprehensive description of the environmental efforts throughout the state, the PPA also includes EPA's efforts to support the state's environmental programs and to carry out its own federal responsibilities. In some instances, EPA works with other state agencies in Montana to carry out its activities. DEQ will coordinate with both EPA and other state agencies to address environmental problems. The department will also continue to work with its partners in city and county agencies to carry out its environmental mission.

#### ***1.4 RELATIONSHIP OF THE EPA AND DEQ***

There is a long-standing relationship between EPA and DEQ to protect the environment in Montana. The federal system of government, as implemented in a series of environmental statutes, delineates specific roles for federal and state agencies in the development and implementation of programs for environmental protection. Different statutes provide different roles. For example, some programs established by federal legislation may be delegated to state agencies with requisite authority, resources, and capability. Other programs cannot be delegated under federal law, such as the federal Superfund program. Other environmental programs or initiatives have been developed at the state level independently of federal authorities. In addition, there are other initiatives that both agencies agree result in increased environmental protection in an efficient and cost effective manner. Often, DEQ and EPA play a significant role in these efforts and work to coordinate their approach in Montana.

#### ***1.5 ENVIRONMENTAL PROTECTION AGENCY'S ROLE***

Under most of the programs covered by this PPA, Congress gave EPA the initial responsibility for development and implementation. Many of these statutes also contain Congressional preference for delegation of the program to the states when states demonstrate capacity to carry them out. The federal resources allocated for program development and management are given to EPA annually by Congress. EPA has developed various mechanisms for implementation of the programs in partnership with the states. Given the evolving nature of this partnership, there will continue to be coordinated planning and priority setting between EPA and DEQ. These joint activities will occur as part of the development of future partnership agreements and on a more long-term, strategic basis, as needed.

**FEDERAL-ONLY ACTIVITY** - In some cases, implementation of environmental programs is primarily a federal role, such as for non-delegated programs, Indian Country issues, and interstate problems. Even so, many of those activities require support and activity by the State.

One example is the Emergency Planning and Community Right-to-Know Act (EPCRA) program, which is directly implemented by EPA, but relies heavily on state information and data.

DEVELOPMENT OF NATIONAL PROGRAM STRUCTURE AND STANDARDS - EPA is responsible, through its statutory management and rule-making authority, for determining the federal management structure for the program and minimum national standards. For many environmental programs, national standards have been set for the country. EPA's role is to assure that the efforts of all states are used to achieve baseline environmental quality throughout the country and, hence, to require that states adhere to a minimum set of national environmental standards. In addition, EPA facilitates resolution of interstate issues. Federal activity is geared to monitor consistency, national trends, and federal initiatives when standards are not met.

RESEARCH AND DEVELOPMENT - Often, the standards and guidance that are developed by EPA are the result of research and development that it has undertaken and funded. Development and testing of innovative technologies and similar initiatives are valuable components of many environmental programs.

ASSISTANCE TO THE STATE - Due to its national experience, EPA is often able to provide technical assistance that may not be available to a particular state program. For example, EPA assists in building state capability to implement federal environmental programs by providing statements of policy and guidance, and delivering assistance and training on new regulations and national priorities. Additionally, EPA will assist DEQ, when requested by providing technical information from other states, reviewing proposed engineering treatment processes, researching data, conducting risk assessments, and facilitating peer review and peer matching. For EPA activities that will not require a major commitment of federal resources, EPA personnel will be available on an ongoing basis. For activities that will require a major commitment of EPA resources, EPA's role is described in the program-specific tables and work plans.

ENFORCEMENT, COMPLIANCE AND ENVIRONMENTAL JUSTICE - EPA performs essential enforcement and compliance assurance functions in order to assure the protection of public health and the environment, and to assure that polluters do not gain a competitive advantage over those regulated entities that comply with federal environmental regulations. The core EPA functions include setting national priorities, monitoring compliance on a national basis, assuring national consistency in the implementation and enforcement of federal environmental requirements, taking enforcement actions against regulated entities with significant noncompliance at facilities in several states, or against sources where releases to the environment threaten the health or environment of another state or country, or where states do not address particular violations, offering incentives for violators to come into and remain in compliance, conducting compliance assistance for high-priority sectors and federally-implemented programs, and evaluating state performance.

For national programs that are not delegated to DEQ and for new regulations and policies, EPA will perform compliance assurance activities such as the development of compliance assistance materials and services tailored to promote compliance within high priority sectors, will address compliance problems in federally implemented programs, and will publicize and explain new

regulatory requirements. In delegated programs, such materials and services should be delivered by the states.

EPA will promote environmental compliance and pollution prevention in the federal sector through enforcement, technical and compliance assistance activities. Careful administration of compliance assistance, pollution prevention, and enforcement will be directed toward the overall goal of achieving increased compliance and reducing risk in all priority areas.

EPA is committed to implement Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” by focusing federal attention on the environmental and human health conditions in these communities, according to EPA’s national guidance. The Office of Environmental Justice has worked with all parts of EPA, through a network of environmental justice coordinators, to integrate environmental justice in all programs, and within EPA's Office of Enforcement and Compliance Assurance to ensure that enforcement and compliance assurance addresses environmental justice concerns and that these activities are coordinated to more effectively address the needs of impacted communities. To ensure that the goals of environmental justice are accomplished, the national guidance says EPA’s regional enforcement and compliance personnel should incorporate environmental justice concerns into ongoing enforcement/compliance activities. In particular, they should ensure that:

1. The public has access to compliance and enforcement documents and data, particularly to high-risk communities, through multimedia data integration projects and other studies, analyses and communication/outreach activities;
2. EPA’s policies, programs and activities, including public meetings, address minority and low income community issues so that no segment of the population suffers disproportionately from adverse health or environmental effects, and that all people live in clean, healthy and sustainable communities, consistent with Executive Order 12898;
3. Noncompliance is deterred and environmental and human health improvements are achieved by maintaining a strong, timely and active enforcement presence;
4. Enforcement actions are directed to maximize compliance and address environmental and human health problems in communities of low income and minority populations; and
5. When possible, enforcement actions in or near environmental justice communities require environmental or human health improvements, such as pollutant reductions and/or physical or management process changes.

DEQ supports EPA’s environmental justice efforts. DEQ will, to the best of its ability and based on the availability of financial and personnel resources, work with EPA to meet its goals.

Environmental Justice training is available. The DEQ will notify its employees of the training and encourage them to attend.



RESOURCES - In addition to the programmatic and technical assistance provided, many of the programs covered by this PPA are partially funded by federal grants administered by EPA. EPA is fiscally responsible to Congress for the expenditure of these resources consistent with federal law and the respective grant agreements.

SPECIAL PROJECTS/INITIATIVES - The President, the administrator of EPA, or the regional administrator may identify particular initiatives or projects that are a high priority for the Agency. EPA works with state agencies and others to implement projects or initiatives that the state is interested in pursuing.

CROSS-CUTTING INITIATIVES - EPA Region VIII will be working with EPA Headquarters, DEQ, and local communities in several cross-cutting areas. EPA has identified a number of cross-cutting areas within its strategic themes. These themes include ecosystem protection, pollution prevention, reinventing environmental management, environmental justice, environmental accountability, partnerships, and strong science and data. Cross-cutting activities found within these themes include community-based environmental protection, industrial sectors compliance activities, integrated environmental data systems, and funding to achieve equitable environmental results.

VERIFICATION OF STATE PERFORMANCE (OVERSIGHT) - EPA works jointly with DEQ to set forth the procedures for mid-year and end-of-year reviews, grant reporting requirements, and other assessments. Through the assessment process, EPA works with DEQ to evaluate accomplishments, discuss progress, make adjustments to meet commitments in the current PPA, and plan for future efforts. EPA is ultimately responsible for assuring that grant requirements, including program commitments, have been met.

In cases where EPA delegates implementation of environmental programs to a state, it must also ensure that the state meets the requirements of the delegation. This distinct oversight role is necessary for EPA to carry out its unique federal responsibilities as reflected in the items above. As such, EPA will review the state's performance and evaluate it against national environmental statutes and regulations and pertinent fiscal/grant requirements.

In instances of effective state performance, EPA's oversight role is lessened. In instances of less than satisfactory performance, EPA's oversight role increases, and EPA works with the state to improve performance. In both scenarios, EPA must assure compliance with environmental laws and determine its level of activity accordingly.

JOINT STATE-REGION 8 PRIORITIES - Annually EPA Region 8 management meets with the Region 8 state Directors of Environment and Agriculture to discuss issues and priorities that affect the states that should be considered as EPA adopts and updates the national strategic plan. In June 2011, EPA and the Region 8 states (including Montana) agreed to the following priorities. These priorities remain the same for this PPA renewal:

1. Building Partnerships with the Agriculture Community
2. Regional Direct Implementation of Undelegated and Undelegable Responsibilities
3. Energy

4. All Hazards Response
5. Addressing Climate Change
6. Improving Air Quality
7. Building State and Tribal Capacity

Focus on these priorities is intended to highlight management attention on programs of specific interest to our region (agriculture and energy) or that need special attention until fully integrated into core program work (state capacity enhancement). Region 8 and the states have agreed to share information, to use the topics to prioritize competitively awarded funding, and to commit management resources to strengthening the program areas. The commitments will again be reviewed in spring 2013 for the 2014 commitments.

### ***1.6 MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY'S ROLE***

For the majority of programs covered by this PPA, DEQ has the role of being the primary implementing agency. Some of the roles described above have parallels at the state level.

DEVELOPMENT OF STATE PROGRAM STRUCTURE AND STANDARDS - DEQ is responsible through its statutory and regulatory authority to determine the state management structure for the program. In addition, DEQ adopts its standards through its Administrative Procedures Act and requirements of implementing statutes. The Board of Environmental Review (BER) does this in most cases.

RESEARCH AND DEVELOPMENT - DEQ may also conduct or fund research and development efforts relevant to its environmental programs. This occurs on a limited basis due to resource constraints.

PROGRAMMATIC AND TECHNICAL ASSISTANCE - Due to the maturity of many of the programs described in this PPA, DEQ sometimes provides programmatic and technical assistance to EPA. This is often done through agreements under which DEQ undertakes lead responsibility for particular projects or activities for which EPA is primarily responsible.

RESOURCES - The State of Montana commits its own financial resources to nearly all of the programs and activities described in this PPA.

SPECIAL PROJECTS/INITIATIVES - DEQ may also undertake particular initiatives or projects that it considers high priority. DEQ works with EPA and others to implement those projects or initiatives.

ADDRESS ENFORCEMENT "WATCH LISTS" WITH EPA - DEQ commits to: 1) Review watch lists; 2) Discuss unaddressed facilities with EPA, since DEQ may have its own priorities; and 3) Coordinate with the Region on a plan to address unaddressed facilities, which may include work sharing.

MAINTAIN NATIONAL DATABASES - DEQ commits to properly entering data into regional and national data systems.

ENFORCEMENT PERFORMANCE MEASURES AGREED TO BY EPA and ECOS - DEQ agrees to adopt the following performance measures agreed to by EPA and ECOS:

1. Rates of significant noncompliance for selected regulated populations. DEQ will continue to provide facility-specific compliance information through automated data systems.
2. Percentage of significant non-compliers (SNCs) that have been returned to compliance or otherwise addressed. DEQ will continue to provide facility-specific compliance information through automated data systems.
3. Total number of inspections conducted at major facilities, and the percent of total universe of regulated sources inspected in negotiated priority areas (e.g., industry sectors, geographic areas). DEQ will continue to report facility-specific data through automated data systems and will negotiate means for reporting information on inspections of facilities not covered by current data systems.
4. Enforcement actions (e.g., case referrals, orders, notices) taken by media. DEQ will continue to provide facility-specific compliance information through automated data systems.

QUALITY MANAGEMENT PLAN (QMP) - DEQ has an EPA-approved department QMP that documents and describes the quality system. The primary goal of DEQ's quality system is to ensure that all environmental programs administered under this PPA produce defensible, quality data that meet the informational needs and regulatory functions of the department. The annual report on the QMP was filed with the Director in January 2013. DEQ continues its efforts to fully implement the QMP and to seek continuous program improvements.

## **1.7 REPORTING**

Except where otherwise specified in the individual program work plans, DEQ will provide an end-of-year performance report (Final Grant Report) for the funded activities listed in Chapter 2 and the carry-over funding activities listed in Chapter 3. The report will be filed in accordance with the due dates and content requirements of 40 CFR § 31.40 (b). The report is due 90 days from the end of each State Fiscal Year (SFY), or by September 30, 2014, and September 30, 2015. The results of the report may be used to negotiate modifications to the PPA at the mid-year review or annually. DEQ will send the PPA end-of-year report to:

Montana State Program Manager  
U.S. EPA, Region 8 Montana Office  
Federal Office Building  
10 West 15th Street, Suite 3200  
Helena, MT 59626

The President's FY 2007 Budget request directed that EPA develop a template for states to use in submitting their grant work plans for categorical grants and Performance Partnership Grants starting in FY 2007. The template requires that states provide a clear linkage of their grant-funded efforts to EPA strategic long- and short-term goals and highlight relevant aspects of their annual performance and results. The template should facilitate meaningful comparison of performance across states and between a state's past and planned accomplishments. Some sections (water units) of the template are updated to reflect coordination of format and to link directly to National Program Management guidance.

Much of the impetus for the template can be attributed to recent assessments of several of EPA's major state (and local) grant programs conducted by the Office of Management and Budget (OMB). The PPA includes these relevant template measurements. The DEQ and EPA recognize that this will be an important requirement for this agreement.

## CHAPTER 2 DESCRIPTION OF ENVIRONMENTAL PROGRAMS

### **2.1 AIR QUALITY PERMITTING, PLANNING, MONITORING, COMPLIANCE AND REGISTRATION**

The majority of Montana's air quality program resides within DEQ's Air Resources Management Bureau (ARMB), in the Permitting and Compliance Division. It consists of two programs and seven sections. The Air Monitoring, Analysis and Planning Program consists of four sections including Administrative Support, Air Quality Policy and Planning, Air Monitoring, and Data Management sections. The Air Permitting, Compliance, and Registration Program consists of three sections including Air Permitting, Air Compliance, and Air Registration.

#### AIR PERMITTING, COMPLIANCE AND REGISTRATION PROGRAM:

**AIR PERMITTING FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Issuing timely and complete permits for sources to provide appropriate protection of public health through compliance with applicable requirements of the Act.
2. Ensuring appropriate public involvement through compliance with public notice and public participation statutes.
3. Working with agencies and companies that open burn forestry slash to assure that the burning is done in a manner that protects the ambient air standards.
4. Assisting permit applicants so that they can understand the regulations and maintain regulatory compliance.
5. Ensuring compliance with state and federal fiscal management requirements through fiscal planning and oversight.

**Section Overview:** ARMB's air permitting goals are to achieve and maintain levels of air quality that will protect public health and preserve the environment in Montana. These goals are achieved, in part, through the issuance and maintenance of permits. The permits are the tools used to identify and implement the applicable portions of the State of Montana Air Quality Rules (ARM 17.8.101 et seq.). There are three basic types of air quality permits: Montana Air Quality Permits, Montana Operating Permits, and open burning permits.

**AIR COMPLIANCE FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Conducting activities to assess source compliance with applicable air quality requirements. These activities include compliance inspections, evaluation of compliance reports, source testing oversight, complaint investigation, and complaint response.

2. Assisting permitted facilities to understand the regulations in order to maintain regulatory compliance.

**Section Overview:** ARMB’s air compliance goals are to achieve and maintain levels of air quality that will protect public health and preserve the environment in Montana. These goals are achieved primarily through compliance assistance and compliance assessment. ARMB uses these compliance tools in a variety of ways to implement the applicable portions of the State of Montana Air Quality Rules (ARM 17.8.101, et seq.). The Air Compliance Section administers compliance responsibilities for stationary and portable facilities.

**AIR REGISTRATION FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Reviewing and acknowledging registration forms for registration-eligible facilities to ensure appropriate protection of public health through compliance with applicable requirements of the Act.
2. Assisting registration-eligible facilities so that they understand the regulations and maintain regulatory compliance.
3. Conducting activities to assess registration-eligible source compliance with applicable air quality requirements. These activities include compliance reviews of registration forms; compliance inspections of registered sources; identifying and verifying registration-eligible sources that may be required to be either registered or permitted, but have neither registered nor applied for a permit; source testing oversight, complaint investigation; complaint response; and compliance assistance.

**Section Overview:** ARMB’s air registration goals are to achieve and maintain levels of air quality that will protect public health and preserve the environment in Montana. These goals are achieved, in part, through reviewing registration forms for new and updated registration-eligible facilities and reviewing requests to deregister facilities. These goals are also achieved, in part, through compliance assistance and assessment. ARMB uses the registration process and the compliance assistance and assessment process to implement the applicable portions of the State of Montana Air Quality Rules (ARM 17.8.101, et seq.). The Air Registration Section oversees all registration-eligible facilities.

#### AIR MONITORING, ANALYSIS AND PLANNING PROGRAM

**AIR QUALITY POLICY AND PLANNING FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Developing and implementing cost-effective air quality emission control plans to achieve and maintain compliance with federal and state ambient air quality standards.
2. Developing environmental protection criteria, draft legislation, standards, rules, and policies.

3. Administering air quality contracts with local air pollution control agencies and other commercial and nonprofit organizations.
4. Conducting program development and rulemaking activities necessary to meet statutory requirements and acquire and maintain delegation of federal environmental programs.
5. Providing dispersion and receptor modeling to assess the impacts of pollution control scenarios in air quality permit issuance, State Implementation Plan (SIP) development, interstate scale modeling development, and smoke dispersion forecasting.
6. Administering special air quality studies to identify sources of air pollution for mobile and area sources and to quantify such pollution.
7. Preparing statewide air quality assessment reports and identifying air quality non-attainment areas.
8. Providing Quality Assurance and Quality Control services for the Air Monitoring Section.

**Section Overview:** The Air Quality Policy and Planning (AQPP) Section develops and implements air quality emission control plans to achieve and maintain compliance with ambient air quality standards; drafts legislation, standards, rules, and policies; administers air quality contracts with local air pollution control agencies; develops statewide emission inventories; provides air quality modeling services for point source impacts, SIP development, interstate scale modeling, and smoke dispersion forecasting; prepares statewide air quality assessment reports; develops and maintains an ambient air quality monitoring quality assurance system; and provides general research and technical support for ARMB functions.

**DATA MANAGEMENT FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Utilizing data management functions to provide information both internally and externally for program planning and evaluation.
2. Providing technical coordination for development, evaluation, enhancement, and management of complex databases and other existing or new application user interfaces (AQS, AFS, BGI, Discoverer, CEDARS, Air Vision, etc.) to support data management, manipulation, interpretation, and reporting.
3. Providing information technology needs of ARMB through coordination with DEQ staff.
4. Establishing, implementing, and updating data management policies and procedures through periodic review and analysis.
5. Formulating and implementing long-term and short-term strategic management plans;
6. Coordinating data and information management systems development or enhancement projects.
7. Ensuring that air quality data is extracted and distributed in a manner useful for management planning, program oversight, and risk communication.

**Section Overview:** The Data Management Section goals are to provide information to ARMB and the public through the development and implementation of appropriate, effective, and efficient information databases, management policies, and procedures. The section also implements data evaluation and quality control processes and procedures to ensure the accuracy, completeness, and timeliness of information stored in databases.

**AIR QUALITY MONITORING FUNCTION:** To administer the Clean Air Act of Montana (Mont. Code Ann. §75-2-101, et seq.) by:

1. Operating and maintaining a statewide air quality monitoring network.
2. Conducting performance and system audits of all state and local monitoring sites and ensuring quality assurance and quality control of data.
3. Preparing an annual air monitoring network plan, and at five-year intervals conducting an assessment of the air quality surveillance system.
4. Validating and archiving air monitoring data into the AQS database.
5. Preparing statewide air quality.
6. Providing data users access to air quality data.
7. Developing air monitoring protocols.
8. Providing technical support and oversight of air monitoring networks operated by other agencies and industrial facilities.
9. Conducting special air quality studies to identify the causes, sources, and distribution of air pollution.

**Section Overview:** The air quality monitoring functions measure concentrations of criteria pollutants in the ambient air statewide, and track the trends of those concentrations in order to identify sources and severity of pollution problems. Staff conveys pertinent and reliable information on the condition of Montana's ambient air to resource managers and the public. The Air Monitoring Section makes monitoring data available through the EPA AQS website, provides information on smoke from wildfires to the public and also provides PM<sub>2.5</sub> ambient air monitoring information on a near real time basis on DEQ's *Today's Air* website.



## 2.2 2012 AIR QUALITY ACTIVITIES

In the following table, ARMB is committing to goals, objectives, and performance measures that are compliant with EPA’s strategy for improving outdoor air quality. These activities, in part, seek to protect human health and the environment by attaining and maintaining health-based air quality standards.

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
<p>1. Reduce human health effects from exposure to criteria air pollutants.</p>	<p>1.1 Continue to implement a New Source Review (NSR) permit program in accordance with Prevention of Significant Deterioration (PSD) and non-attainment area permitting requirements and the Administrative Rules of Montana (ARM).</p>	<p>1.1.1 Issue timely and complete permits for sources to provide appropriate protection of public health through compliance with applicable requirements of the Federal Clean Air Act.</p> <p>1.1.2 Ensure appropriate public involvement through compliance with public notice and public participation statutes.</p> <p>1.1.3 Assist permit applicants to improve their understanding of applicable state and federal regulations and maintain regulatory compliance.</p> <p>1.1.4 Report NSR major source Reasonably Available Control Technology (RACT)/ Best Available Control Technology (BACT)/ Lowest Achievable Emission Rate (LAER) decisions to the RACT/BACT/LAER Clearinghouse within 30 days of permit issuance. Data submission will include the “application accepted date,” and the “permit issuance date.”</p>	<p>1.1.1.1 In a timely manner, provide EPA with notice of where online copies of proposed and final major source NSR/PSD permits and technical review analyses may be reviewed.</p>

<b>Long-Term Goals</b>	<b>Short-Term Goals</b>	<b>Objectives</b>	<b>Performance Measures and Indicators</b>
	<p>1.2 Continue to implement an Operating Permit program in accordance with Title V operating permit requirements.</p>	<p>1.2.1 Issue timely and complete permits and permit renewals for sources to provide appropriate protection of public health through compliance with applicable requirements of the CAA.</p> <p>1.2.2 Ensure appropriate public involvement through compliance with public notice and public participation statutes.</p> <p>1.2.3 Periodically review EPA responses in the EPA Title V Petition Database.</p> <p>1.2.4 Assist permit applicants to improve their understanding of applicable regulations and maintain regulatory compliance.</p> <p>1.2.5 Respond to EPA's Title V program evaluation report within 90 days of the report issuance.</p>	<p>1.2.1.1 Provide EPA with access to electronic or paper copies of proposed permits and technical review analyses at the start of the public comment period and copies of final permits when issued.</p> <p>1.2.1.2 Provide EPA with timely permit information for all new Title V permits and for renewals or significant permit modifications for existing Title V facilities using the TOPS form.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
	<p>1.3 Monitor compliance with National Ambient Air Quality Standards and Montana SIP, permits and other applicable requirements through development and implementation of the Compliance Monitoring Strategy (CMS).</p>	<p>1.3.1 Conduct activities to assess source compliance with applicable air quality requirements, including compliance inspections, evaluation of compliance reports, complaint response and investigation and compliance assistance.</p> <p>1.3.2 Enter required compliance and emission inventory data into national data systems so that federally required data fields are timely, accurate, and complete.</p>	<p>1.3.1.1 Conduct full and partial compliance evaluations (FCEs and PCEs) and investigations in accordance with the CMS.</p> <p>1.3.2.1 Report minimum data requirements (MDRs) to the Air Facility System (AFS) in compliance with applicable federal rules.</p> <p>1.3.2.2 Report additional compliance data in compliance with the CMS.</p> <p>1.3.2.3 Submit a 2012 major point source air emission inventory to EPA's National Emission Inventory (NEI) Database by December 31, 2013 as required in the Air Emission Reporting Rule (AERR).</p>
	<p>1.4 Continue to implement a New Source Performance Standard program in conformance with section 111 of the Clean Air Act.</p>	<p>1.4.1 Incorporate by reference, if appropriate, new or revised New Source Performance Standards for which Montana has delegation.</p>	

<b>Long-Term Goals</b>	<b>Short-Term Goals</b>	<b>Objectives</b>	<b>Performance Measures and Indicators</b>
<p>2. Reduce human health effects from exposure to hazardous air pollutants (HAPS).</p>	<p>2.1 Reduce the public's exposure to HAPS through operation of the Air Toxics Program in accordance with Titles III &amp; V (section 112) of the Clean Air Act, 40 CFR Parts 61 &amp; 63.</p>	<p>2.1.1 Adopt and implement delegated section 112 MACT standards and revisions as appropriate.</p> <p>2.1.2 Include applicable MACT requirements in Title V permits.</p> <p>2.1.3 Conduct activities to assess source compliance with applicable air quality requirements including compliance inspections, evaluation of compliance reports, complaint response and investigation and compliance assistance.</p> <p>2.1.4 Provide information to EPA adequate to support a complete and up-to-date universe of MACT facilities.</p> <p>2.1.5 As resources allow, attend regional meetings or conference calls on sharing information and building State capacity to identify, characterize, and address air toxics risks in its communities.</p>	<p>2.1.3.1 Notify EPA of any new adoption by reference of Part 63 emission standards within 60 days of incorporation by reference into the Administrative Rules of Montana. Update AFS with any new or changed MACT sources within Montana.</p>
<p>3. Reduce public health and environmental impacts of Acid Rain.</p>	<p>3.1 Implement Acid Rain Program activities in accordance with Title IV of the Clean Air Act.</p>	<p>3.1.1 Include applicable requirements for sources subject to Acid Rain rules in Title V permits.</p> <p>3.1.2 Conduct activities to assess source compliance with applicable air quality requirements, including compliance inspections, evaluation of compliance reports, complaint response and investigation and compliance assistance.</p>	<p>3.1.1.1 Provide EPA with access to electronic or paper copies of proposed permits and technical review analyses at the start of the public comment period and final permits when issued.</p> <p>3.1.2.1 Conduct FCEs and PCEs in accordance with the CMS.</p> <p>3.1.2.2 Report MDRs to AFS in compliance with applicable federal rules.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
<p>4. Achieve zero violations of the NAAQS and maintain full compliance with the state and federal standards. Protect clean areas for all criteria pollutants and maintain ambient levels of particulate matter (PM-10), sulfur dioxide (SO<sub>2</sub>) and oxides of nitrogen (NO<sub>2</sub>) within increment levels.</p>	<p>4.1 Continue the development and implementation of statewide and local plans, strategies, and programs to achieve and/or maintain NAAQS.</p>	<p>4.1.1 Continue to develop, submit to EPA, and implement attainment and maintenance plans (and plan elements).</p> <p>4.1.2 Re-designate former nonattainment areas to attainment as appropriate and in accordance with Clean Air Act (CAA) schedules.</p> <p>4.1.3 Evaluate NAAQS attainment non-attainment or unclassifiable status for areas statewide.</p> <p>4.1.4 Provide technical and regulatory assistance to stakeholders for the development and implementation of attainment plans, maintenance plans, and special projects (e.g., air toxic studies, CMB studies, rulemaking, etc.) to address unique air quality issues.</p> <p>4.1.5 Work with stakeholders to plan for and implement air pollution control strategies, looking for opportunities to integrate nontraditional planning (transportation, energy, etc.) into air quality.</p> <p>4.1.6 Identify any areas where contingency measures have been initiated and revise attainment and/or maintenance plans as necessary.</p> <p>4.1.7 Upon request by EPA, submit summary tables of air emissions and control strategy information.</p>	<p>4.1.1.1 Submit data indicating ambient air quality in non-attainment areas does not meet or exceed applicable NAAQS.</p> <p>4.1.1.2 Timely submission of attainment plans for non-attainment areas.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
		<p>4.1.8 Review with EPA Region 8 the OAR Annual Air Quality Reports for criteria air pollutants and take appropriate actions dealing with areas newly discovered violating the NAAQS.</p> <p>4.1.9 Document, and take appropriate actions for, modeled NAAQS violations identified through new source permitting or other actions.</p> <p>4.1.10 Identify whether existing sources, stationary or area source growth, are suspected of causing NAAQS violations.</p> <p>4.1.11 Identify new SIP submittals expected to be submitted to EPA and continue to prioritize SIP actions with EPA over time, contingent upon EPA continuing to evaluate backlogged SIPs submitted by the DEQ and taking appropriate action.</p> <p>4.1.12 Revise Missoula CO maintenance plan to incorporate alternative monitoring strategy after EPA approval of strategy for Great Falls and Billings LMPs..</p> <p>4.1.13 Evaluate the feasibility of developing maintenance plans and re-designation requests for Montana's seven PM10 nonattainment areas.</p>	<p>4.1.9.1 Notify EPA of any modeled NAAQS violation and provide EPA with a copy of the results in a timely manner.</p> <p>4.1.10.1 Notify EPA of any modeled NAAQA violation and provide EPA with a copy of the results in a timely manner.</p> <p>4.1.11.1 Hold quarterly calls/meetings with EPA to discuss SIP status.</p> <p>4.1.12. Submit a SIP revision to incorporate EPA-approved alternative CO monitoring method for affected areas.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
		<p>4.1.14 Work with the industrial sources to develop potential maintenance plans to incorporate any FIP requirements consistent with the Billings/Laurel SO2 attainment plan and any other federally-enforceable requirements related to compliance with the 1971 SO2 NAAQS.</p> <p>4.1.15 EPA will provide guidance on SO2 and Pb NAAQS maintenance plans and re-designation procedures where the sources of SO2 and Pb have shut down.</p> <p>4.1.16 Participate in discussions with EPA, industry representatives, and interested parties on the status of the Pb NAAQS and SO2 attainment plans for East Helena and the SO2 control plans for Billings and Laurel.</p> <p>4.1.17 Evaluate the feasibility of developing a 1971 SO2 NAAQS maintenance plan and re-designation request for the East Helena Pb nonattainment area.</p> <p>4.1.18 Begin work to determine SIP compliance with CAA Section 110(a)(2) infrastructure for various NAAQS.</p> <p>4.1.19 Participate in PM Advance Program in collaboration with EPA Region 8 and affected County Air Quality Programs (Lewis and Clark, Silver Bow Counties)</p>	<p>4.1.14.1 Collect quarterly point source SO2 emissions data.</p> <p>4.1.18.1 Develop and submit CAA 110 (a) (2) infrastructure SIP in a timely manner.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
	<p>4.2 The administration and implementation of air quality rules, including ambient standards, and conformity. Track rules for SIP enforceability.</p>	<p>4.2.1 Assure state rule process meets the requirements for inclusion into the SIP.</p> <p>4.2.2 As appropriate and approved by the Governor, submit or rescind rules adopted by the Montana Board of Environmental Review (BER) to EPA for inclusion/exclusion in the SIP.</p> <p>4.2.3 Review and, as necessary, revise Montana’s Emergency Episode Avoidance Plan (EEAP).</p> <p>4.2.4 Implement actions listed in EEAP as contingencies arise.</p> <p>4.2.5 Review EEAP effectiveness following implementation.</p> <p>4.2.6 Flag and submit to EPA affected monitoring data as appropriate under the exceptional events rule.</p> <p>4.2.7 Review proposed legislation each biennial session for conformity with federal requirements pursuant to the CAA.</p> <p>4.2.8 Consult with EPA as necessary on issues related to the existing SIP backlog.</p> <p>4.2.9 Conduct rulemaking to implement NAAQS revisions in a timely manner.</p>	<p>4.2.2.1 SIP revisions submitted to EPA following publication of rules by Montana Secretary of State.</p>



Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
	4.3 Reduce emissions from mobile sources by ensuring conformity determinations are consistent with the air quality planning framework and assumptions.	4.3.1 Revise Montana SIP, as necessary, to provide for a transportation conformity consultation process and associated rules reflecting current federal regulations.  4.3.2 Consult with appropriate agencies regarding conformity determinations on transportation and general activities.	4.3.1.1 Consultations with agencies receiving or granting funding for qualifying transportation projects.  4.3.1.2 Submit a SIP revision for EPA approval that incorporates the changes to the conformity consultation process.
	4.4 Review and comment on proposed activities that involve potential impacts on air quality or that result from regulated air pollutant emissions.	4.4.1 Support, as resources allow, activities related to National Environmental Policy Act (NEPA), including reviewing air quality impacts disclosed in NEPA documents and participating in NEPA-related working groups with EPA, FLMs and other affected agencies.	4.4.1.1 Provide comments to EPA, FLMs or other affected agencies as appropriate.
5. Reduce the impact of smoke generated from prescribed burning.	5.1 Administration of a program to minimize or prevent the accumulation of smoke in order to preserve the NAAQS.	5.1.1 Provide assistance to major open burners through participation at smoke management meetings and/or stakeholder meetings.  5.1.2 Assist stakeholders to ensure burners comply with applicable county and state rules.  5.1.3 Assist FLMs, as resources allow, with smoke from wildland fires, prescribed burning, BACT, and compliance with ambient standards.	5.1.1.1 No NAAQS exceedances recorded.  5.1.1.2 Participate in and promote activities to further open burning knowledge / communications with stakeholders.  5.1.1.3 Participate in regular meetings of the Montana/Idaho Smoke Management Group and open burning permit holders.
6. Maintain an effective statewide ambient air quality monitoring program to provide information for air quality management decisions.	6.1 Operate a statewide monitoring network for the criteria pollutants in accordance with 40 CFR Part 58, and in cooperation with local county governments where applicable.	6.1.1 Conduct annual review of the statewide network to identify and incorporate needed revisions per the requirements of EPA' National Ambient Air Monitoring Strategy, and with an eye to retirement of low value monitors and continued operation and maintenance of high value monitors.	6.1.1.1 Submit annual monitoring Network Plan to EPA by July 1 of each year following 30 days of public review. The annual Network Monitoring plan should reflect the National Ambient Air Monitoring Strategy.

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
		<p>6.1.2 Operate the monitoring network in accordance with the latest EPA guidance and participate in network audit programs.</p> <p>6.1.3 Operate the NCore multi-pollutant site as required by 40 CFR 58.</p> <p>6.1.4 Develop and annually update monitoring equipment purchase plans.</p> <p>6.1.5 Review any revised NAAQS and related monitoring requirements for criteria air pollutants.</p>	<p>6.1.1.2 Continue to submit Annual Network Plan documents with an eye toward producing the next Network Assessment by July 1, 2015.</p> <p>6.1.2.1 Locate, operate, maintain, and perform ongoing quality assurance checks on all monitors per CFR requirements, manufacturer's recommendations, and EPA guidance.</p> <p>6.1.2.2 Participate with EPA Region VIII and its contractor in the National Performance Audit Program (NPAP) Through The Probe (TTP) and Performance Evaluation Program (PEP).</p> <p>6.1.2.3 Participate with EPA in the regular Monitoring Technical Systems Audit.</p> <p>6.1.3.1 Continue the operation of the NCore multi-pollutant monitoring site, which began in January, 2011.</p> <p>6.1.4.1 Replace worn out equipment. Increase efficiencies through the application of digital communications technologies.</p> <p>6.1.5.1 Track changing requirements for lead, O<sub>3</sub>, SO<sub>2</sub>, PM, CO, and NO<sub>2</sub> monitoring. Evaluate new</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
		<p>6.1.6 Conduct ozone, oxides of nitrogen, and PM monitoring at rural locations including Sidney, Broadus, Birney, Lewistown, and Malta.</p> <p>6.1.7 Conduct ozone monitoring in the Missoula MSA.</p> <p>6.1.8 Cooperate with city-county health programs to collect and provide locally-pertinent ambient air quality information.</p> <p>6.1.9 Annually certify that ambient concentration data and quality assurance data for the previous calendar year are completely submitted to AQS and that the data are accurate.</p>	<p>corresponding monitoring requirements and implement as necessary and appropriate.</p> <p>6.1.6.1 Continue operation of energy-related multi-pollutant monitoring sites through June 30, 2014.</p> <p>6.1.6.2 Evaluate the need for additional monitoring sites for more comprehensive spatial representation and implement as appropriate.</p> <p>6.1.7.1 Continue operation of the Missoula ozone monitor through June 30, 2014.</p> <p>6.1.8.1 Continue air monitoring partnerships with seven Montana county programs.</p> <p>6.1.8.2 Continue to provide near-real-time PM<sub>2.5</sub> data to county programs via the <i>Today's Air</i> website.</p> <p>6.1.9.1 Submit annual data certification letter and summary report per 40 CFR 58.15.</p>

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
	<p>6.2 Administer an effective and approved air monitoring QA/QC program.</p>	<p>6.2.1 Annually review the Quality Management Plan (QMP). Submit notification of completion of review and any revisions to EPA.</p> <p>6.2.2 Review and revise Quality Assurance Project Plans (QAPPs) and monitoring Standard Operating Procedures (SOPs) annually. Submit notification of completion of review and any revisions to EPA.</p> <p>6.2.3 Conduct quarterly performance audits and biennial system audits of all state and local monitoring sites.</p> <p>6.2.4 Review all air quality monitoring data for completeness, precision and accuracy requirements.</p> <p>6.2.5 Attend EPA sponsored monitoring training workshops.</p>	



### **2.3 AIR QUALITY POLLUTION PREVENTION**

The Energy and Pollution Prevention Bureau (EPPB) has the primary responsibility for DEQ's pollution prevention activities. The EPPB is responsible for regulatory compliance assistance, energy conservation, renewable energy, energy policy, recycling and waste reduction, and pollution prevention. The bureau provides on-site analyses and advice for small business owners in meeting air quality regulations; develops and implements strategies to increase the use of renewable energy; conducts trainings and provides information on energy efficiency in residential, commercial/institutional buildings and industrial processes; encourages efficient transportation modes and fuels; promotes source reduction, reuse, recycling and composting; and assists in creating new markets for Montana's waste resources and biofuels. The combination of energy efficiency and pollution prevention activities provides for a wider outreach to businesses and communities throughout Montana. Air quality information is incorporated into the broader functions of the bureau, and there is a benefit to air quality from energy efficiency and renewable energy work performed in the bureau. Pollution prevention efforts also occur in programs operated by other bureaus and divisions within the DEQ. Therefore, this section of the PPA is not inclusive of all DEQ pollution prevention efforts.

The bureau's primary air quality responsibilities include managing the Small Business Environmental Assistance Program (SBEAP) and providing education and assistance in developing alternatives to conventional transportation modes and fuels. The bureau staff includes the Small Business Ombudsman (SBO) position which is funded in part by state Title V fees, EPA 105 grant and other sources. The SBO provides advice for small business owners in meeting environmental regulations.

During FY 2014/15, the EPPB will continue to work to expand the role of the SBEAP to provide non-regulatory assistance to small businesses across media lines. The SBEAP has already helped thousands of Montana small businesses with air quality standards through site assessments, workshops, and through the operation of a telephone hotline. The SBEAP will continue to provide assistance across media lines and will include encouraging energy efficiency in business operations as one way to improve air quality.

During Fiscal Years 2012/2013, EPPB implemented grants to improve air quality, reduce exposure to harmful pollutants, and increase energy efficiency. EPPB will continue to develop and implement an ongoing Diesel Emissions Reduction Act (DERA) program for the retrofitting and replacement of school busses and other community transit busses.

EPPB will continue to work with state and local governments and public and private partners to reduce emissions from Mobile and Area Sources. During Fiscal Year 2013; DEQ formed partnerships with Lewis and Clark County and Butte-Silverbow governments to address particulate matter associated with PM2.5 non-compliance. These two projects will continue into FY2014. Additionally, The Clean Air Zone program was implemented in 2007 and continues through current fiscal years. This program seeks to reduce idling in school zones and provides education on the benefits of reduced idling, particularly from diesel sources. In addition, EPPB established a partnership with the Office of Public Instruction (OPI) and Montana Association of Pupil Transportation (MAPT) who is assisting with the Clean Air Zone "No Idle" Program. EPPB continues to attend the MAPT annual conference and holds breakout sessions with school bus drivers on "No Idle". Much of the work of the EPPB has the benefit of reducing greenhouse gas emissions as

well as improving air quality and increasing energy independence. EPPB will continue to follow EPA discussions and policies on climate change as they occur.

### ***Air Quality and P2 Activities and Measurement Environmental Assistance and Renewables Programs***

#### **Activities:**

- Continue programs to reduce emissions of particulates and carbon monoxide and ensure attainment of the National Ambient Air Quality Standards. Focus on efforts that will reduce or prevent air pollution.
- Reduce emissions from diesel engines.
- Reduce the public's exposure to HAPS
- Training and outreach to relevant stakeholder groups

#### **Measures:**

- Reduction of particulate matter
- Partnership projects
- Events

## **2.4 WATER QUALITY PERMITS AND AUTHORIZATIONS**

The Montana Department of Environmental Quality-Water Protection Bureau (DEQ) implements Montana's water quality laws through delegation authority under the federal Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) program in compliance with 40 CFR 123, and the State/EPA delegation agreement. This delegation includes authority to administer the federal stormwater, federal facilities and general permit programs as well as individual permits for public and private facilities. In addition to these federal programs, the DEQ administers a number of state issued permit programs, including ground water discharge permit program, nondegradation policy, 401 certification, 308 and 318 programs. The DEQ evaluates permit applications, conducts permit maintenance and inspection activities, and provides compliance assistance to ensure beneficial uses of surface and ground waters throughout the state. The DEQ also coordinates closely with the EPA to ensure program quality and maintenance of Montana's delegated authority and appreciates opportunities to participate in EPA work share efforts.

DEQ shall implement and enforce its delegated NPDES program as required by 40 CFR Parts 122-124, 403, 501, 503, its delegation MOA (dated 6/10/74), and any other agreements with EPA regarding program implementation. This PPA may specify goals and objectives for activities beyond the base level of performance, but, in no way, should be interpreted as relief from full implementation of the base program. In addition, the PPA may not address all base program requirements or activities and therefore, should not be a reflection of program elements for adequate support of resources or program requirements.

Continued effort will be to work with other organizational units within DEQ for establishing or continuing consistent approaches to resolving water quality issues. Efforts have been underway to document and continue discussions on water quality activities and how they interrelate. Coordination will be crucial when identifying timing and priorities for upcoming years based on how they relate and the potential impact for the regulatory community. Along those same lines, an increase effort will be made to establish stakeholder groups and communication with the regulatory community. This will assist in necessary revisions of the rules and aid in implementation of core program goals and priorities. Additional high-level programmatic goals and priorities, which are not specifically addressed in the objectives below, include:

1. Effective management of NPDES permit universe to reduce the backlog and hit target goals while issuing legally defensible quality permits. In addition, top priority to continue with rule development to ensure that DEQ administrative rules are up to date and that guidance material is developed for consistency in permit development.
2. DEQ will continue efforts to fully maintain, manage, and utilize the Integrated Compliance Information System (ICIS). All inspections, violations, enforcement actions, facility inventories, permits for all WPB program areas will be entered into ICIS to meet object(s) 13a-d. EPA should utilize ICIS for retrieval of all reporting information related to the above data categories and work with the DEQ on data entry requirements to ensure accurate data retrievals.



3. WPB supports electronic reporting in fully received EPA CROMERR approval of the NetDMR application in FY12. This will allow us to begin pilot program implementation with major individual MPDES permittees and move towards full implementation of electronic reporting of DMRs. EPA will continue to provide support and necessary information in order to complete this project.
4. Continue coordination and partnership efforts with intra-agency planning efforts. For instance, continue coordination with our Enforcement Division, Legal, Technical Financial Assistance Bureau, and others within the agency on compliance assistance.

National and Regional Program Measures

<b>Objective</b>	<b>Explanation</b>	<b>Plans and Commitments for FY 2013</b>
<p>WQ-11: Number of follow up actions completed as result of comprehensive assessment of NPDES program integrity</p>	<p>OW manages the PQR process to assess the health and integrity of the NPDES program in authorized states, tribes, territories, and EPA regions. EPA maintains a commitment and tracking system to ensure that NPDES Action Items identified in these assessments are implemented. Implementation is measured through measure WQ-11. Additional NPDES Action Items will continue to be identified and addressed through this process in FY 2014. Under CWA Action Plan, OW conducted several Transitional PQRs in the first half of FY 2012 while OW collaborated with OECA to carry out several Integrated PQR-SRF Reviews in the second half of FY 2012. Based on lessons learned from these FY 2012 reviews, region-led PQR-SRF integrated reviews began in FY 2013 and will continue in FY 2014. Appendix A to this chapter comprises the Cooperative Work Plan for specific performance under the Clean Water Action Plan.</p>	<p>No action items from past PQR have been identified and current expectations are being achieved.</p> <p>If and when, EPA conducts another PQR, EPA will provide timely and appropriate feedback and provide an opportunity for adequate review time on any necessary action items.</p> <p>If action items are identified, DEQ will address action items identified in the reviews and will establish a mechanism for implementation.</p> <p>EPA plans to conduct a region-lead PQR.SRF in 2014.</p>

<p>WQ-12a: Percentage of all non-tribal NPDES permits that are considered current</p>	<p>EPA will continue to work with states to set targets for the percentage of permits that are considered current, with the goal of assuring that not less than 90% of all permits are current.</p>	<p>DEQ has made tremendous strides on moving toward the target goals and reduce the backlog permits, continued effort and commitment will be a priority for FY2013. DEQ will continue to follow the 2010 Backlog Reduction Plan, approved by EPA, with the goal of eliminating the backlog by 2015.</p>
<p>WQ-19a: Number and Percentage of scheduled ‘high priority NPDES permits’ that are issued in the fiscal year.</p>	<p>EPA works with states and EPA regions to select high priority permits based on programmatic and environmental significance and commit to issuing a specific number of those permits during the fiscal year. Targets for measures WQ-19a and b are based on a universe of priority permit candidates that shifts each year, and those fluctuations in the measure’s universe make trend analysis difficult. In FY 2013, EPA revised the selection, commitment, and results calculation method to allow EPA to set a better baseline and improve the overall effectiveness of the measure. While the universe still shifts year to year, it is now consistently selected each year with approximately 20% of permits expired greater than two years being selected as priority and states and EPA regions committing to issue a percentage of that universe. Starting in FY 2013, results were calculated as a percentage of total priority permits issued instead of a percentage of the commitment achieved. This revised method will continue for FY 2014. Permit tracking and management information is stored and tracked through Permit Management Oversight System (PMOS) located at <a href="http://www.npdespermits.com/pmos/">http://www.npdespermits.com/pmos/</a></p> <p>National FY2014 Planning Target: 80%</p>	<p>DEQ will update (PMOS) with the priority permit plan and will follow the 2010 EPA approved strategic plan and multi-year backlog reduction for issuance of permits. This is a multi-year plan, which will be updated as necessary via discussion and mutual agreement between DEQ and EPA. Any revisions will be provided to EPA.</p> <p>EPA will strive to implement and maintain localized (state to regional) decision making on criteria and selection changes for priority permits and will provide DEQ with all available information. EPA will allow DEQ flexibility in implementation of the multi-year backlog reduction plan, as said flexibility for implementation is delineated within the approved plan.</p>

Implement a process for incorporating TMDLs with stormwater allocations into general permits.		Interagency coordination will continue to address and evaluate effective TMDLs implementation and water quality impairments in a watershed and permits.
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DEQ is exploring alternatives and innovative approaches to try and address several water quality issues. Areas include exploring system improvements, optimization studies, and alternative analysis. One component of an alternative analysis is to implement the Montana’s trading policy. Montana adopted a trading policy (Circular DEQ-13) in December 2012. The policy requires that trading that includes permitted point-source dischargers be included in draft MPDES permits for public comment. Approved trade components are not final until the MPDES permit is issued incorporating the trade and appropriate enforceable conditions.

Non-delegated

<b>Objective</b>	<b>Explanation</b>	<b>Plans and Commitments for FY 2012</b>
WQ-14a: Number and Percent of Significant Industrial Users (SIUs) in POTWs with Pretreatment Programs that have control mechanisms in place that implement applicable pre-treatment requirements.		The Region will compile WQ 14a data for the DI states (CO, WY, and MT) by July 30.
WQ-14b: Number and Percentage of Categorical Industrial Users (CIUs) in non-pretreatment POTWs that have control mechanisms in place that implement applicable pre-treatment requirements.		The Region will compile WQ 14b data for the DI states (WY and MT) by July 30.

COMPLIANCE AND TECHNICAL SERVICES

Compliance and enforcement is an integral part of environmental protection. Compliance with the Montana’s Water Quality Act is the ultimate objective, but timely and appropriate enforcement is a necessary option at times. The overall compliance status of each facility is monitored through continual review of permit requirements, self-monitoring component, review and evaluations of discharge monitoring reports, on-site visits, and inspections. DEQ will continue the

commitment to evaluate our inspection strategy utilize the flexibility in the NPDES Compliance and Monitoring Strategy. Facilities are provided corrective action to return to compliance through informal or informal enforcement action in timely and appropriate manner.

1. A DEQ/EPA cooperative work plan addressing EPA initiatives and priority areas and transparency will be developed to provide a DEQ inspection plan for Federal Fiscal Year 2014. The State and EPA will conduct quarterly meetings to discuss progress towards meeting the commitments identified in the work plan. The work plan commitments will be flexible; DEQ and EPA will communicate with each other the need for any work plan modifications during the year.
2. EPA will conduct oversight of the DEQ MPDES program as outlined in the EPA Region 8 FY2010 State Oversight Plan for Montana.

<b>Objective</b>	<b>Explanation</b>	<b>Plans and Commitments for FY 2012</b>
WQ-15-a: Percent of major dischargers in significant noncompliance at any time during the fiscal year and number on impaired waters.	National FY2013 Planning Target: <22.5%	DEQ will continue to monitor significant noncompliance and address appropriately during fiscal year.
WQ-16: Number and national percentage of major POTWs that comply with permitted discharge standards	National FY2012 Planning Target: 86%	A continued focus will be on significant noncompliance and impact to water quality. DEQ evaluates all SNC noncompliance to develop outreach and training to assist with understanding permit requirements and improve compliance rates.
Implement the Unified National Strategy for Animal Feeding Operations – March 9, 1999, to the maximum extent possible		<p>CAFO rules were updated in 2013.</p> <p>DEQ will participate in compliance assistance workshops, training sessions, and AFO/CAFO stakeholders meetings to assist with implementation of the strategy, when resources allow.</p> <p>DEQ will, for all permitted CAFOs, enter RIDE elements into ICIS.</p>

		DEQ will conduct inspections at any CAFO reported discharging without a permit and proceed with formal enforcement request if warranted.
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## **2.5 WATER QUALITY PLANNING PROGRAMS**

The Water Quality Planning Bureau (WQPB) sets water quality standards, monitors and assesses statewide water quality conditions and trends, maintains a water quality data management system, and develops and provides assistance with implementing watershed-based water quality restoration plans. The WQPB is organized within six sections: 1) Water Quality Standards; 2) Monitoring and Assessment; 3) Watershed Management; 4) Watershed Protection; 5) Information Management and Technical Services; and 6) Quality Assurance and Quality Control.

The long-term goal of the WQPB is to implement a sustainable, integrated watershed-based program that assures sufficient water quality is maintained or improved in accordance with state water quality goals.

To measure progress and assure accountability for the federal funding provided under this agreement, EPA has established National Program Measures for state water quality management programs. For each section of the bureau with national program measures applicable to their function, this agreement lists the measure, description, and DEQ's plans and commitments for FY2014. Where these measures are supported in whole or part by funding under this performance partnership agreement, DEQ commitments will be supported by a work plan that describes specific work objectives for FY2014. These work plans will be shared with EPA by the date specified in this agreement.

### **2.5.1 WATER QUALITY STANDARDS**

The Water Quality Standards (WQS) Section administers Montana's water quality goals. These goals are expressed as water quality standards by designation of beneficial uses to waters of the state, the establishment of water quality criteria to support those uses, and the state's non-degradation policy.

Through the WQS, the department works with the Board of Environmental Review (BER) to adopt standards into the Administrative Rules of Montana (ARM) according to Montana's rulemaking process.

Operational roles of the WQS Section include:

1. Water body classification and use designation,
2. Review/revision of existing WQS,
3. Development of new WQS, and
4. State 401 certification reviews.

Support roles of the section include:

1. Advising the department on state and national water quality goals, initiatives, policy and emerging issues,
2. Providing WQS interpretation and guidance to department programs, and
3. Providing oversight to department programs in the application of WQS.

National Program Measures for States

The EPA National Program Measures applicable to the WQS section include:

EPA Measure	Description	DEQ Plans and Commitments for FY 2014
WQ-1a	Number of numeric water quality standards for total nitrogen and for total phosphorus adopted by States and Territories and approved by EPA, or promulgated by EPA, for all waters within the State or Territory for each of the following waterbody types: lakes/reservoirs, rivers/streams, and estuaries (cumulative, out of a universe of 280).	Montana plans to begin rulemaking for nutrient criteria for wadeable streams in CY 2013. However, the rulemaking will not include all waters of the state.
WQ-3a	Number, and national percent, of States and Territories that within the preceding three year period, submitted new or revised water quality criteria acceptable to EPA that reflect new scientific information from EPA or other resources not considered in the previous standards.	Montana completed last triennial review in CY 2010. Triennial review planned for CY 2013.
WQ-4a	% of State and Territorial WQS submissions (received in the 12 month period ending April 30 <sup>th</sup> of the fiscal year) that are approved by EPA.	Montana DEQ plans to work with EPA in the pre-rulemaking portion of the standards development process to ensure maximum approvability of Montana's water quality standards.
WQ-26	Number of states making strong progress toward reducing nitrogen and phosphorus pollution by setting priorities on a watershed or state-wide basis, establishing nutrient reduction targets, and continuing to make progress (and provide performance milestone information to EPA) on adoption of numeric nutrient criteria for at least one class of waters by no later than 2013. (cumulative)	This performance objective is achieved by the priority ranking of TMDL development efforts which include a high priority ranking of numerous nutrient impairment causes.

EPA commitments relative to WQ-1a: EPA will continue to work with DEQ in a technical and national policy advisory capacity to assist in the development and implementation details associated with adoption of numeric nutrient criteria (e.g., variances, TMDL and permitting implications). Also, EPA will continue to participate in the nutrient workgroup meetings as schedules allow and meet regularly with DEQ staff to discuss technical and administrative issues related to nutrient criteria for large rivers, lakes, and reservoirs.

EPA commitments relative to WQ-3a: EPA will continue to work with DEQ as it addresses a series of priority items necessary to align the state's water quality standards with nationally recommended water quality criteria. These include, but are not limited to:

1. Technical and national policy advice for numeric criteria expression, including tissue based criteria and biotic ligand models;
2. Technical and national policy advice for department’s use attainability analysis of waters classified as “I – Impaired”; and
3. Technical and national policy advice for pollutant water body combinations listed in state sub-category 2B of the 2008 Integrated Reports.

DEQ develops an annual work plan to address these and other emerging issues. The final WQS section work plan will be shared with EPA prior to the beginning of FY14. To assure the successful implementation of this work plan, as EPA resources allow, EPA commits to providing the necessary funding and contractor support to achieve the schedule and priority sequence of the WQS section’s work plan.

2.5.2 MONITORING AND ASSESSMENT

The Monitoring and Assessment section (MAS) is primarily responsible for data collection (monitoring) and evaluation of these data relative to state water quality goals (assessment). MAS also support other operational sections of the bureau by providing technical and resource support for their data collection needs.

National Program Measures for States

The EPA National Program Measures applicable to the MAS include:

EPA Measure	Description	DEQ Plans and Commitments for FY 2014
WQ - 5	Number of States and Territories that have adopted and are implementing their monitoring strategies in keeping with established schedules.	DEQ will use EPA 106 funds to address priority monitoring needs identified in the strategy.

The monitoring strategy identifies several high priority monitoring program items including, but not limited to:

1. Data collection and completion of beneficial use assessments for waters that do not have all uses assessed and those with low confidence listings;
2. Support of other program monitoring objectives (Standards, TMDL, Modeling);
3. Staff assistance with revision of assessment method; and
4. New and/or routine assessment of state waters.

DEQ develops an annual work plan to address these and other emerging issues. The final MAS work plan will be shared with EPA prior to the beginning of FY14.



EPA commitments relative to WQ-5: During work plan development DEQ may solicit EPA’s technical and national policy advisory support. To assure the successful completion of the monitoring work plan, as EPA resources allow, EPA commits to providing the necessary funding to achieve the schedule and priority sequence.

2.5.3 WATERSHED MANAGEMENT (TMDL)

The Watershed Management Section (WMS) is responsible for development of TMDLs and associated water quality improvement plans to achieve state water quality goals. The section conducts intensive surveys of pollutant sources, develops TMDLs and associated pollutant allocations, and identifies pollutant control alternatives. TMDLs and water quality improvement plans are submitted to EPA for approval.

National Program Measures for States

The EPA National Program Measures applicable to the WMS section include:

<b>EPA Measure</b>	<b>Description</b>	<b>DEQ Plans and Commitments for FY 2014</b>
WQ-8b	Number, and national percent, of TMDLs, that are established by States and approved by EPA [State TMDLs] on a schedule consistent with national policy.	DEQ commits to an annual average pace of 130 waterbody-pollutant combinations addressed per year via TMDL development or equivalent 303(d) delisting resolution.

Note for WQ-8b: EPA and DEQ are operating under a federal court order for completion of 664 waterbody-pollutant combinations (WBPCs) by 2014. The short-term goal is to successfully close out the settlement by Dec. 31, 2014. The 130 per year commitment includes TMDLs addressed solely by DEQ as well as TMDLs addressed as part of ongoing joint TMDL project activities between DEQ and EPA.

2.5.4 WATERSHED PROTECTION (NPS PROGRAM)

The Watershed Protection Section (WPS) is responsible for providing financial and technical resources to local governments and watershed groups for implementation of watershed-based TMDLs and associated restoration plans. In addition the WPS is responsible for maintaining and implementing the state’s Nonpoint Source Management Plan (available on the department’s website): Neither of these activities is funded through this PPA. WPS program measures are expressed as DEQ plans and EPA involvement as coordination and support, rather than PPA commitments.

National Program Measures for States

The EPA National Program Measures applicable to the WPS section include:

EPA Measure	Description	DEQ Plans for FY 2014
SP-12	Improve water quality conditions in impaired watersheds nationwide using the watershed approach. (cumulative) <a href="http://www.epa.gov/water/waterplan/pamsfy09/def_wq09.html#sp12">http://www.epa.gov/water/waterplan/pamsfy09/def_wq09.html#sp12</a>	At least one new 12-digit HUC watershed will be reported on for FY14.
WQ-10	Water bodies identified by State (in 2000 or subsequent years) as being primarily NPS-impaired that will be partially or fully restored (Cumulative).	Information on this measure is contained in the 319 grant work plan and NPS Management Plan (Submitted to EPA June 2013).

Similar to other water quality planning programs, the WPS has developed a series of priority activities for FY 2014. These include, but are not limited to:

1. Continue to enter phosphorus, nitrogen, and sediment load reduction information into GRTS (WQ-9 measure).
2. Continue with its 319 project grants program.
3. Implement EPA approved 2012 NPS Plan.
4. Continue to support the locally-led development of Watershed Restoration Plans containing EPA's nine minimum elements or components which identify watershed restoration priorities and timelines and allocate available staff resources.
5. Continue to focus on refining and implementing an effective state-wide watershed based Nonpoint Source Education and Outreach program including protection of existing healthy watersheds.
6. Encourage the use of volunteer monitoring and support its development to potentially:
  - Implement TMDL monitoring recommendations.
  - Assist in five-year review of TMDLs.
  - Provide BMP implementation effectiveness monitoring.
  - Further education outreach efforts.

EPA Coordination and Support:

1. EPA will continue to provide technical support for the Lake Helena TWG Cooperative Agreement.
2. EPA will continue to support MDEQ through the Water Activities Workgroup and other committees of the Montana Watershed Coordination Council.

3. EPA will provide review and comments on draft Watershed Protection Section projects, plans, and strategies when requested.
4. EPA will continue 319 project proposal review, ranking, and funding.
5. EPA will continue support for reporting in GRTS.

2.5.5 INFORMATION MANAGEMENT AND TECHNICAL SERVICES

The Information Management and Technical Services (IMTS) Section is a technical support section for the WQPB. Support is provided in the areas of data and application systems development and management for water quality metric data, water quality assessments, a technical reference library, and contracts management and administration. The section also provides technical support for water quality modeling and model development for TMDLs and water quality standards projects. Finally, the section is responsible for preparing the agency's biennial water quality integrated report. Section services are summarized below:

1. Water quality modeling and watershed analysis;
2. Operation and maintenance of statewide water quality databases;
3. Preparation of reports on the condition of Montana's water resources;
4. Dissemination of monitoring data and assessments using online web services;
5. Technical assistance in development of water pollution abatement plans (TMDLs);
6. Computer systems analysis, development, and management;
7. Water Quality Planning Bureau Library management; and
8. Guidance and assistance in records and information management.

DEQ will submit the 2014 cycle Final Integrated Report using the national environmental information exchange network. Report submission will include ATTAINS (ATT-OWIR) and geospatial (NHDEvents) data flows in XML/SGML compatible schemas. Report submittal will be during the 2014 calendar year.

National Program Measures for States

The EPA National Program Measures applicable to the IMTS include:

EPA Measure	Description	DEQ Plans and Commitments for FY 2014
WQ-SP-10	Number of water bodies identified in 2002 as not attaining water quality standards where standards are now fully attained (cumulative).	The baseline number as of 2012 is 16. See note below for plans and commitments for this PPA cycle.
SP-11	Remove the specific causes of water body impairment identified by states in 2002 (cumulative).	The baseline number for SP-11 cannot be calculated using a 2002 baseline. The baseline number using 2006 is 27. See note below for explanation and plans and commitments for this PPA cycle.

**SP-10:**

Plan and commitment: DEQ believes that the combination of point source controls (WLA - Permits) and level of effort and initiative demonstrated by stakeholder groups currently developing watershed restoration plans and voluntarily implementing non-point source Load Allocation restoration projects *should* result in the movement of  $\geq 1$  water body from one of the impaired water body categories (e.g., Categories 4A, 4B, 4C, 5) of the state's Water Quality Integrated Report to Category 1 (All uses fully supported) during the applicable period of this PPA.

**SP-11:** Unlike SP-10, which accounts for water bodies, SP-11 accounts for impairment causes. This measure is not traceable to the 2002 baseline for Montana. DEQ migrated from ADB v1.14 to ADB v2.1 between the 2004 and 2006 listing cycles. These two databases were not compatible at the cause level, requiring manual translation of non-specific pollutants contained in ADB v1.14 such as "metals," "nutrients," and "other inorganics" to specific causes such as "cadmium", "phosphorus", and "sulfate" for ADB v2.1. Because of these changes, DEQ can determine the 2002 basis of 1,252 cause listings, but cannot provide a meaningful equivalent to subtract from it to derive a baseline value for the period 2004-2010.

DEQ can provide a baseline using the 2006 IR versus the 2012 IR because both reports employed ADV v2.1. This baseline number is 27. Previous versions of this PPA had reported the baseline number of 31. However, this was found to be in error once corrections to waterbody pollutant combinations were applied for the 2012 IR reporting cycle.

Plan and Commitment: For reasons similar to those stated in SP10, DEQ cannot plan or commit to a specific number of causes being remedied or causes being removed for other reasons. It is expected that  $\geq 1$  impairment cause will be removed from a water body during the applicable period of this PPA.

**2.5.6 QUALITY ASSURANCE AND QUALITY CONTROL**

The Quality Assurance and Quality Control (QA/QC) section is responsible for implementing the bureau's EPA Approved Quality Management Plan (WQP/QMP-01, Rev. 2). The activities associated with implementing the QMP include independent oversight and evaluation to assure that the bureau's quality policy is being adhered to by staff and their external contractors. The section also oversees the maintenance and approval of quality system documents, such as quality assurance project plans, sampling and analysis plans, and standard operating procedures; performing technical system audits of bureau processes; ensuring adherence to approved plans and procedures; and identifying continuous process improvement activities for the entire bureau.

There are no national program measures for quality systems; however, EPA maintains oversight of the quality system through periodic reauthorizations of the QMP.

## **2.6 WATER QUALITY POLLUTION PREVENTION**

### **SOURCE WATER PROTECTION PROGRAM**

The Source Water Protection Program (SWPP), Technical and Financial Assistance Bureau (TFAB), develops and implements strategies to protect groundwater and all sources of water used for drinking water supplies and develops strategies and manages grants to conserve, improve and restore wetlands.

The SWPP's water quality responsibilities include implementing the Source Water Protection Program, providing assistance to local communities, to achieve substantial implementation of source water protection strategies, foster communication among entities responsible for protecting groundwater in a comprehensive manner, promoting wetland conservation and restoration and administering the wetland grants program, and assisting communities that may want to establish or who have Local Water Quality Districts.

During FY 2013/14, the SWPP will continue to focus on source water protection. Activities will include updating the delineation of the sources of water for certain public water supplies and assessing the potential risk to the drinking water supplies. These activities will be funded primarily through the Drinking Water State Revolving Fund (SRF) set-aside funds. The SWPP will then take the next steps to work with communities to identify source water protection strategies using the information learned in the delineation and assessments. This work with communities and public water supply operators will be conducted through this PPA. The source water protection efforts may identify businesses that pose potential risks to public water supplies. These businesses will be identified for assistance and will be provided assistance to the extent that the budget allows.

The SWPP will continue to support development of comprehensive groundwater protection planning. Incorporation of groundwater into the Montana Water Quality Monitoring Program, participation in the Groundwater Workgroup of the Montana Watershed Coordination Council, membership on the Montana Groundwater Assessment Steering Committee, and participation on the Montana Groundwater Investigation Program will facilitate this effort.

### **National and Regional Program Measures for States**

The EPA National and Regional Program Measures applicable to the SWPP program include:

<b>EPA Measure</b>	<b>Description</b>	<b>DEQ Plans and Commitments for FY 2014</b>
SDW-SP4a	Minimize risk to public health through source water protection. Minimum risk is defined as substantial implementation (as defined by the state) of actions in a source water protection plan or strategy. Percent of community water systems where risk to public health is minimized through source water protection.	Refine, revise, or update delineation and assessment reports on an as-need basis by the end of the FY. Regional target for 2014 is 39% of regional community systems. Also, provide education and technical assistance on source water protection of public water systems.
SDW-SP4b	Minimize risk to public health through source water protection. Minimum risk is defined as substantial implementation (as defined by the state) of actions in a source water protection plan or strategy. Percent of population served by community water systems where risk to public health is minimized through source water protection	Regional target for FY is 37% of regional community water systems population.
N/A	State, Tribal and Federal water resource management agencies need to effectively manage all ground-water resources in a way that promotes sustainable use of the resource and protects vital ecological resources that rely on groundwater discharge. Participate in the Ground-Water Protection Strategy Workgroup (now being promoted by GWPC). Continue to implement, map and coordinate groundwater monitoring	Submit a brief narrative describing major ground-water accomplishments. This can be done as an email to your state coordinator.

### WETLAND PROGRAM

Montana's overall wetland program goal is no overall net loss of the state's remaining wetland resource base and an overall increase in the quality and quantity of wetlands. The DEQ is the lead state agency responsible for developing an effective, comprehensive wetland program for Montana, as well as developing the capacity of state and local governments to protect wetland resources for their water quality, water quantity, habitat, and flood control benefits. DEQ uses grant funding and other resources to accomplish Montana Wetland Program goals. The DEQ has chosen a cooperative network model of partnering to accomplish far more than any single individual or program could alone.

EPA has identified four core elements of an effective state wetland program. These include: monitoring and assessment; regulatory activities including 401 certification; voluntary restoration and protection; and water quality standards for

wetlands. In addition, EPA has encouraged states to develop Wetland Program Plans (WPP) that outlines goals, actions, and a schedule for carrying out the actions and achieving the goals. DEQ submitted, and following negotiations, EPA approved our WPP. The Montana WPP includes the full range of our planned program development actions identified in our recently updated (May 2013) state wetland plan titled “Priceless Resources: A Strategic Framework for Wetland and Riparian Area Conservation and Restoration in Montana 2013-2017.”

During FFY 2013/14 the wetland program will begin the tasks needed to implement Strategic Direction #7 and will participate, as needed, to support tasks identified to work toward implementation of Strategic Directions #1 through #6.

#### Sustainable Water Infrastructure Background and Information:

2013/14 PPA Requirements: DEQ and EPA are committed to ensuring the long-term viability of water infrastructure through promoting sustainable practices that will reduce the gap between funding needs and financial capability at the local, state and national levels. DEQ and EPA will work with key stakeholders to develop and implement the Sustainable Water Infrastructure Initiative to reduce/optimize future infrastructure needs and costs, and ensure that current and future infrastructure is planned and managed more effectively. To achieve these goals, DEQ and EPA will collaborate to: 1) promote better management practices; 2) encourage efficient water use; 3) promote full-cost pricing of water; and 4) promote a watershed approach to planning and protection. The Technical and Financial Assistance Bureau will be the point of contact and the liaison for DEQ.

#### WASTEWATER TECHNICAL AND TRAINING ASSISTANCE

The Water Pollution Control State Revolving Fund (WPCSRF) Program, Technical and Financial Assistance Bureau (TFAB), provides training and technical assistance to Montana communities for public and certain private wastewater treatment facilities. Activities include non-regulatory assistance to communities including trouble-shooting and recommending solutions to wastewater systems. The program also performs operation and maintenance inspections and comprehensive performance evaluations of non-discharging and certain discharging wastewater treatment facilities, training of wastewater treatment operators, and assistance within the department in TMDL development, enforcement actions, non-degradation issues, numeric nutrient standards, nutrient trading, and deviation requests from Montana’s design standards. Additionally, engineering staff in the program develop design standards for municipal wastewater collection and treatment systems and for reuse of treated wastewater effluent.



## ENERGY AND POLLUTION PREVENTION

The Energy and Pollution Prevention Bureau (EPPB) will continue to support and coordinate educational and technical assistance opportunities to businesses on pollution prevention techniques and environmentally preferable practices related to water quality. EPPB will support assistance efforts to small businesses in the area of storm water pollution. Additionally, EPPB will look for opportunities to include water quality assistance in its Small Business Environmental Assistance Program to the extent that time and dollars allow.

## **2.7 WATER QUALITY SITE RESPONSE – GROUND WATER 106**

EPA Ground Water 106 funds are used in the oversight, investigation, and remediation of approximately 85 Montana Water Quality Act (WQA) sites which are administered by DEQ's Ground Water Remediation Program (GWRP). The majority of these sites have groundwater and/or surface water contamination as the result of: (1) petroleum spills/releases; (2) solvents; (3) nitrates and other nutrients from various sources including septic systems; (4) metals; (5) pentachlorophenol; and (6) other chemicals (e.g., chloride and other salts including road salt). This program also oversees cleanup at sites where soil contamination poses a threat to state waters and/or human health. These sites are not addressed by other programs within DEQ. Oversight of sites typically involves issuing violation letters, reviewing and commenting on work plans and reports, conducting site inspections and split sampling, and generally working with responsible parties to ensure that cleanups and other actions meet the State's requirements prior to issuing "No Further Action" letters.

Each year, new sites are referred to the GWRP from DEQ's Enforcement Division. It is not possible to predict the number of new sites that will enter the program each year; therefore, the GWRP cannot set a "target number" for this parameter. Similarly, the number of sites that are closed each year is dependent upon uncontrollable site-specific characteristics that do not allow the GWRP to set a "target number" of site closures.

Since July 2011, the GWRP has been DEQ's lead program for oversight of and response to the ExxonMobil Silvertip Crude Oil Release to the Yellowstone River (the Silvertip Release). The GWRP coordinated with EPA (and other federal, state, and local governmental agencies) during and after the initial response to the Silvertip Release. When EPA transferred lead authority to DEQ, the GWRP negotiated an Administrative Order on Consent (AOC) with ExxonMobil for, among other things, recovery of State of Montana costs and continued investigation and cleanup. The GWRP has been overseeing continued investigation and cleanup, responding to complaints from the public, coordinating with other agencies, and managing the records associated with the Silvertip Release. Some of the work conducted by the GWRP regarding the Silvertip Release is not cost recoverable under the AOC (for example, presentations to interested groups or meetings with the Natural Resource Damages Program), and the cost of this work is being covered by the Groundwater 106 funds. The GWRP anticipates that DEQ's level of effort regarding the Silvertip Release will decrease substantially in 2014 and beyond.

WQA sites are ranked using criteria contained on a "Priority Ranking Sheet" developed by Remediation Division personnel. Site rankings are based on the level of threat that a site's contamination poses to human health and the environment. An electronic database maintains this, and other site information.

When funding allows, the GWRP also performs investigations and limited sampling at some sites where responsibility for contamination is unclear, or where there is no viable responsible party. These investigations use EPA Ground Water 106 funds to assess contamination and identify sources, with the goals of protecting human health and determining responsibility for cleanup.

The GWRP responds to requests for information from the public. The program receives approximately 100 requests for information annually regarding the characteristics of specific contaminants; sampling and analytical requirements for assessing contaminants in soil, surface water, and ground water; applicability and use of screening levels and standards; and information concerning contaminated sites. The GWRP uses DEQ's REM Access database to house information regarding WQA and other sites, and the database is frequently used when responding to information requests. Much of the information in the database is available to the public via the DEQ Remediation Division's "Online Query System." The system is currently being updated and in June, 2013 the public will be able to access information through an online DEQ search tool.

The GWRP also takes part in educational activities on an as-needed basis. Previous educational activities have included leading high school field trips, Earth Day activities for grade school children, giving presentations, and preparing fact sheets regarding groundwater conservation and groundwater contaminants.

The GWRP supports four EPA strategic objectives for FY 2014-2015:

1. 2.1: Protect Human Health. Reduce human exposure to contaminants in drinking water, fish and shellfish, and recreational waters, including protecting source waters.
2. 2.2: Protect and Restore Watershed and Aquatic Ecosystems. Protect the quality of rivers, lakes, streams, and wetlands on a watershed basis, and protect urban, coastal, and ocean waters.
3. 3.3: Restore Land. Prepare for and respond to accidental or intentional releases of contaminants and clean up and restore polluted sites.
4. 5.1: Enforce Environmental Laws. Pursue vigorous civil and criminal enforcement that targets the most serious water, air and chemical hazards in communities. Assure strong, consistent, and effective enforcement of federal environmental laws nationwide.

Long-Term Goals	Short-Term Goals	Objectives	Performance Measures and Indicators
1.0 Montana DEQ will clean up releases that have contaminated or could potentially contaminate state waters by implementing the Montana WQA and associated rules to require cleanup at sites with surface and ground water contamination, and with soil contamination that potentially threatens surface or ground water. DEQ will investigate sites with unclear or no responsible parties as funding allows.	1.1 Continue project management of WQA sites with ongoing investigation and remediation.	1.1.1 Reduce the number of sites that have contaminated or could contaminate state waters.	Number of sites being cleaned up voluntarily or under administrative orders.
		1.1.2 Eliminate exposures of human and ecological receptors to unsafe contamination levels.	Number of "no further action" letters sent to sites that have been cleaned up and designated "inactive."
		1.1.3 Maintain existing priority site list; prioritize new sites and update site lists semiannually.	Number of new sites identified, prioritized, and assigned for cleanup oversight. Site lists will be provided electronically on the DEQ website.

		1.1.4 Send letters of violation to responsible parties that outline required remedial actions, and follow up with enforcement actions when necessary.	Number of letters of violation sent and enforcement actions initiated. Each new site will be sent a violation letter.
		1.1.5 Review various phase environmental assessments, remedial action work plans, remedial investigations and monitoring reports.	Number of active sites undergoing investigation and cleanup activities.
		1.1.6 Provide information about sites to public and private concerned or affected parties when requested.	Not tracked.
		1.1.7 Conduct site inspections.	Number of site visits conducted. (Target number = 6.)
		1.1.8 Conduct investigations at sites with no or unclear responsible parties.	Number of completed investigations.
	1.2 Continue to refine and implement the WQA Site Database.	1.2.1 Track numbers of active and inactive sites, contaminant types, monitoring frequencies, and compliance with requirements of DEQ violation letters and administrative orders at sites with ongoing remediation.	Ability of database to respond to information requests and support program management decisions.
	1.3 Administer an effective QA program.	1.3.1 Implement the program's Quality Management Plan (QMP).	Implementation of measures noted in QMP.

## 2.8 WATER QUALITY - PUBLIC WATER SUPPLY

The Public Water Supply Section (PWSS) regulates and monitors the development, construction, and operation of all public water supplies to ensure that the water supplied to the users of the system is safe and protects public health. This is accomplished through plan reviews, sanitary surveys, water quality monitoring, technical assistance, operator training, and when necessary, compliance and enforcement activities.

Montana's inventory of public water supplies varies in number but currently includes about 700 community systems, 1158 transient non-community systems, and 279 non-transient non-community systems.

EPA authorized Montana to administer the Federal Safe Drinking Water Act requirements within Montana as Montana had enacted the Montana Public Water Supply Laws (PWSL) and adopted appropriate rules. Montana has received primacy for:

- Surface Water Treatment Rule (SWTR),
- Total Coliform Rule (TCR),
- Public Notification Rule (PNR),
- Phase I, II and V Rules,
- Lead and Copper Rule (LCR),
- Radionuclide Rule,
- Consumer Confidence Rule (CCR),
- Long-Term-1 Enhanced Surface Water Treatment Rule (LT1),
- Stage 1 of the Disinfectant/Disinfection By-Products Rule,
- Lead and Copper Minor Revisions,
- Filter Backwash Recycle Rule,
- Variances and Exemptions Rule,
- Arsenic Rule,
- Lead and Copper Short-Term Revisions Rule,
- Long Term 2 Enhanced Surface Water Treatment Rule,
- Stage 2 Disinfectants and Disinfection Byproducts Rule, and
- The Ground Water Rule.

EPA will provide to DEQ direct assistance and contracted assistance through additional monies, contractor assistance, or EPA staff, as resources allow. EPA and DEQ are jointly developing an oversight strategy to identify program priorities. The oversight strategy may result in modifications to the goals and objectives specified herein.

Please refer to the matrices below for the priority goals and objectives for state fiscal year 2014.

Objective	Explanation	State Commitment
Strategic Target SDW-211: Percent of the population served by community water	FY14 National Target = 92% FY14 Regional Target = 92%	DEQ will assist Region 8 to meet its National Goals for SDW- 2.1.1, SDW – SP1, SP2,

systems that receive drinking water that meets all applicable health-based drinking water standards through approaches including effective treatment and source water protection.		1a.  DEQ will maintain its data in the national database, SDWIS/FED. This includes timely data entry, quality assurance, and data validation.
<u>Strategic Target SDW-SP1.N11</u> : Percent of community water systems that meets all applicable health-based standards, through approaches that include effective treatment and source water protection.	FY14 National Target = 90% FY14 Regional Target = 90%	
<u>Strategic Target SDW-SP2</u> : Percent of “person months” (i.e., all persons served by community water systems times 12 months) during which community water systems provide drinking water that meets all applicable health-based drinking water standards.	FY14 Target = 95% FY14 Regional Target = 95%	
<u>SDW-1a</u> : Percent of community water systems (CWSs) that have undergone a sanitary survey within the past three years (five years for outstanding performers or those ground water systems approved by the primacy agency to provide 4-log treatment of viruses).	FY14 Target for Delegated States = 79%	
Arsenic, Lead and Copper	States will provide special interest arsenic and lead and copper information as periodically requested by the region on behalf of Headquarters.	DEQ will provide special interest arsenic and lead and copper information as periodically requested by the region on behalf of Headquarters, as resources allow.
Sanitary Surveys	States as a condition of Primacy are required to conduct Sanitary Surveys on Subpart H Systems (40 CFR 142.16(b) (3)) and to provide	DEQ will provide the Subpart H System Sanitary Survey Annual Evaluation to the Region 8 Drinking Water Program within 30 days of

	EPA with an annual evaluation of its program to conduct these Sanitary Surveys. ( 40 CFR 142.15.(c)(5)	receiving the request from Region 8 EPA office for the prior year.
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Drinking Water Program

<b>Objective</b>	<b>Explanation</b>	<b>State Commitment</b>
<p><i>“The State commits to entering required data into regional and national data systems so that federally required data fields are timely, accurate, and complete pursuant to definitions, guidance, and policy.”</i></p> <p><i>The State will submit data to federal SDWIS to support effective PWSS program implementation.</i></p>	<p>States are required to provide accurate and complete inventory, violations, and enforcement data to SDWIS. States may do this through the SDWIS State software developed by EPA to provide support for state implementation of the PWSS program or through submission of files through the State-EPA Exchange Network.</p> <p>Use the latest version of SDWIS/State as your primary data reporting application, and use the compliance determination software for all rules.</p> <p>Use the latest version of SDWIS FED REP (currently FED REP 3.4) to ensure reporting of violations for all rules.</p> <p>Use the latest version of SDWIS Lab-to-State.</p> <p>Review the error reports from SDWIS FED REP and make the necessary changes to the data to eliminate all the errors.</p> <p>States should participate in SDWIS NextGen Development Sessions. During FY2014, States will also prepare to migrate data from SDWIS State systems to SDWIS NextGen during FY2015.</p>	<p><i>The State will continue entering required data into regional and national data systems so that federally required data fields are timely, accurate, and complete pursuant to definitions, guidance, and policy.</i></p> <p><i>Upgrades to the latest version of all SDWIS Software will be complete by December, 2014.</i></p> <p>DEQ will continue to transfer data in XML format directly to CDX, there are technical issues with the Open Node transferring action files over 1 Mb and multiple files to Fed-Rep. DEQ will continue to submit data in xml directly to CDX until the upgrades to SDWIS vs. 3.2 are completed.</p> <p>Montana will continue to participate in SDWIS NextGen Development Sessions. Montana will prepare to migrate to NextGen during FY 2015 as funding resources allow.</p>
<p>States are scheduled for data verification audits about every three years.</p>	<p>States slated to have a data verification audit in FY 14 as notified by Region 8 EPA.</p>	<p>Within the confines of EPA/DEQ agreements, DEQ will cooperate with any pre-scheduled Region 8 data verification audit.</p>

<p>Document to EPA those systems required to filter under the SDWA, but that are not yet filtering.</p>	<p>By November 15, 2013, provide to EPA a list of all systems that are required to filter under the SWTR, but are not yet filtering and report those violations to SDWIS-Fed. For those still on compliance schedules, provide the schedule from the enforcement document. If any systems are not under compliance schedules, for each system provide a rationale and the proposed state action and time frame for securing an enforceable compliance schedule.</p>	<p>DEQ will, by November 15, 2013, provide to EPA the information requested.</p>
<p>Document to EPA the status of outstanding GWUDISW determinations.</p>	<p>By November 15, 2013, provide to EPA a description of any additional actions and the time frames for completing assessments of groundwater under the direct influence of surface water, and the systems for which such assessments need to be completed.</p>	<p>DEQ will, by November 15, 2013, provide to EPA the information requested.</p>
<p>New rule enforcement.</p>	<p>Region 8 does not foresee any new rules for which states do not have primacy in FY 2014, which may necessitate federal enforcement actions. However, if the situation exists in which a state does not have primary enforcement authority for any rule, cooperate with EPA in identifying water systems and violations for which EPA may need to issue enforcement actions.</p>	<p>DEQ will assist EPA in identifying systems in violation of federal rules for which DEQ does not have primary enforcement authority, as resources allow.</p>
<p>The ERP directs that if a PWS reaches an ETT score of 11 or higher before its violations are resolved, that PWS will be considered a priority system that must either return to compliance or receive formal enforcement action within six months of having reached a score of 11.</p>	<p>Annotate the quarterly ETT list created by the Enforcement Response Policy (ERP) by indicating the State actions planned for each identified priority ETT system and other relevant information. Return the annotated list to EPA within 30 days.</p> <p>Address all priority ETT systems (through formal enforcement or appropriate return to compliance) within 6 months of their being identified as priorities, with the goal of taking action before systems reach the priority status.</p>	<p>DEQ will annotate the quarterly Enforcement Targeting Tool (ETT) list created by the Enforcement Response Policy (ERP) for those systems achieving national priority status. The PWS program will annotate the list to ensure that:</p> <ul style="list-style-type: none"> <li>• the list accurately represented system status,</li> <li>• whether the system has since RTC, and</li> <li>• State actions for each priority system and /or, if the system will be referred for formal enforcement at DEQ,</li> </ul>



		<p>or referred to EPA.</p> <ul style="list-style-type: none"> <li>• Update the ETT with any new actions taken that helps EPA evaluate candidates for Federal enforcement.</li> </ul> <p>DEQ will return the annotated list to EPA within 30 calendar days of DEQ's receipt of the priority list. EPA will work with DEQ to provide the previous quarter's annotations. DEQ will update those continuing systems with any new information available and ensure no further additions need to be made. EPA will discuss with the State any planned federal enforcement action prior to initiation of the action. DEQ will address all priority ETT systems (through formal enforcement or appropriate return to compliance) within 6 months of the system being identified as an ETT priority system, with the goal of taking action before systems reach the priority status.</p>
<p>State enforcement escalation policy.</p>	<p>EPA encourages Region 8 states to update their enforcement escalation policies to ensure that all violations receive a state response, and that enforcement priorities are addressed in a timely and appropriate manner.</p>	<p>Montana will continue to update the DEQ and PWS program escalation policy to address federal and state rule changes, as needed. If resources allow, DEQ will continue to escalate systems to formal enforcement prior to being classified as an ETT priority system.</p>

<p>SDWA Oversight</p>	<p>The following commitments will need to be made by the States in order for EPA to conduct Enforcement Oversight:</p> <ul style="list-style-type: none"> <li>a. Cooperate with EPA and provide access to State PWS files and data for EPA’s on-site enforcement review at the State office and UEOS evaluation.</li> <li>b. Upload all enforcement actions and applicable return to compliance codes into SDWIS-Fed quarterly.</li> <li>c. Focused oversight as determined by the results of the EPA enforcement program’s UEOS or End of Year Report. EPA will commit to providing the final annual file review report to the state’s within 90 days of the file review, as resources allow.</li> </ul>	<p>EPA conducts program oversight reviews in accordance with the Region 8 Oversight Plan. For Drinking Water, EPA follows the Uniform Enforcement Oversight System (UEOS), which provides a consistent framework of evaluation criteria that are applied to all of the Region 8 States.</p> <p>In FFY 2014, EPA will perform no targeted oversight based on significant improvement during the FFY 2012 UEOS evaluation. The State will be returned to the standard UEOS review conducted once every four years. The next comprehensive UEOS evaluation will be conducted December 2014, looking at FFY 2013. EPA and DEQ will work on implementing DEQ’s sustainable data management plan created to address data deficiencies found during the FFY 2010 complete UEOS.</p>
<p>During FY 12/13, DEQ will partner with EPA to implement UCMR 3.</p>		<p>Complete duties as defined in the partnership agreement signed by DEQ on 7/29/11. DEQ will work directly with those systems identified to perform additional sampling, report those data directly to EPA in a timely manner, and ensure data integrity through FFY 2015.</p>

<p>PWSB and the Enforcement Division will work cooperatively to finalize an enforcement escalation policy and to develop a sustainable data management plan.</p>	<p>DEQ's, 2010 UEOS report identified three areas needing further information/ action.</p> <ol style="list-style-type: none"> <li>1. Timeliness of addressing priority systems;</li> <li>2. Improve data exchange for identification of escalating actions; and</li> <li>3. Improve accuracy and reliability of data.</li> </ol>	<p>DEQ will commit to:</p> <ul style="list-style-type: none"> <li>• Development of the Public Water Supply Enforcement Action Tracking System (PEATS), to be completed by August 31, 2014.</li> </ul> <p>PEATS development identified business processes utilizing "Third Wave" and will develop a data bridge between Cedars and SDWIS database to:</p> <ul style="list-style-type: none"> <li>• Improve timeliness, escalating enforcement actions, and data accuracy for addressing priority systems;</li> <li>• Improve the data sharing capabilities between Enforcement and PWS databases; and</li> <li>• Improve tracking of exception dates, coding new violations, updating enforcement action codes, and improve timeliness of escalating enforcement actions.</li> <li>• Bring on 5 new labs utilizing the Lab Application System Reporting (LASR) to support certified PWS labs reporting to the State by September 30, 2013.</li> <li>• Continue to track and compare lab data errors in SDWIS from FY 2013 to FY 2014.</li> <li>• Upgrade SDWIS version 2.3 to 3.2 and related programs by the end of December FY2014.</li> <li>• Compare percent of violations issued for failure to monitor in FY 2013 to FY 2014.</li> <li>• Monitor the ability for</li> </ul>
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		<p>Rule Managers to run pre-compliance and compliance more effectively and timely in FY 2013 to FY 2014.</p> <p>Create new monitoring schedule template to SDWIS, complete June 30, 2013.</p>
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## **2.9 HAZARDOUS WASTE**

### **HAZARDOUS WASTE SECTION**

The Hazardous Waste Section in DEQ's Waste and Underground Tank Management Bureau, Permitting and Compliance Division, consists of the Hazardous Waste Permitting Unit and the Hazardous Waste Compliance Unit. Activities funded by the PPG come from RCRA §3011 funds. The overall goal of the Hazardous Waste Management Program is safe waste management of all hazardous waste generated or managed in Montana. Safe waste management involves working with generators and permitted facilities to ensure hazardous wastes are properly managed, from cradle to grave. Safe waste management also involves proper management of wastes during corrective action remediation activities. Priorities established to carry out the state's safe waste management goals are determined using State, EPA Region VIII (Region) and EPA Headquarters program priorities.

With regard to overall program implementation, DEQ will maintain staff resources (numbers and occupational skill mix) and funding, and account for grant dollars. DEQ intends to maintain a fully authorized Hazardous Waste Program by pursuing timely and complete authorization of new rules through its annual incorporation by reference of the latest CFR, with the exception of highly controversial rules. With EPA, DEQ will jointly develop and maintain Memorandum of Agreement (MOA) and other operating guidance. DEQ will maintain the Quality Management Plan (QMP). DEQ will maintain communication with EPA on routine matters, program changes, legislation, resources, emergency situations, and other key activities described in the MOA. Examples include final decisions regarding variances/waivers, enforcement actions, biennial report summarization, final permits, etc. DEQ will involve public as required by statute, regulation or MOA. Public involvement includes a system to respond to requests for information, complaints, or public concerns. DEQ will develop and implement staff training plan, which results in well-qualified staff and ensures that mandatory training needs are satisfied.

The Hazardous Waste Program will work with EPA and other applicable DEQ programs regarding Brownfields issues that involve hazardous waste. The Hazardous Waste Program will incorporate site reuse considerations into hazardous waste decision making. DEQ intends to maintain timely, accurate, and complete data in RCRAInfo by insuring that: a) data are in RCRAInfo by the 20th day of the month following activity; and (b) data accurately and completely reflect the status of the RCRA handler universe. This includes all key measures of the closure/post-closure, operating permit, corrective action, and compliance monitoring and enforcement components of the Hazardous Waste Program, at a level sufficient to support program planning, evaluation and provide complete and accurate information for internal planning and oversight and the public.

The PPA's priorities change over a period of time. The following is a discussion of each of the priorities currently identified as they relate to the Hazardous Waste Program. With these priorities in mind, a table of commitments has also been developed to identify and

measure the program's success in implementing these areas. In addition, goals and objectives from the Office of Enforcement, Compliance and Environmental Justice's guidance and other documents were incorporated where applicable.

#### 2014 Performance Period and Reporting

The PPA grant year is the State Fiscal Year. Planning and reporting of performance measures are based on the Federal Fiscal Year. The completion goal for performance measures, described in the 2014 PPA Hazardous Waste Commitments Table, is the end of the 2014 Federal Fiscal Year, or September 30, 2014. As described in Section 1.7, DEQ will provide an end-of-year performance report (Final Grant Report). The Final Grant Report is due 90 days from the end of each State Fiscal Year (SFY), or by September 30, 2014.

#### Hazardous Waste Permitting Unit

**PROGRAM FUNCTION:** To administer the Montana Hazardous Waste Act (75-10-401 MCA, et seq.) by:

1. Issuing complete permits or other equivalent enforceable mechanism to facilities to provide appropriate protection of public health through compliance with the applicable requirements of the Act.
2. Ensuring appropriate public involvement through compliance with MEPA and other public notice and public participation statutes.

**PROGRAM OVERVIEW:** The Hazardous Waste Permitting Unit's goal is to ensure proper management of hazardous waste that will protect public health and preserve the environment in Montana. These goals are achieved, in part, through the issuance and maintenance of permits or equivalent mechanisms. These mechanisms are the tools used to establish waste management unit design, operating and inspection requirements, and include requirements for facility-wide corrective action. Two basic types of permits may be issued: operating permits and post-closure permits. Administrative orders on consent may also be used as an equivalent mechanism. All corrective action rankings and assessments have been completed.

The program oversees nine facilities subject to permitting. Eight facilities have been issued operating or post-closure permits. Administrative orders on consent (AOCs) have been issued to Flying J Petroleum Inc. (FJP) and Calumet Montana Refining Company. EPA has determined the AOCs provide an equivalent environmental protection to a RCRA Subtitle C permit. Therefore, the FJP Cut Bank and Calumet Montana Refining Company facilities are considered to have approved RCRA controls in place.

EPA indicated it wishes to perform reviews of corrective action and permitting documents in accordance with its program oversight obligations. DEQ maintains primary jurisdiction regarding permitting and corrective action functions. The Region commits to

work with the state to identify which permitting and corrective action documents will be reviewed and to provide comment to the state in a timely fashion. DEQ and EPA will negotiate the permitting and corrective action documents to be reviewed and opportunity for comment at the time DEQ submits its PPA each year.

EPA is the lead agency for facility-wide corrective action at ASARCO and Rhodia and has established both facilities as high priority corrective action sites. DEQ will still remain involved in the review of documents and conduct monitoring to assure that the state's interests are protected. DEQ will invest less time at ASARCO in order to meet its core PPA obligations. EPA will provide documents for DEQ's review in a timely manner. DEQ would like to continue regular meetings with EPA's Rhodia project manager to ensure better communication.

In general, EPA staff will be available for consultation with DEQ staff. EPA will provide technical assistance and oversight.

#### Hazardous Waste Compliance Unit

PROGRAM FUNCTION: To administer the Montana Hazardous Waste Act (75-10-401 MCA, et seq.) by:

1. Conducting activities to assess generator compliance with applicable hazardous waste management requirements. These activities include compliance inspections, evaluation of reports, complaint response, and investigation.
2. Conducting activities to promote compliance with applicable hazardous waste management requirements. These activities include response to telephone, e-mail and letter requests for assistance, and development of informational materials for distribution to interested persons.

PROGRAM OVERVIEW: The attached table identifies the number and type of inspections Hazardous Waste Program staff will be conducting on a yearly basis during this PPA. The Hazardous Waste Program will submit information regarding inspections, enforcement and permitting into RCRAInfo in a timely manner. Secondary violators and significant noncompliers will be identified and relayed to EPA using appropriate RCRAInfo codes, as agreed upon by the Hazardous Waste Program and EPA, and in a manner consistent with national policy and guidance. The Region and state will work together to refine the LQG universe. EPA will strive to ensure inspection close-out includes timely entry of a return-to-compliance designation for those facilities for which the agency has inspection lead.

The Hazardous Waste Compliance Unit makes timely and appropriate determinations of compliance with waste management requirements and recommends enforcement for significant non-compliance at operations that handle hazardous waste and used oil. The unit conducts up to 200 inspections per year. The DEQ will work with the Region to inspect appropriate facilities. The state inspection plan will be updated and resubmitted

no later than August 15, 2013. The DEQ will annually inspect 20% of the large quantity generator universe, so that the entire universe is inspected in five years. The DEQ will assist EPA in its inspections of facilities subject to the Offsite Rule by sharing information and accompanying EPA staff on inspections, when DEQ staff schedules allow. The DEQ may identify any specific hazardous waste initiative priorities. The state will inspect at least once every two years each operating treatment, storage, and disposal Facility.

A negotiated subset of treatment, storage, or disposal facilities (TSDF) and large quantity generators (LQG) will be selected for Regional lead inspections. The LQGs will be identified from the national priority sectors, illegal recyclers, entities with violations, in more than one state, environmentally sensitive environment, areas of environmental justice concerns and particularly recalcitrant violators.

The Region will continue to work with HQ and the state to define the anticipated universe for Mineral Processor and Mining priority inspections to ensure incorporation, as possible, into the state inspection schedule, with a minimum of one quarter pre-notification of selected facilities for inspection.

The Region will place a high priority on addressing enforcement "watch lists" which include unaddressed significant non-compliers. The DEQ will review watch lists; discuss unaddressed facilities with EPA; and coordinate with the Region on a plan to address them. DEQ has achieved a high operator compliance rate regarding financial assurance for its closure, post closure, and corrective action facilities, which the Region recognizes. Should the Region or Headquarters identify a RCRA entity operating in several states including Montana with financial assurance compliance issues, EPA reserves the right to pursue compliance or enforcement activities with the identified operator.

EPA indicated it wishes to perform inspections in regional and national priority areas in accordance with federal initiatives. With the exception of rules promulgated under HSWA that the State has not yet adopted, as an authorized hazardous waste program, DEQ maintains primary jurisdiction regarding these facilities; however, EPA believes EPA-led inspections are necessary to ensure national consistency. In light of this goal, the Region commits to work with the State to conduct EPA-led inspections at LQG or TSDF within Montana each year. DEQ and EPA will negotiate the LQG or TSDF inspections at the time the State finalizes its inspection plan each year. The EPA-led inspection will be conducted at an LQG or TSDF that belongs within certain sectors identified by EPA: A national priority sector, which includes mining and mineral processing facilities, hazardous waste recycling facilities, and corrective action; an illegal recycler; an entity with violations in more than one state; a company that operates within an environmentally sensitive environment; a company that operates within an area considered to have environmental justice concerns; particularly recalcitrant violators; unpermitted surface impoundments or coal combustion waste facilities; facilities which are targets of Regional initiatives such as e-waste recyclers, transporters with transfer stations, medical/pharmaceutical wastes, and ethanol plants; and to support state referrals. Inspections may also be conducted as co-leads. Region 8 will continue to support the



multimedia Energy Extraction Initiative and will identify specific actions in discussions with the state. With the exception of EPA HQ and Regional priorities and national initiatives for which EPA will take the enforcement action, DEQ reserves the right of first refusal to take enforcement actions if any violations are found during EPA-lead or co-lead inspections.

DEQ will ensure that SNCs are identified no later than 150 days after the first day of the inspection, entered into RCRAInfo no later than 60 days after SNC identification, proper enforcement is pursued, and the return-to-compliance and removal of the SNC designation is entered, as appropriate into the data base.

The Hazardous Waste Program uses a variety of tools to maintain compliance. Tools used include compliance assistance efforts and enforcement actions. The state will provide EPA copies of Violation Letters and formal enforcement actions (consent decrees, administrative orders, demand letters) as a courtesy copy to the Agency. The State and EPA will participate in conference calls, usually on a quarterly basis, to discuss permitting, compliance and enforcement matters. To the degree possible, state enforcement actions will conform to the timeliness and appropriateness criteria in the 2003 EPA Hazardous Waste Civil Enforcement Response Policy. Violators will be identified and relayed to EPA using appropriate RCRAInfo codes, as agreed upon by the program and EPA, and in a manner consistent with national policy and guidance.

The program will be available to provide assistance to EPA in its evaluation of hazardous waste generation data compiled in the Montana profile report. The EPA will be available to the program to provide assistance in regulatory determinations.

### **Strategic Objectives and Template Measurements Hazardous Waste**

Program: Hazardous Waste

EPA Goal/Objective: 3.1.2 Manage Hazardous Waste Facilities Properly - Reduce releases to the environment through approved controls at all regulated units at treatment storage and disposal facilities.

3.2.2 Clean Up and Revitalize Contaminated Land – Control the risks to human health and the environment at contaminated properties or sites through cleanup, stabilization, or other action and make land available for reuse.

Template Measurements:

- Number of hazardous waste facilities with new or updated controls.
- Number of RCRA facilities with human exposures under control.
- Number of RCRA facilities with migration of contaminated groundwater under control.
- Number of RCRA facilities with final remedies constructed.

Program: RCRA Enforcement

EPA Goal/Objective: 5.1.3 Monitoring and Enforcement – Identify, correct and deter noncompliance and reduce environmental risks with an emphasis on achieving results in all areas including those with potential environmental justice concerns, through monitoring and enforcement of regulated entities’ compliance.

<b><u>2014 PPA – HAZARDOUS WASTE SECTION TABLE OF COMMITMENTS</u></b>				
<b><u>Long-Term Goals</u></b>	<b><u>Short-Term Goals</u></b>	<b><u>Objectives</u></b>	<b><u>Performance Measures (Completion Goal – September 30, 2014)</u></b> <i>(Resource, Conservation and Recovery Act Information System [RCRAInfo] Codes for Key Measures of Success) and Indicators</i>	
1.0 Safe Hazardous Waste Management.	1.1 Ensure proper management of hazardous waste to protect public health and preserve the environment in Montana through timely and appropriate determinations of compliance with waste management requirements and compliance assistance.	1.0A Ensure compliance with permit conditions to protect public health and environmental resources.	Conduct at least one compliance evaluation inspection at each permitted treatment, storage or disposal facility (TSDF) as determined by the compliance monitoring strategy. Inspection results will be used to determine if additional inspections are warranted.	95 percent of TSDFs operating in significant compliance per year. Quantity of hazardous waste managed at each TSDF by TSDF per year.  Indicator source is RCRAInfo.
		1.0B Ensure hazardous waste generator and handler compliance with applicable rules to protect public health and environmental resources.	Conduct compliance evaluation inspections for handlers and generators as determined by the compliance monitoring strategy. Inspection frequency will be based upon compliance history, knowledge of the waste streams generated, an evaluation of the environmental setting, and the length of time that has transpired from the last inspection.	85 percent of hazardous waste handlers and generators operating in significant compliance per year.  Indicator source is RCRAInfo.
			The DEQ will develop an annual compliance monitoring strategy. The DEQ will implement the CMS based upon the contingencies outlined in the document.	

**2014 PPA – HAZARDOUS WASTE SECTION TABLE OF COMMITMENTS**

<b><u>Long-Term Goals</u></b>	<b><u>Short-Term Goals</u></b>	<b><u>Objectives</u></b>	<b><u>Performance Measures (Completion Goal – September 30, 2014)</u></b> <b><u>(Resource, Conservation and Recovery Act Information System [RCRAInfo] Codes for Key Measures of Success) and Indicators</u></b>	
2.0 Closure/Post-Closure and Operating Permits		2.1A Post-Closure (PC) and Operating(OP) Permit Activities - Demonstrate progress toward PC and OP permit program goals, objectives, and activities that reflect state PC/OP priorities	Key measure of program success are final PC/OP permit determinations / issuances (PC/OP200), supported by permit call-ins (PC/OP010), and permit applications received (PC/OP020).	ExxonMobil permit reissuance (OP200)  CHS Laurel Refinery permit reissuance (OP200)  Indicator source is RCRAInfo.
		2.1B Post-Closure (PC) and Operating Permit Modifications – Demonstrated progress PC and OP permit program goals, objectives, and activities that reflect state PC/OP priorities.	Key measures of program success are final PC/OP permit modifications (PC240) and modification requests (PC230) received.	
3.0 Corrective Action (CA).		3.1A Corrective Action Pipeline - Demonstrate progress towards achieving corrective action pipeline program goal objectives and activities that reflect state priorities.	Emphasis should be on high-ranked facilities. Key measures of program success are: RFI imposed (CA100), RFI approved (CA200), remedy selection (CA400), CMI work plan approval (CA500), CMI construction completed (CA550), and corrective action process completed (CA999), supported by other RFI, CMS, and CMI activities.	CHS Laurel Refinery remedy selection (CA400) Indicator source is RCRAInfo.

**2014 PPA – HAZARDOUS WASTE SECTION TABLE OF COMMITMENTS**

<u>Long-Term Goals</u>	<u>Short-Term Goals</u>	<u>Objectives</u>	<u>Performance Measures (Completion Goal – September 30, 2014)</u> <u>(Resource, Conservation and Recovery Act Information System [RCRAInfo] Codes for Key Measures of Success) and Indicators</u>	
		3.1B Environmental Indicators - Document Results of Stabilization Efforts at High-ranked facilities through Key Environmental Indicators.	(1) Number and percentage of high-ranked handlers in the "subject to corrective action universe" that have current human exposures under control (CA725); and (2) number and percentage of high-ranked handlers in the "subject to corrective action universe," with ground-water releases under control (CA750).	
4.0 Financial Assurance		4.1 Ensure operator compliance with respect to financial assurance requirements as stated in a permit or enforcement order.	EPA has identified Financial Assurance through the National Program Management Guidance as a core function for FY2014. Coordinate with the Region on Financial Assurance as appropriate	

## **2.10 WASTE REDUCTION, RECYCLING AND POLLUTION PREVENTION**

The Energy and Pollution Prevention Bureau (EPPB) manages waste reduction and recycling programs as well as pollution prevention, compliance assistance, energy conservation, renewable energy, and energy policy work. This work relates directly to EPA's Solid and Hazardous Waste Minimization efforts and the Sustainable Materials Management (SMM) initiatives. SMM is an approach to reduce negative environmental and societal impacts across the life cycle of materials from resource extraction, manufacturing, use, reuse, recycling and disposal. Efficiencies gained in SMM approaches can result in less energy used, more efficient use of materials, more efficient movement of goods and services, conservation of water and reduced volume and toxicity of waste. The SMM is built on working partnerships among EPA, states, industry and other stakeholders.

The goals and work plan to achieve initiative outcomes will include all SMM priority areas. However, EPPB emphasis for FY 2014/2015 will be in the areas of rural recycling, electronics recycling, green schools, construction and demolition waste materials and expanded market development for oil field waste materials.

EPPB implements state statutes relating to waste reduction throughout Montana and within state government. Those statutes include the Montana Integrated Waste Management Act that prioritizes waste management in the order of source reduction, re-use, recycling/composting, and disposal. The EPPB will finalize the 2013 update of Montana's Integrated Waste Management Plan during the FY 2014. Success of bureau initiatives will be measured against Montana statutes 75-10-803(2), MCA. Currently, the target goal is 22 % of the state's solid waste to be recycled, composted, or diverted by year-end 2015.

EPPB conducts the majority of the agency's environmental sustainability initiatives and encourages adoption of environmental best management practices. Bureau programs offer assistance to small business owners to meet air quality regulations; develop and implement strategies to increase the use of renewable energy; conduct trainings and provide information on energy efficiency in residential, commercial, and institutional buildings; encourage efficient transportation modes and fuels; assist in creating new markets for Montana's waste resources. This focus allows for integrated services to Montanans in many different sectors.

Pollution prevention and sustainability efforts are successfully incorporated in several programs operated by other bureaus and divisions within the DEQ. Therefore, this section of the PPA is not inclusive of all DEQ pollution prevention efforts.

### **SMM/P2 Activities and Measurement Waste Reduction, Recycling and Pollution Prevention**

- **Activities:**
- Measuring and characterizing municipal solid waste in Montana.
- Encouraging beneficial use of industrial materials in a manner that is protective of human health and the environment through development of appropriate tools. Appropriate regional roles for encouraging beneficial use will need to be identified. This work will be coordinated with the CCR beneficial use efforts.
- Determining appropriate next steps to expand SMM activities to other areas.
- Explore collaboration with stakeholders and industry to advance sustainable materials management, develop resource conservation solutions, and pursue innovative policies to incentivize SMM.

**Measures:**

- The ACS measures supporting this program are SM2 and SM3.

## **2.11 ASBESTOS PROGRAM: NESHAP**

The Asbestos Section in the Waste and Underground Tank Management Bureau administers the National Emission Standard for Hazardous Air Pollutants (NESHAP) portion of the Asbestos Control Program.

Asbestos is a name given to a group of naturally occurring fibrous minerals. It has been used in a variety of products for purposes of reinforcement, heat and cold insulation, friction, fire protection, sound dampening, decoration, texturing, chemical resistance, and other applications. More than 3,500 different products were made with asbestos. In the United States, asbestos was used in a variety of materials from the late 1800s to the present. Contrary to popular belief, asbestos is not currently banned from use in certain products. Exposure to asbestos causes asbestos-related illnesses such as asbestosis, mesothelioma, lung cancer, and other lung abnormalities.

In 1989 the Montana Legislature identified the need for state-specific asbestos regulation. The Legislature felt exposure to asbestos caused increased rates of asbestosis, mesothelioma, lung cancer, and other asbestos-related illnesses. To prevent unnecessary public exposure to asbestos, a program to regulate and establish criteria for asbestos control practices and training/accreditation was established. Currently, the State has promulgated asbestos laws and rules that guide permit issuance, accreditation requirements, asbestos training course approval, abatement practices, and penalty procedures. The DEQ administers these regulations.

The State of Montana is delegated by EPA (Environmental Protection Agency) to administer sections of the asbestos NESHAP regulation. The asbestos NESHAP regulations are incorporated by reference into the Asbestos Control Program rules. The asbestos NESHAP regulations govern building renovations/demolitions, asbestos disposal, and other asbestos-related activities. EPA maintains jurisdiction over asbestos in schools (inspection and management plan requirements), whereas the Occupational Safety and Health Administration (OSHA) enforces its standards in the construction industry. Asbestos regulations require inspecting for asbestos prior to initiating demolition or renovation activities. The Asbestos Control Program rules require that an accredited asbestos inspector must perform the asbestos inspection.

Since 1990, DEQ has regulated asbestos control projects in buildings involving three or more linear or square feet of friable or potentially friable asbestos-containing material (ACM). Asbestos projects involve the encapsulation, enclosure, removal, repair, renovation, demolition, placement, transportation, and/or disposal of friable ACM or ACM that may become friable.

Currently there are three fulltime employees (FTEs) in the Asbestos Control Program. Fees, collected from the issuance of asbestos project permits, accreditations, course reviews/approvals and audits, and the EPA fund the program.

### **Strategic Objectives and Template Measurements Asbestos**

Program Asbestos

EPA Goal/Objective: 1.1 Healthier Outdoor Air – Working with partners, protect human health and the environment by attaining and maintaining health based air quality standards and reducing the risk from toxic air pollutants.

Template Measurements:

1. Number of asbestos inspections conducted by state with EPA credentials.
2. Over the past five years, the Asbestos Control Program has conducted, on an annual average, 60 inspections, which were conducted with EPA and state credentials. As such, DEQ anticipates conducting a similar number of inspections in the upcoming year.
3. Number of asbestos inspections conducted by state under its own authority.
4. See above.
5. The number of asbestos inspections conducted with EPA credentials that resulted in federal enforcement action (including civil penalties and Notices of Non-compliance).
6. The DEQ does not track asbestos-related enforcement actions taken by the federal government. Over the past 5 years the DEQ pursued, on average per year, 2 formal enforcement cases involving state and EPA (NESHAP) asbestos regulatory non-compliance. Additionally, on an annual average for the past 5 years, the DEQ has issued 35 notices of non-compliance consisting of violation and warning letters (informal enforcement). (These numbers are a compilation of actions taken by the Asbestos Control Program and the Enforcement Division.) The DEQ anticipates similar enforcement events and numbers in the upcoming year.

<b>Long-Term Goals</b>	<b>Short-Term Goals</b>	<b>Objectives</b>	<b>Performance Measures and Indicators</b> (Where a performance indicator is tracked using an existing federal database, the database is indicated in parentheses.)
1 Reduce asbestos exposures to the public.	1.1 Continue to implement a NESHAP Asbestos Program consistent with the requirements of the Clean Air Act, Montana Asbestos Control Act, and Asbestos Control Program rules.	1.1.1 Monitor compliance with asbestos NESHAP requirements by inspecting, each calendar year, one project by every major demolition/renovation contractor (major means submittal of three or more notifications), and one project by 50% of the minor contractors that are active in Montana on a regular basis. Conduct activities to assess source compliance with applicable asbestos control requirements including, asbestos project permitting, worker accreditation, and training course provider accreditation.	1.1.1.2 Report minimum data requirements in the DEQ CEDARS database. EPA no longer requires the DEQ to report its asbestos regulatory activities to EPA because it no longer supports the ACTS database.



Activities associated with the NESHAP Asbestos Program are the only activities funded with EPA grant funds and are the only activities committed to as a requirement of the PPG work plan.

## 2.12 RADON

Using SFY13 carryover funding, DEQ will continue to provide radon information and technical assistance services that meet EPA program guidelines. DEQ will deliver information through the agency website and the Montana Radon Hotline (1-800-546-0483). This telephone number is published on laboratory radon test reports mailed back to Montana residents, and instructs the recipient to call for more information. Additionally, as required by Montana Statute, DEQ will provide the National Environmental Health Association (NEHA) National Radon Program list of *Certified Radon Measurement Professionals and Certified Residential Mitigation Service Providers* to Realtors, business owners, and the general public.

DEQ will continue work to promote greater awareness of radon issues in new construction by focusing training and education efforts on contractors and homeowners in the new construction market. Public information outreach will include participation in home shows to promote radon resistant construction practices in new construction. DEQ will also work closely with the Montana Building Industry Association to make their membership aware of radon issues and options for reducing risks in new and existing homes.

DEQ has been providing training in energy-efficient construction techniques to Montana homebuilders for 15 years. Training programs on energy-efficient housing have been well received by contractors and owner-builders. DEQ radon education activities have been incorporated into our existing builder training workshops and general education efforts. This approach allows DEQ to broaden its on-going education effort.

Montana has a radon disclosure statement for all purchases and sales of real property. While the current Montana Radon Control Act requires a disclosure statement about the health risks of radon in buildings, there is no requirement for radon testing prior to a real estate sales transaction. DEQ will work with the real estate industry to encourage more radon testing be done prior to sales transactions. Testing for radon is often not encouraged because test results may complicate the sale of properties with high radon levels. Education efforts in the past have made a difference and some Multiple Listing Service agencies are now listing radon systems as a line item in the house listing.

The department will continue to support partnership efforts with county health departments to provide radon awareness and assistance. County programs provide a variety of radon services in their communities, such as free or low-cost radon test kits, public outreach programs directed at consumers, building industry and other local health-related agencies.

DEQ will maintain a high level of coordination and cooperation between state and EPA staff to assure successful and effective administration of the program. Coordination includes evaluation of desirable technical support and targets for joint efforts.

### ***Radon Activities and Measurement Radon Control Program***

#### **Activities:**

- While SIRG funding is no longer provided, as carryover funding allows, the state radon program shall address radon risk reduction by: (1) increasing testing and mitigation of existing homes by consumers, homeowners, non-profit partnerships, and real estate professionals; (2) builders voluntarily including radon-reducing features in new homes, including the use of green-building

standards; (3) promoting the adoption or revision of state-local building codes for radon-reducing features; and, (4) promoting public education and awareness.

**Measures:**

- SIRG 1, SIRG 2, SIRG 3.

## **CHAPTER 3      FISCAL AND GRANT CONSIDERATIONS**

### **3.1      INTRODUCTION**

This chapter describes the FY 2013/14 allocation of available EPA resources under the PPA. Table 3.1 provides a list of elements consolidated into the single PPG.

The PPG allows the allocation of EPA grant dollars within or across media and programs. It provides the state with more flexibility to invest some of the federal grant dollars in innovative capacity building initiatives such as pollution prevention, compliance assistance and assurance, customer service, data integration, community-based, and environmental justice strategies. It will also enable the state to target more federal resources to its most serious environmental problems.

### **3.2      BACKGROUND**

The NEPPS allows states to propose goals and objectives based on state environmental problems and priorities. In April 1996, Congress enacted an Administration proposal which authorizes Performance Partnership Grants (PPG). The PPG plan increases state flexibility in reallocation of federal environmental grants. The PPG feature of the NEPPS allows states to receive a consolidated environmental management grant in lieu of several categorical program grants. Total availability of grant dollars and Montana's cost share requirement are the same under the consolidated grant as it would have been using categorical grants.

The NEPPS allows Montana flexibility to consolidate certain grant resources into a single PPG. Montana and EPA Region VIII used the latest guidance in drafting the 2013/14 PPA.

### **3.3      REVENUE SOURCES AND RESOURCE ALLOCATIONS**

Resources for the environmental programs within DEQ come from multiple sources. These include state general funds, cash funds from permit, license, and emission fees, and various federal grants from several agencies. The PPG represents the total shown in Table 3.1.

DEQ has identified several program grants for inclusion in the 2013/14 PPG, which refers to the period of July 1, 2012 through June 30, 2014. The estimated federal dollar resources and cost share associated for all EPA grants; i.e., including indirect cost charges, are summarized in Table 3.1. This table does not include federal grants from other agencies or other program specific resources that are entirely beyond the scope of this PPA.

In the case of competitive grants, the state may develop and submit a proposal for approval by EPA Region VIII or EPA Headquarters for the particular competitive grant program. For others, EPA and the state may renegotiate and revise the goals and program commitments in the current PPA as necessary. For each additional award made during the year, an appropriate amendment to the PPA will be made to reflect and account for the additional funds and work to be conducted.

Upon approval of additional funds, Montana will submit a formal grant amendment to request additional funds in the PPG and EPA will amend the PPG award to include those funds.

### **3.4 FINANCIAL MANAGEMENT AND REPORTING**

The PPG states that PPG recipients must maintain accounting and financial records, which adequately identify the source (i.e., federal funds and match) and application of funds provided for PPG activities. Montana maintains records that contain relevant information such as obligations, unobligated balances, outlays, expenditures, and program income.

DEQ and EPA agreed to open a new PPG for SFY 2010. The current end date of the PPG is June 30, 2014. The 2013/14 PPA work plan will cover the PPG. Federal regulations require a Final Federal Financial Report to be submitted on an SF-425 FFR form no later than 90 days after the end of the PPG grant budget/project period.

<b>PROGRAM</b>	<b>FY 13 Projected Actual FEDERAL PPG</b>	<b>FY 13 Projected Actual STATE PPG</b>	<b>FY 14 Budgeted FEDERAL PPG</b>	<b>FY 14 Budgeted STATE PPG</b>
AIR	\$1,361,083	\$907,389	\$1,357,368	\$868,649
GROUND/SURFACE WATER	\$2,488,500	\$59,783	\$2,868,554	\$59,783
HAZARDOUS WASTE	\$350,658	\$116,886	\$372,735	\$124,245
PWSS	\$1,349,947	\$449,982	\$1,380,059	\$460,016
UST	0	0	0	0
RADON	\$11,000	\$7,333	\$29,500	\$19,667
<b>TOTAL</b>	<b>\$5,561,188</b>	<b>\$1,541,373</b>	<b>\$6,008,217</b>	<b>\$1,532,360</b>
FY 12/13 CARRY-OVER	\$967,865		\$925,000	
<b>TOTAL</b>	<b>\$6,529,053</b>	<b>\$1,541,373</b>	<b>\$6,993,217</b>	<b>\$1,532,360</b>

## **CHAPTER 4      OVERSIGHT AND ASSESSMENT**

### **4.1      *BACKGROUND***

Although a number of programs are delegated to the state, EPA remains responsible and accountable to the President, the Congress and the public for progress toward meeting national environmental goals and for ensuring that federal statutes are adequately enforced and federal funds are spent appropriately. EPA thus has the responsibility to oversee the conduct of delegated, inter-governmental programs in order to ensure that adequate protection is being provided across the country. In addition, EPA has the responsibility to conduct evaluations of state performance under assistance agreements (grants) to ensure that they are being utilized to achieve national goals, requirements, and mutually-agreed upon state and EPA priorities.

### **4.2      *FEDERAL OVERSIGHT UNDER THE NATIONAL PARTNERSHIP SYSTEM***

Under the Performance Partnership Agreement, emphasis is placed on performance-based evaluations, differential oversight and greater participation by the state in evaluating performance and determining solutions. In doing so, the focus of oversight is on identifying and solving problems and taking action, where appropriate, in order to deliver more effective and efficient environmental protection. Such an approach necessitates a continuing strong EPA presence, a workable state-EPA relationship, and continuous dialogue and communication between EPA and the state.

#### **Performance-Based Evaluations**

EPA is placing greater emphasis on state performance in achieving overall program results and accomplishments and less on the completion of individual products or activities. In doing so, EPA and the state have developed clear goals, objectives and performance measures to clarify requirements and expectations and the criteria for success. This framework is found in the individual program work plans. The performance measures include both outputs to be completed (activities and products) and outcomes to be achieved (results). In determining overall performance, both the measurement of outputs and outcomes is necessary in determining the level of success in accomplishing the goals and objectives. Efforts are increasing to balance the use of output and outcome measures and to focus evaluations on the effectiveness and results of the work accomplished. For FY 13/14, EPA will utilize information reported by the State as a component of the State Grant Performance Measures Template.

#### **State Involvement**

A system of partnership also stipulates greater state involvement in the evaluation process. The state is increasingly becoming involved in its overall program evaluation by identifying problems and solutions and working with EPA in determining its level of performance and the appropriate level of EPA oversight.

### **4.3 OVERSIGHT**

Oversight of state environmental program performance is a core function of the Environmental Protection Agency. Program oversight is the process by which Region 8 carries out its responsibilities for periodically assessing, ensuring, and documenting that federally authorized programs are conducted by states adequately and in conformance with authorization agreements. Program oversight also encompasses continuing programs for which EPA funding is provided. Grant oversight focuses on deliverable, or action item commitments, and performance measures in grant work plans, and includes a fiduciary responsibility to ensure that grant funds are accounted for and used appropriately by recipients. Both program oversight and grant oversight are required by statute, rule, and Agency policy.

In Region 8, EPA approaches oversight as a joint effort with the states. EPA's purpose is to ensure effective environmental protection. EPA will establish and document clear goals and expectations in collaboration with the state. EPA will also establish clear roles, responsibilities, and measurable commitments and share responsibility and accountability for the success of environmental programs with the states and tribes in the region.

EPA Region 8 will use performance assessment findings to determine the appropriate level and frequency of oversight that will be conducted in each program. EPA oversight will be decreased for a program in which all substantive functions are found fully adequate. The level of oversight may be increased for a program for which substantial performance problems have been identified and remain uncorrected. The level and frequency of oversight will be documented in the work plan or agreements on a program-by-program basis.

EPA Region 8 has developed a *Regional Compendium of Standard Operating Procedures for Oversight* following Regional Order 5700.04, signed on March 10, 2004. The standards and procedures for oversight contained in the manual are effective to the Montana FY 13/14 Performance Partnership Agreement/Performance Partnership Grants.

Additionally, beginning in SFY 2007, review of the state RCRA, Air, and MPDES enforcement programs has been accomplished using the OECA/ECOS State Review Framework (SRF). The Drinking Water enforcement programs continue to be evaluated using Unified Enforcement Oversight System. The Region 8 Oversight Manual has been updated to reflect the use of the SRF beginning in FY 2007.

### **4.4 EVALUATION PLAN: ANNUAL BASE PROGRAM-WIDE REVIEW**

An annual, formal evaluation of state performance is required for recipients receiving federal assistance. Although the primary purpose of the evaluation is to identify progress in accomplishing the commitments in the PPA, it is also essential in planning, priority-setting and continuous improvement efforts. Evaluation of delegation requirements not found in the PPA may also occur as part of the program-wide review.

#### **Principles**

Below are guiding principles to be followed by DEQ and EPA in performance evaluations:

1. EPA and the state will use the PPA as a management tool to continuously track the progress of work accomplished.
2. The work plans contained within the agreement act as the vehicle for expressing performance expectations under the PPA, forming the fundamental basis for awarding funds and annually evaluating state performance.
3. The performance measures contained within the work plan matrices are the criteria which will be used to report on and evaluate the progress of achieving the goals and objectives in the PPA.
4. The state will implement and follow all negotiated delegation requirements, whether stated in the PPA or not, to ensure adequate protection of public health and the environment. Review of delegation requirements will be part of the annual evaluation.
5. The state and EPA should engage in joint analysis of identified problems to determine their nature, cause and the appropriate solutions.
6. Throughout the project period, the state and EPA will communicate to each other immediately any problems or issues identified and will work together to address them or escalate them to top management.
7. The state and or EPA will immediately communicate any necessary changes to the PPA. These changes may result from a change in priorities or incorrect assessment of work to be accomplished or new funding for additional work. The change must be sent to the EPA State Program Manager and approved by the appropriate EPA program.

Final PPG rules require a joint performance evaluation process (see 40 CFR §35.115). The evaluation process must provide for:

1. A discussion of accomplishments as measured against work plan commitments;
2. A discussion of the cumulative effectiveness of the work performed under all work plan components;
3. A discussion of existing and potential problem areas; and
4. Suggestions for improvement, including, where feasible, schedules for making improvements.

DEQ and EPA agree to use the program tables to document accomplishments, outcomes, potential problems, and program improvements. The final grant report will be due 90 days after the end of the grant period, or by September 30, 2013. The reports will be shared between the agencies.



Beginning in Federal Fiscal Year 2007, EPA is requiring a standardized template of measures for programs be included with the performance partnership grant work plans. The DEQ recognizes this requirement and will negotiate the appropriate measures and include the templates in the PPA as EPA measures and guidance become final.