



Our mission is to champion a healthy environment for a thriving Montana.

DEPARTMENT OF ENVIRONMENTAL QUALITY

ANNUAL PLAN

FY2026

The [Montana Department of Environmental Quality](#) is responsible for regulating air quality, water quality, underground storage tanks, automobile wrecking facilities, hazardous waste facilities, solid waste management systems, and mining operations; and for the siting and needs analyses of large-scale energy facilities. In addition, the department is the lead agency for reclamation and cleanup activities related to the federal and state superfund programs and leaking underground storage tanks, and for regulation and permitting of mining conducted on private, state, and federal lands. This work is completed through four programs - Central Management, Water Quality, Waste Management & Remediation, and Air, Energy, & Mining. The Petroleum Tank Compensation Board and the Libby Asbestos Superfund Oversight Committee are also attached for administrative purposes.

The department works in partnership with the federal Environmental Protection Agency (EPA), the Department of Energy, and the Department of the Interior's Office of Surface Mining Reclamation and Enforcement. Congress gave the EPA the initial responsibility for development and implementation of environmental protection, but many federal statutes contain preference for delegation of the program to the states when the state can demonstrate capacity to carry it out. This arrangement establishes state-federal environmental goals and priorities with the funding and flexibility to achieve desired results. These joint activities become the basis of future agreements and long-term strategic planning.

CENTRAL SERVICES

The department's central services programs are responsible for agency-wide administration, management, planning, evaluation, and support. They include the director's staff, a centralized legal pool, the Montana Environmental Policy Act and the Montana Facility Siting Act functions, public affairs, the enforcement program, human resources, information management and technology, financial services, records management, safety, emergency management, and continuous process improvement.

AIR, ENERGY, & MINING DIVISION

The Air, Energy, & Mining Division (AEMD) permits and regulates environmentally protective and productive operations in air, hard rock mining, opencut mining, and coal mining industries according to program statutory authority. The permitting and regulatory work includes extensive coordination with other programs to develop environmental review documents that comply with the Montana Environmental Policy Act (MEPA), including environmental assessments and environmental impact statements. AEMD includes the State Energy Office, or Energy Bureau, which promotes and improves Montanan's access to energy efficiency and alternative energy sources while improving the state's energy security by offering financing mechanisms, technical assistance, and education for public and private entities.

WATER QUALITY DIVISION

The Water Quality Division protects public health and water quality in the state of Montana. This is accomplished through the financing and technical assistance provided for community water and wastewater systems; the development of water quality restoration plans; managing a State-wide monitoring network; subdivision review; monitoring compliance of public water systems; and water discharge permitting. The division achieves this through coordination with the public and regulated community by proposing rules, drafting policy, and developing water quality standards.

WASTE MANAGEMENT & REMEDIATION DIVISION

The Waste Management & Remediation Division protects human health and the environment by preventing exposure to contaminants, working with Montana communities and businesses to implement effective material management and cleanup strategies, and overseeing compliance with state and federal laws and regulations. It oversees and conducts or supports remedial investigation and efficient, cost-effective cleanup activities at state and federal Superfund sites; supervises voluntary cleanup activities; reclaims abandoned minelands; implements corrective actions at sites; and administrators regulatory waste management programs.

 Strategic Outcome #1	CITIZEN SERVICE & ACCOUNTABILITY: CONTINUED FOCUS ON CULTURE OF CUSTOMER SERVICE	
	DEQ continues to shift the agency’s approach regarding routine activities to include more enterprising interactions with customers and stakeholders. The focus for this fiscal year is for staff to physically get to cities and towns across Montana to meet constituents where they are, to be visible and to interact with stakeholders across the state. The agency will measure outreach through the Montana Miles initiative. DEQ will strive to visit all counties and incorporated cities and towns across the state. The agency will strive to continue to demonstrate a culture of helping the public, being responsible and accessible to all Montanans.	
	Key Measures	• DEQ staff will have meaningful visits to all 56 counties and all 128 incorporated cities/towns during fiscal year 2026. • Utilize GIS tracking tool where staff report travel data to track miles as well as locations visited. • Review of Montana Miles (numbers) and success stories to foster relationships with citizens, to ensure continued satisfaction with the work we do, and to prevent problems before they arise. ○ # of miles traveled ○ # and % of 56 Montana counties visited ○ # and % of incorporated cities/towns visited ○ # of unique communities/locations visited

 Strategic Outcome #2	PROTECT MONTANA WAY OF LIFE: MOVE MEPA FORWARD		
	DEQ supports the purposes of the Montana Environmental Policy Act (MEPA) and sees its importance as a bedrock environmental process. But we also recognize that the MEPA framework needs to be modified and modernized to account for both the experiences of the past thirty years and the demands of today’s society. MEPA is increasingly used to challenge and delay development, leaving executive agencies, like DEQ, struggling to meet exhaustive demands for data, comply with statutory deadlines, and determine what an adequate review entails. The 2025 Legislature passed significant legislation that covered topics ranging from appropriate legal remedies to options for improving the efficiency of agency MEPA reviews and treatment of greenhouse gas emissions following the Montana Supreme Court’s decision in <i>Held vs. State of Montana</i>. Together, these bills will inform how DEQ and other agencies apply MEPA to review and disclose the potential impacts of proposed actions.		
	Key Measures	DEQ will finalize a draft Greenhouse Gas (GHG) Guidance document for use by State Agencies that provides a consistent approach to completing an analysis. The approach will fulfill Constitutional requirements and provide regulatory certainty.	
		- DEQ will host three public meetings to gather input on the draft GHG Guidance to gather varied stakeholder opinions. The document will also be vetted by a third-party entity hired by DEQ. - MEPA practitioners from all state Agencies will meet quarterly to prioritize the use of legislative appropriations to advance programmatic assessments and categorical exclusions. This should include a minimum of five permitting actions. # of GHG assessments completed # Programmatic EAs and Categorical Exclusions advanced - Completion and release of final GHG Guidance document	



Strategic Outcome

#3

CITIZEN SERVICE & ACCOUNTABILITY: LITIGATION VISIBILITY

DEQ and litigation are closely intertwined, with legal actions sometimes necessary to enforce regulations, and stakeholders and others using litigation to challenge agency actions or hold them accountable. This dynamic plays a crucial role in shaping environmental policy and enforcement in Montana. On average, 4.2 years elapsed between publication of an environmental analysis and conclusion of the corresponding legal challenge at the appellate level, according to a recent report by the Breakthrough Institute.

DEQ must maintain a degree of public transparency regarding litigation and updates related to its activities and decisions, while balancing this with necessary legal and ethical considerations.

Key Measures

- DEQ will update its website to include a litigation report. The report will be updated quarterly to indicate court rulings.
- DEQ will provide litigation updates, including decisions on attorney fees and related fiscal impacts, to both the Environmental Quality Council (EQC) and to the Section C Interim Budget Committee (IBC). As appropriate DEQ will also provide information specific to MEPA court cases, and Board of Environmental Review (BER) rulings.
 - # of cases where DEQ prevailed
 - \$ in attorney fees awarded
 - # of cases before BER and trends

 Strategic Outcome #4	EFFICIENCY & EFFECTIVENESS: RED TAPE RELIEF & REGULATORY REFORM	
	DEQ will continue to make common sense regulatory reform measures through FY 26 by prioritizing rules reviewed by the agency. We will evaluate rules that are ripe for advancement through the legislative/executive streamlining efforts with a focus on effectiveness and boldness. As of June 1, 2025, DEQ has evaluated 854 statutes, rules, and circulars.	
	Key Measures	• DEQ will evaluate agency rulemaking needs and calendar timelines to successfully update identified and required rules prior to 2027 legislative session. DEQ will advance at least 15 significant rule packages. ○ Monthly meeting of agency rule review team to discuss priorities, timelines and stay on track –monthly occurrence. ○ Identification and development of red tape relief concepts to ensure proposed legislation is successful in 2027 session. ○ Report out progress through metrics ○ # Rules amended, # Rules repealed, # Rules new ○ # Circulars adopted final, # Circulars amended

WATER QUALITY DIVISION (WQD) STRATEGIC OUTCOMES

 Strategic Outcome #5	CITIZEN SERVICE & ACCOUNTABILITY: ENGINEERING REVIEW OF WATER SYSTEMS TO PROTECT MONTANANS	
	The WQD will maintain a consistent and timely review process for public water and sewer projects, as well as subdivisions, with a strong emphasis on accountability and delivering exceptional customer service.	
	Key Measures	• WQD will enhance staff proficiency in the consistent application of ARM and Circulars by providing comprehensive training on relevant rules and procedures. Additionally, WQD will empower staff to thoroughly review applications and, where a lawful and protective solution exists, collaborate with applicants to identify and implement viable alternatives rather than defaulting to denial. ○ Monthly trainings held for all Engineering Bureau Employees ○ # of preapplication meetings held per month ○ # of new subdivision lots and dwelling units approved ○ # of pending plan and spec and subdivision files



Strategic Outcome

#6

PROTECT MONTANA WAY OF LIFE: SAFE DRINKING WATER FOR ALL MONTANANS

The WQD will strive to reduce risks to public health from drinking water by setting enforceable standards, monitoring compliance, and promoting ongoing improvements in water system infrastructure and source protection throughout Montana.

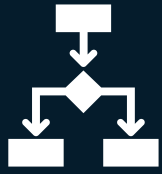
Key Measures

- The WQD regulates public water systems and supports local operators through Water School continuing education, building partnerships with other state and local agencies, and by providing technical assistance for compliance.
 - # of sanitary surveys completed
 - # of certified operator exams administered
 - # of Water School attendees

 Strategic Outcome #7	PROTECT MONTANA WAY OF LIFE: PROTECT MONTANA'S HIGH-QUALITY WATERS	
	The WQD will define the next steps to implement protections for Montana waters from nutrient pollution.	
	Key Measures	The WQD will engage with local and Federal partners to implement protections and programs that are feasible and predictable, while also addressing causes of non-point source pollution. ○ \$ Amount of funding injected into Montana's economy for projects to reduce non-point source pollution. ○ Meet with 7 largest dischargers in the state to co-produce solutions for permitting challenges.

WASTE MANAGEMENT & REMEDIATION DIVISION STRATEGIC OUTCOMES

 Strategic Outcome #8	CITIZEN SERVICE & ACCOUNTABILITY: BROWNFIELDS REVITALIZATIONS	
	The Brownfields Program is an assistance program focusing on improving public health and the environment, creating economic opportunities by sparking private investment in rural Montana and urban downtown areas, and revitalizing communities by preserving historic structures, eliminating blight, and providing spaces for critical community services such as new housing, childcare facilities, and recreational destinations. The Brownfields Program provides assessment, planning and cleanup assistance to properties such as former gas stations, vacant historic buildings, and former commercial/industrial sites so they can be reused and returned to the tax base.	
	Key Measures	• The Brownfields Program will continue to protect human health and the environment by conducting environmental site assessments and cleanup, so properties are ready for redevelopment. • The Brownfields program will continue to build strong partnerships with communities: assisting local leaders with funding and technical expertise to transform blighted sites into community assets. ○ # properties assessed ○ # of properties cleaned up and ready for redevelopment ○ # of community engagement events ○ \$ spent in Montana communities



Strategic Outcome

#9

EFFICIENCY & EFFECTIVENESS: OBTAIN STATE COST SHARE FOR FORWARD PROGRESS ON FEDERAL SUPERFUND SITES

DEQ's Federal Superfund Program relies on relationships built on great communication and trust to move federal superfund sites forward. EPA is typically the lead agency, while DEQ is the consulting agency. DEQ works closely with partners in local governments and communities, helping to educate and listen to concerns.

Also of great importance are DEQ's relationships with Montana legislators. Federal superfund sites typically require a 10% state match on remediation of these sites. The 1989 legislature developed a mechanism for obtaining this match, and DEQ's success depends on the legislature agreeing to allocate the funding for the match.

Key Measures

- # of Federal Superfund Sites moved from one phase to the next
- # of Federal Superfund Sites nearing need for state match
- \$ needed for state match
- # of legislators educated about federal superfund site and the state's needed match

Strategic Outcome

#10

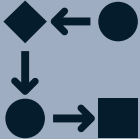
EFFICIENCY & EFFECTIVENESS: FIND BALANCE BETWEEN PROTECTION OF HUMAN HEALTH & THE ENVIRONMENT & FOSTERING ECONOMIC GROWTH & STABILITY

This initiative is focused on the state's junk vehicle (JV) program, which has been the subject of much legislative attention over the last 10 years. DEQ will provide on-time defensible permits that follow the law, protect human health and the environment, and allow businesses to succeed, while providing excellent customer service via timely inspections and compliance assistance.

Key Measures

- DEQ will examine and analyze fiscal year General Fund Transfer to the JV Program. This will be the first step in a broader conversation with the Legislature.
- \$ Annual crushing revenue.
- \$ Amount of Junk Vehicle funds granted to counties.
- # of licenses issued (or renewed annually)
- # of inspections performed annually
- # of vehicles collected annually

 Strategic Outcome #11	EFFICIENCY & EFFECTIVENESS: MINE PROGRAM FUNDING	
	The Mining Bureau will utilize fee structures, including the new hard rock mining fees, Natural Resource Operations (NRO), and General Fund for effective and efficient mine program implementation.	
	Key Measures	• The Mining Bureau will continue to seek, collect, and review Annual Progress Reports and annual fees for Opencut Mining permittees to support the opencut mining permitting, bonding, and compliance work performed by DEQ. • By July 1, 2025, the Bureau will begin invoicing entities subject to the Metal Mine Reclamation Act (MMRA) for operating permits, exploration licenses, and small miner exclusion statements (SMES). The Bureau will utilize the hard rock mining fees to support hard rock mining permitting, bonding, and compliance work performed by DEQ and to reduce DEQ's reliance on General Fund. ○ By March 31, 2026, complete the necessary rulemaking for implementing the new hard rock mining fee structure provided by HB69 [2025]. ○ Report on \$ fees collected in fiscal year ○ Report on # of permits issued ○ Report on \$ bonds held ○ Report on # of inspections conducted

 Strategic Outcome #12	EFFICIENCY & EFFECTIVENESS: MINE RECLAMATION ACTIVITIES	
	The Mining Bureau will manage reclamation activities at the CR Kendall Mine and the Zortman-Landusky Mining Complex to achieve the appropriate reclamation outcomes at the most reasonable expense. This will focus on strategizing for future, dependable funding sources.	
	Key Measures	• Continue to seek opportunities to improve reclamation and reduce/minimize reclamation costs. • Identify and report on reclamation improvement options • Report on reclamation changes considered • Report on reclamation changes made • Report on treatment accomplished



Strategic
Outcome

#13

JOBS & THE ECONOMY: ALL THE ABOVE ENERGY SOLUTIONS

DEQ's state energy office will coordinate and contribute to the Governor's Energy Task Force so the meaningful work of that Task Force can advance and be memorialized. This will include a focus on generation, growing demand for energy in Montana, and the role of transmission and markets. This Task Force will outline problems and then strategize solutions. DEQ will facilitate this work.

Key Measures

- Necessary meetings scheduled/held by DEQ
- Coordination to task force provided by DEQ
- Tangible and practical outcomes identified by Task Force

- # of Meetings Held
- # of Outcomes identified
- Final report and recommendations

LIBBY ASBESTOS SUPERFUND OVERSIGHT COMMITTEE (LASOC) STRATEGIC OUTCOMES

The Libby Asbestos Superfund Oversight Committee (LASOC) was created by the legislature to enhance communication with stakeholders at the Libby Asbestos Superfund Site. LASOC is administratively attached to DEQ. LASOC duties are defined at MCA 75-10-1601 and include the following:

- monitoring activities related to the Libby asbestos superfund site;
- assisting in the implementation of final cleanup and long-term operation and maintenance plans for the Libby asbestos superfund site;
- reviewing documents and providing comments and recommendations to the department of environmental quality and to local governments and appropriate federal agencies regarding the Libby asbestos superfund site;
- assisting in the preparation and dissemination of reports and other information as necessary;
- providing recommendations to the department of environmental quality regarding the administration of:
 - the Libby asbestos cleanup trust fund provided for in [75-10-1603](#); and
 - the Libby asbestos cleanup operation and maintenance account provided for in [75-10-1604](#);
- initiating and striving to maintain negotiations with the department of environmental quality, the environmental protection agency, and any other entity with a goal of reducing the state and federal roles in the long-term operation and maintenance work at the Libby asbestos superfund site while increasing the role of Lincoln County in expending funds and managing and implementing operation and maintenance activities; and
- submitting a report to the environmental quality council annually in accordance with [5-11-210](#).

A Memorandum of Understanding (MOU) between Montana DEQ and Lincoln County funds Lincoln County to provide administrative assistance to LASOC. Lincoln County, through its Asbestos Resource Program (ARP), coordinates all meetings and materials with DEQ representatives, develops draft agendas, and posts public notice of the meetings.

 LASOC Strategic Outcome #1	CITIZEN SERVICE & ACCOUNTABILITY: PROTECTION OF HUMAN HEALTH	
	LASOC provides funding recommendations to DEQ for sampling and/or abatement of properties that previously refused cleanup for asbestos. LASOC also reviews documents released by EPA and others regarding the Libby Asbestos Superfund Site and provides comments to DEQ, EPA, and other agencies, with the goal of ensuring protection of human health.	
	Key Measures	• # of properties sampled • # of properties abated • # of Notices of Potential Environmental Condition withdrawn • # of Notices of Environmental Condition withdrawn • # of documents reviewed • # of documents commented on

 LASOC Strategic Outcome #2	PROTECT MONTANA WAY OF LIFE: SHORT- AND LONG-TERM FUNDING OF REMEDY O&M	
	DEQ is the agency responsible for Operation and Maintenance (O&M) of the Libby Asbestos Superfund Site Operable Units 4 and 7. There are four funding sources for O&M; primary funding is from an EPA grant. The State of Montana maintains 3 additional funds that can be used for future O&M related activities or actions that cannot otherwise be reimbursed with EPA grant funds. DEQ provides LASOC a budget report with associated expenditures for each account at every quarterly LASOC meeting. One of LASOC's duties is to provide recommendations to DEQ for expenditures of State funds.	
	Key Measures	• \$ in the Libby asbestos cleanup trust fund provided for in MCA 75-10-1603 • \$ in the Libby asbestos cleanup operation and maintenance account provided for in MCA 75-10-1604 • \$ in the State of Montana's Libby asbestos bankruptcy settlement fund



LASOC Strategic Outcome

#3

CITIZEN SERVICE & ACCOUNTABILITY: TRANSPARENCY AND CITIZEN ENGAGEMENT

One of the drivers for the creation of LASOC was to enhance communication with Libby Asbestos Superfund stakeholders.

Two of LASOC's goals in FY26 are:

- creation of an information hub, providing a central location to access information about the Libby Asbestos Superfund Site.
- obtaining funding to hire an environmental consultant to support the community's efforts to engage in and understand the complexities of the Libby Asbestos Superfund site to better engage in discussions and provide feedback to DEQ and EPA.

Key Measures

- \$ obtained to hire a consultant and/or create a community advisory group
- One of DEQ's GIS experts will develop the information hub with input from LASOC members
 - # of reports linked
 - # of maps available
 - # of clicks on the website

PETROLEUM TANK RELEASE COMPENSATION BOARD STRATEGIC OUTCOMES

The Petroleum Tank Release Compensation Board consists of seven (7) members appointed by the Governor. The Board is responsible for administering the Petroleum Tank Release Cleanup Fund. The Board is a unitary organization without divisions as referenced in [ARM 17.58.101](#) and was created through legislation as shown in [§2-15-2108, MCA](#). The Board is attached to the Department of Environmental Quality only for the administrative functions that this larger organization can provide, such as fiscal and human resources.

The Petroleum Tank Release Compensation Board (Board) and the Petroleum Tank Release Cleanup Fund (Fund) were established by the 1989 Montana Legislature to:

- provide adequate financial resources and effective procedures through which tank owners and operators may undertake, and be reimbursed for, cleanup of petroleum contamination and payment to third parties for damages caused by releases from petroleum storage tanks;
- assist tank owners and operators in meeting financial assurance requirements under state and federal law governing operation of petroleum storage tanks;
- assist in protecting public health and safety and the environment by providing assistance for cleanup of petroleum tank releases; and
- provide tank owners with incentives to improve petroleum storage tank facilities in order to minimize the likelihood of accidental releases.

The primary intent was to establish a structure that would provide adequate remedies for the protection of the environmental life support system from degradation and provide adequate remedies to prevent unreasonable depletion and degradation of natural resources. The Board administers the Fund in accordance with the provisions of the law, including the payment of reimbursement to owners and operators.

PTRCB Strategic Outcome #1	
PROVIDING FINANCIAL ASSISTANCE: REIMBURSEMENT FOR CLEANUP AND PREVENTION The purposes of the petroleum cleanup fund program is to protect public health and safety and the environment by providing prompt detection and cleanup of petroleum tank releases, provide adequate financial resources and effective procedures through which tank owners and operators may undertake and be reimbursed for corrective action and payment to third parties for damages caused by releases from petroleum storage tanks, assist certain tank owners and operators in meeting financial assurance requirements under state and federal law governing releases from petroleum storage tanks; and provide tank owners with incentives to improve petroleum storage tank facilities in order to minimize the likelihood of accidental releases.	
Key Measures	• # of preventative measure claims processed. • # of assistance applications for petroleum releases discovered after January 1, 1984 and before April 13, 1989. • # of petroleum releases determined eligible for assistance from the fund.