

## DEQ Corrective Action Plan Progress, Audit Findings

6/13/2022

### Presentation to the Petroleum Tank Release Compensation Board

This update is to report out on Corrective Plan Progress, the combined PTRCB and DEQ CAP was submitted to the Legislative Audit Committee November 20, 2021.

The following outlines DEQ progress on the CAP:

- 1) We recommend the Petroleum Tank Release Compensation Board work with Department of Environmental Quality to collaborate during corrective action plan development to verify eligibility, assure fund availability, and provide any other relevant input for consideration prior to final plan approval by the department.

Under Recommendation 1) DEQ fulfilled its CAP by meeting w/ PTRCB staff during November and December to discuss regulatory reform and the process to verify eligibility, assure fund availability and provide other relevant input. DEQ and the board staff disagree upon the definition of “other relevant input” but will continue to have meaningful discussions. DEQ believes relevant input will be further clarified by addressing Audit finding number 2, which is the recommendation to the Mt. Legislature to clarify the statute by making amendments as needed to clarify the Petroleum Tank Release Compensation Board does not have a role in approving or basing reimbursement on the specific methods prescribed w/in approved corrective action plans that bring an eligible petroleum release to closure. As we work toward clarifying relevant input, DEQ will continue to engage and inform the board and the board staff.

- 3) We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to develop a process, seeking legislation if necessary, whereby remediation projects are competitively bid to bring releases to closure, in accordance with existing state procurement laws.

DEQ’s corrective action plan suggests learning about other states processes that use a competitively bid process to bring releases to closure. DEQ talked to Wyoming, Utah and Colorado. Wyoming uses a competitive bid process, Utah and Colorado use an approved contractor list with set reimbursement rates for fund sites.

For Quarter 2, DEQ’s CAP stated DEQ will determine approaches most likely to work in Montana and engage the board and stakeholders. DEQ has engaged the board staff. May 12, 2022, DEQ met w/ PTRCB staff to discuss DEQ’s summaries of Utah, Colorado and Wyoming’s processes to bring releases to closure. PTRCB also presented the results of their state interviews. DEQ suggested working together to develop a bid process with the goal of developing a process both DEQ and PTRCB can agree on. PTRCB stated they have a process and DEQ asked for them to share. PTRCB shared their process on May 31st.

DEQ is planning on providing comments on the proposed process both during our regular audit touch base meetings (the next one is this Friday 6/17/2022) and in written format. PTRCB has set a date of July 22, 2022 for a stakeholder meeting to present their proposed bid process.

DEQ is currently determining the best path forward to satisfy DEQ's corrective action plan for this recommendation and plans to have a final recommendation of a process for discussion with the board and board staff by the end of July.

- 4) We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to seek legislation that prepares the fund for the eventual closure of all historic underground storage tank release in Montana.

Under recommendation 1, 3 and 4, DEQ stated it would meet w/ other states to learn about their processes; DEQ has fulfilled its CAP by meeting with Wyoming, Colorado and Utah and posting summaries to DEQ's webpage: [Petroleum Tank Cleanup | Montana DEQ](#) under the Legislative Audit Workplan accordion.