



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

U.S. DEPARTMENT OF THE INTERIOR'S UNDERGROUND INJECTION CONTROL ACTIVITIES



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

MAR 31 2014

Memorandum

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Subject: Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities
Report No. CR-EV-MOA-0006-2012

This memorandum transmits the findings of our evaluation of the U.S. Department of the Interior’s (Department) underground injection control (UIC) activities. Our objective was to evaluate the Department’s effectiveness in managing the U.S. Environmental Protection Agency’s (EPA’s) six classes of underground injection control wells. During our fieldwork, we narrowed our scope to focus on UIC Class V wells, generally shallow gravity drained waste wells, due to their number and their possible impact on groundwater.

We found that weaknesses in the management of UIC Class V wells put underground sources of drinking water at risk. Specifically, we found that wells banned by EPA and identified for closure in 2005 were still being operated on lands managed by the Department. Such noncompliance with Federal regulations also puts the Government at risk of failing to fulfill

Federal regulations. Overall, we found no comprehensive guidance and little understanding of UIC activities throughout much of the Department.

Our report contains seven recommendations that should help the Department and its bureaus improve managing Class V wells, fully comply with Federal regulations, and protect underground sources of drinking water. We believe that if the Department implements our recommendations, the UIC program will become more effective.

Based on management's response:

We consider recommendations 1, 2, and 7 resolved but not implemented, and we will refer these recommendations to the Assistant Secretary for Policy, Management and Budget to track implementation (see Appendix 2).

For the Bureau of Indian Affairs we consider recommendations 3, 4, 5, and 6 to be resolved and implemented with no further action required (see Appendix 2)

For the Bureau of Land Management, Bureau of Reclamation, and the National Parks Service we consider recommendations 3, 4, 5, and 6 resolved but not implemented, and we will refer these recommendations to the Assistant Secretary for Policy, Management and Budget to track implementation (see Appendix 2).

For The Fish and Wildlife Service (FWS) we consider recommendations 3, 4, and 5 resolved but not implemented, and we will refer these recommendations to the Assistant Secretary for Policy, Management and Budget to track implementation (see Appendix 2). For recommendation 6 to FWS we consider it unresolved and encourage FWS to continue to identify its Class V wells and close those that are identified as banned.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions about this report, please do not hesitate to contact me at 202-208-5745.

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Results in Brief

The U.S. Geological Survey estimated in 2013, “more than 100 million people in the United States, about 35 percent of the population—received their drinking water from public groundwater systems.” The Safe Drinking Water Act, passed in 1974, sought to protect drinking water by establishing the Underground Injection Control (UIC) Program in the Environmental Protection Agency (EPA). The UIC Program, as administered by the EPA, contains regulations for injection wells to prevent endangering drinking water sources.

The U.S. Department of the Interior (Department) is tasked with managing and protecting resources on Federal and Indian lands, including underground sources of drinking water. It must meet Federal standards of the Safe Drinking Water Act and subsequent EPA regulations. With hundreds of thousands of acres under the management of the Department’s bureaus, the possible impact of non-compliance with EPA’s safe drinking water regulations is significant.

We found several issues with Class V injection wells (shallow gravity drained wells), one of six categories defined in EPA’s regulations that could potentially threaten sources of underground drinking water.

First, the Department has no overarching guidance or policy to assist bureaus in complying with EPA’s regulations concerning Class V injection wells. This has led to a patchwork of inconsistent or nonexistent policies at the bureau level. Second, bureaus have not effectively tracked and managed their Class V wells. As a result, bureaus are not complying with EPA’s regulations to self-report these wells. Third, we found several instances where well types banned from operation in 2005 were still operational on departmental lands.

We offer three recommendations to help the Department and its bureaus comply with EPA’s regulations. In addition, we present four recommendations to individual bureaus to begin identifying and managing Class V wells as well as closing banned wells.

Introduction

Objective

Our objective was to evaluate the U.S. Department of the Interior’s (Department) effectiveness in managing its underground injection control (UIC) wells. During our fieldwork, we narrowed our scope to focus on UIC Class V wells (see “Scope and Methodology” in Appendix 1).

Background

The Safe Drinking Water Act, passed in 1974, authorizes the U.S. Environmental Protection Agency (EPA) to regulate injection wells to protect underground sources of drinking water (42 U.S.C. §§ 300f – 300j-26). Under this authority, EPA created the UIC Program and subsequent UIC regulations (40 C.F.R. pt. 144). The regulations identify six classes of injection wells based principally on the type of planned or active injection and the depth of injections that could or do pollute drinking water (see Figure 1 below).

Classes of Injection Wells	
Classes	Use
Class I	Inject hazardous wastes, industrial non-hazardous liquids, or municipal wastewater beneath the lowermost underground sources of drinking water.
Class II	Inject brines and other fluids associated with oil and gas production, and hydrocarbons for storage.
Class III	Inject fluids associated with solution mining of minerals beneath the lowermost underground sources of drinking water.
Class IV	Inject hazardous or radioactive wastes into or above underground sources of drinking water. These wells are banned unless authorized under a Federal or State ground-water remediation project.
Class V	All injection wells not included in Classes I-IV [and Class VI]. In general, Class V wells inject non-hazardous fluids into or above underground sources of drinking water and are typically shallow, on-site disposal systems. However, there are some deep Class V wells that inject below underground sources of drinking water.
Class VI	Inject carbon dioxide for long-term storage, also known as Geologic Sequestration of carbon dioxide.

Figure 1. Source: <http://water.epa.gov/type/groundwater/uic/wells.cfm>.

We focused on Class V wells defined in EPA’s regulations as a broad classification that includes all wells not in the other classes. Class V wells are generally disposal systems that depend on gravity to drain the fluids into the ground. They include such things as cesspools and drainage wells for storm water. EPA calls these wells “among the greatest threats to groundwater quality” due to their prevalence and lack of proper operation and maintenance. EPA estimates

that there are 650,000 of these wells operating throughout the country on both public and private lands. Typically shallow, if not properly managed they could contaminate underground sources of drinking water, a resource for 90 percent of the public's water systems.

EPA's regulations require that all owners and operators of Class V injection wells, including the Department's bureaus, obtain authorization either by rule or by permit from EPA or an EPA-delegated authority. Both methods of authorization require the owner-operator to self-report and submit an inventory to EPA or its delegated authority. The inventory must include such information as facility name, location, and the nature of injected fluids. If the owner or operator seeks authorization by rule and submits a complete inventory, the regulatory authority may still require an application for a permit. In addition to the self-reporting requirements, EPA has prohibited two types of Class V wells. Beginning in 2005, these included motor vehicle maintenance drains (disposal of vehicle waste fluids) and large-capacity cesspools (large, dry wells such as pit toilets or outhouses that do not treat human sanitary waste).

The Department has thousands of these types of wells operating on departmental lands thereby posing a threat to the Nation's drinking water. The Department must understand the nature of these wells and properly manage its Class V wells.

Findings

The Department and many of its bureaus were unaware of the broad nature of EPA's Class V well definition and, as such, had not properly identified and tracked these wells. Without basic data on these wells, evaluation of the extent of the wells and their management is impossible. We identify several areas where the Department and individual bureaus can begin to actively manage their new and existing wells, thereby complying with EPA regulations.

Improving Guidance

We found no specific departmental guidance related to underground injection control. The Departmental Manual does not reference UIC activities or their management. The closest related topics referred to the National Environmental Policy Act passed in 1969. The Department agreed that it had no guidance and proposed that the Department's Office of Environmental Policy and Compliance would take the lead in developing policies and assisting individual bureaus to come into compliance with EPA's regulations.

While we found some UIC guidance at the bureau level, we found that the bureaus differed in the amount and quality of guidance specific to UIC activities. Differences among bureaus ranged from a promising environmental auditing program in the Bureau of Indian Affairs (BIA) to no understanding of UIC responsibilities at the U.S. Bureau of Reclamation (USBR). While many bureaus' manuals and environmental audit programs generally refer to compliance with all regulations and laws, no bureau produced specific guidance that fully addressed Class V well management.

BIA has an environmental audit program that, while we were unable to fully evaluate its effectiveness, stands out from other bureaus as most likely to identify and address potential UIC issues. Its Division of Environmental and Cultural Resources Management published two chapters (1 and 2) in The Indian Affairs Manual that define policies, roles, and responsibilities to comply with EPA's regulations in program operations and activities. The "Indian Affairs Manual, Part 59, Chapter 2" establishes specific requirements and responsibilities of Indian Affairs' Headquarters' and field office staff for compliance with environmental statutes and regulations. In October 2011, EPA reviewed and approved BIA's multi-media environmental compliance audit program, which includes Federal environmental requirements.

The U.S. Fish and Wildlife Service's (FWS) Service Manual discusses pollution at FWS' facilities and refers to the Safe Drinking Water Act and the Clean Water Act for surface discharges, but does not provide guidance for complying with EPA's UIC regulations. FWS stated that it also uses the Army Corps of Engineers' document, "The Environmental Assessment and Management (TEAM) Guide," which forms the basis of FWS' environmental compliance

audits, but it could not provide any policy that would help it to comply with EPA’s UIC regulations when constructing new wells.

Similarly, the National Park Service (NPS) has general policies that address management of all wastewater treatment facilities, but these policies are not specific to UIC requirements. NPS’ Director’s Order 83 titled “Public Health” covers drinking water quality requirements of the Safe Drinking Water Act, but does not address underground injection well requirements for protecting underground sources of drinking water.

The Bureau of Land Management’s (BLM’s) regulations include “Onshore Order No. 7, Disposal of Produced Water,” relating to oil and gas production by operators on BLM managed lands, which supplements 43 C.F.R. pt. 3160. Neither addresses Class V wells’ requirements. The BLM Manual’s section 9100–“Engineering;” and the Compliance Assessment—Safety, Health and the Environment (CASHE) Program discuss general environmental regulations, but are not specific to UIC or Class V wells. We note that while the CASHE protocols do not cover UIC concerns, the program itself has had some success in identifying concerns with UIC activities, including 46 audit findings related to Class V wells since 1998. In response to our Notice of Potential Findings and Recommendations (NPFRR), BLM agreed to consult with the Department’s Office of Environmental Policy and Compliance and use its environmental management system for assistance and guidance in developing updated UIC policies and procedures.

USBR’s Directives and Standards does mention the Safe Drinking Water Act, but has no guidance specific to UIC activities. The Reclamation Manual: ENV 07, “Environmental Mitigation,” refers to the Clean Water Act, which concerns surface discharge. Again, UIC policies and requirements are absent.

Where guidance does exist at the bureau level, it is general and does not fully address UIC issues. In addition, nearly all documented UIC guidance concerns identifying existing wells through environmental compliance audits. We found no evidence of specific policies pertaining to compliance with EPA’s UIC regulations when constructing new wells.

Recommendation

We recommend that the Assistant Secretary for Policy, Management and Budget:

- Develop and implement policies, procedures, and plans to ensure compliance with EPA’s UIC regulations and help bureaus consistently identify, inspect, and manage UIC Class V wells.

Recommendation

We recommend that BIA, BLM, USBR, FWS, and NPS:

- Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class V wells to ensure compliance with EPA's UIC regulations.

Tracking Class V Wells

No bureau provided a complete listing of UIC Class V wells. Bureaus were not aware of the scope of EPA's definition of Class V wells, making it difficult to provide a comprehensive listing. Four of the five bureaus we evaluated submitted only partial listings of their Class V wells. These listings were limited to specific types of Class V wells, not all types. For example, BLM was unable to provide a comprehensive listing of Class V wells, but did provide a list of pit toilets when asked for them specifically (71), NPS listed wastewater systems with groundwater discharge or septic tanks (1,244), FWS listed floor drains (54), and USBR listed sewage septic systems (82), floor drains (16), and agricultural runoff (1). BIA did not provide any listing. BIA, BLM, and NPS do not collect or retain this information at a centralized location; instead, we were told that specific information on Class V wells might be retained at field offices, individual facilities, or park-level facilities.

As noted, FWS listed floor drains, but did not know if these were Class V wells. In addition, FWS does not maintain a national database on sanitary leach fields or on fish hatcheries that could have aquaculture wells, another type of Class V well.

USBR did not submit a list in response to our initial data request, but in response to our NPFR subsequently submitted a list of 99 Class V wells. USBR did not know 75 percent of these wells' operational status.

EPA's Region 8, through its inspection and outreach programs, produced a listing of Class V wells at several Federal locations within the Region that the bureaus did not identify. This included 14 wells at FWS' facilities, 35 at NPS' sites, and 2 at BLM. Given that many of these bureaus have facilities at remote locations and have developed campgrounds and recreation areas, they are probably not aware of many Class V wells.

The concerns about Class V wells are particularly critical for the Insular Areas as these areas rely heavily on cesspools and are more likely to rely on ground water for their drinking water. For example, American Samoa has been on a "Boil Water Notice" status since 2010. According to the October 2006 "Water Resources Master Plan" by the Guam Waterworks Authority, 41 percent of island residents use cesspools for waste disposal. Given that the northern aquifer in Guam supplies about 75 percent of Guam's potable water, cesspools pose a high

risk to this primary source of drinking water. In 2000, fewer than 45 percent of housing units in the Virgin Islands had public sewer connections.

The Office of Insular Affairs (OIA) is responsible for coordinating Federal policy in the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. OIA is unique in that it does not oversee or participate in injection well activities in the territories unless asked to do so. As such, OIA did not respond to our request for a complete listing of UIC wells.

Recommendations

We recommend that BIA, BLM, USBR, FWS, and NPS:

- Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

We recommend the Acting Assistant Secretary for Insular Areas:

- Work with EPA to develop an outreach program to include identifying, inspecting, and managing UIC Class V wells to ensure compliance with EPA's UIC regulations.

Compliance with EPA's Reporting Requirements

EPA's UIC regulations require owners and operators of Class V wells to submit inventory information to their State or Federal UIC program director. Facility managers are responsible for knowing that items such as floor drains, sinks, toilets, and showers that do not flow into a sewer treatment system are subject to EPA's UIC regulations. Furthermore, 40 C.F.R. § 144.26 requires each owner or operator of a Class V injection well to provide an inventory report containing at least the following information: (1) facility name and location, (2) name and address of legal contact, (3) ownership of facility, (4) nature and type of injection wells, and (5) operating status of injection wells. Unless prompted by EPA or an environmental compliance audit, the bureaus are not self-reporting inventory information as required.

Bureau headquarters officials across the Department were uncertain if field offices were self-reporting their Class V wells to EPA as required. One NPS staff member stated that reporting is "sporadic." FWS listed 54 unreported floor drains. BLM identified 71 unreported pit toilets. We discovered several EPA enforcement actions citing NPS for unreported, large-capacity cesspools. NPS subsequently closed these cesspools. In response to our NPFR, USBR stated incorrectly that it is the States' or EPA's responsibility to inform well owners or operators of the inventory requirement for each well. An official for EPA's

Region 8 stated that he could not say whether any bureau self-reports well data in his region as required by the regulations. In contrast, BIA has been submitting semi-annual compliance audit reports to EPA since 2011, and may have procedures that the other bureaus can emulate.

Failure to adhere to EPA's reporting requirements stems from several contributing factors including the absence of departmental guidance, uncertainty over the definition of Class V wells, and a lack of bureau procedures on what is required if a bureau has a Class V well. As a result, the Department and its bureaus are not compliant with EPA's UIC regulations. Given that many of these bureaus have facilities at remote locations, significant numbers of Class V wells may exist, exposing the Department to potential EPA enforcement and related fines, including a maximum of \$10,000 per day, per violation, up to a total of \$125,000.

Facility managers are not required to be technical experts on Class V wells or to determine the risk exposure of a particular well. Their responsibility is to provide an inventory of wells to EPA. EPA will then determine the possible impact to the underground water supply, and what subsequent actions may be necessary.

Recommendation

We recommend that BIA, BLM, USBR, FWS, and NPS:

- Develop and implement policies and procedures that will educate facility managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

Closing Banned Wells

Because of their potential to pollute underground sources of drinking water, EPA banned motor vehicle waste disposal drains and large-capacity cesspools effective in 2000. Owners and operators were given until 2005 to permanently close large-capacity cesspools and until 2008 to close or obtain a permit for motor vehicle waste disposal wells. These shallow wells allow motor fuel, solvents, oil, and untreated sanitary waste to percolate into the soil and groundwater. Contaminants such as benzene and toluene from motor vehicle drains cause cancer, and pathogens from untreated sanitary waste can pose a serious health risk from a single exposure. As previously described, the bureaus were unable to provide a comprehensive list of Class V wells, but banned wells still exist throughout the Department. We found:

- 71 pit toilets located throughout the United States—BLM;

- 54 floor drains located in 29 different States—FWS;
- 9 temporarily abandoned, but not approved, waste discharge wells in Alaska—BLM;
- 6 floor drains—4 in Wyoming and 2 in Oklahoma. Status was unknown—USBR;
- 4 active large-capacity cesspools (pit toilets) located in Montana—USBR;
- 3 large-capacity cesspools (pit toilets) identified in a 2010 EPA inspection report remain open in Colorado—BLM;
- 2 permanently abandoned but not approved motor vehicle waste disposal wells in Idaho—BIA;
- 1 active motor vehicle waste disposal well located in Alaska—NPS; and
- 1 active motor vehicle waste disposal well located in Oregon—BIA.

Given the vast number of remote recreation areas managed by the Department's bureaus, other banned wells may exist. With over 600 USBR campgrounds, one would likely find pit toilets unconnected to a septic or sewer system. BLM attracted over 72 million visitors to its lands in 2012, many of which may contain pit toilets. EPA's Region 9 Web site noted that cesspools are more widely used in Hawaii than in any other State, and that 40 percent of households in the U.S. Virgin Islands and on Guam still use cesspools rather than municipal sewer systems.

An added hindrance to getting banned wells closed is the ambiguous nature of EPA's definition of large-capacity cesspools. This has led BLM to disagree with defining pit toilets as large-capacity cesspools, and therefore maintains it does not have to close its pit toilets. EPA's definition states that non-residential, large-capacity cesspools are those that have the capacity to serve 20 or more people per day. EPA's Region 8 clarified that they have not defined this as 20 people per day, every day as BLM contends. An EPA pamphlet on banned wells provides examples such as churches or restaurants and states that these may be closed or not open to the public on certain days, but they still meet the definition of a large capacity cesspool. EPA has issued notices of inspection to BLM for three pit toilets located in Kremmling, CO.

Some bureaus have made strides in locating, reporting, and closing banned Class V wells. As part of its Environmental Management System and multi-media audit program, BIA has identified and closed a number of Class V wells including motor vehicle waste disposal drains in Yakama, WA, and Owyhee, NV. EPA's Regions 9 and 10 reported that NPS has closed 23 large-capacity cesspools and 2 motor vehicle drains. EPA reported that after we issued our NPFRs to the bureaus, it received inquiries from NPS about its Class V wells and what steps it needs to take for compliance.

Recommendations

We recommend that the Assistant Secretary for Policy Management and Budget:

- Work with EPA to clarify the definition of large-capacity cesspools to ensure consistency in application throughout the Department.

We recommend that BIA, BLM, USBR, FWS, and NPS:

- Immediately close any banned Class V injection wells.

Conclusion and Recommendations

Conclusion

There appears to be a risk of undocumented and banned wells to the Nation's and Insular Areas' sources of drinking water. It is, therefore, imperative that the Department takes the initiative to comply with EPA's regulations and protect this precious resource.

Recommendations

We recommend that the Assistant Secretary for Policy, Management and Budget:

1. Develop and implement policies, procedures, and plans to ensure compliance with EPA's UIC regulations and help bureaus consistently identify, inspect, and manage UIC Class V wells.

Office of Policy, Management and Budget (PMB) Response: PMB concurred with the recommendation and "will issue guidance for compliance with U.S. EPA's UIC regulations for the identification, inspection, and management of UIC Class V wells."

Office of Inspector General (OIG) Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

2. Work with EPA to clarify the definition of large capacity cesspools to ensure consistency in application throughout the Department.

PMB Response: PMB concurred with this recommendation and agreed to work with EPA "personnel to clarify the definition of large capacity cesspools in order to ensure a consistent understanding of that definition is applied Department-wide."

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

We further recommend that BIA, BLM, USBR, FWS, and NPS:

3. Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class V wells to ensure compliance with EPA's UIC regulations.

BIA Response: BIA concurred with the recommendation and stated that it has already developed manual chapters as well as procedures that identify responsible parties for environmental regulations. In addition, as stated in the report, BIA conducts EPA approved environmental audits of all BIA facilities on a 3-year cycle. BIA committed to continual improvement of procedures and plans to “provide consistent conformance to environmental regulations and audit assessments in identifying and closing banned UIC Class V wells.”

OIG Reply: We consider this recommendation resolved and implemented. No further action is required.

BLM Response: BLM concurred with this recommendation and in August of 2013 issued an instruction memorandum (IM 2013-178) that initiated a bureauwide inventory of potential Class V wells and also prompted field offices to update the Facility Asset Management System to identify Class V wells. Based on the results of this inventory, BLM will issue an additional instruction memorandum that provides direction for managing new and existing Class V wells. In addition, BLM is “drafting an Environmental Compliance Handbook to include the Class V requirements and will continue to consult with the Department of the Interior’s Office of Environmental Policy and Compliance and the Department’s Environmental Management System and the Compliance Technical Working Group to develop a comprehensive policy and procedures for managing UIC wells.”

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

USBR Response: USBR concurred with this recommendation and plans to update its “Directives and Standards” to include policies to conform with EPA’s Class V well regulations.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

FWS Response: FWS partially concurred with the recommendation noting that policy and an environmental compliance program currently exist. FWS did acknowledge that improvements can be made to these and agreed “to expand existing policy by adding specific UIC program requirements and their applicability, and definitions that clarify the identification of UIC Class V wells.”

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

NPS Response: NPS concurred with the recommendation and stated that it is prepared to comply with policy direction developed by the Department. In addition NPS is currently updating the guide it uses for conducting environmental audits and plans to include in it items that will “more fully address and emphasize the UIC requirements and to identify both compliance requirements and best management practices (BMPs) to fulfill and exceed the goals of the UIC program.” NPS also plans to include training on UIC requirements for environmental auditors and develop a Class V well checklist that will allow park staff to identify Class V wells and ensure compliance with EPA’s regulations.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

4. Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

BIA Response: BIA concurred with the recommendation and has established a database on its SharePoint site to track UIC Class V wells. It plans on verifying the accuracy of this information through its ongoing environmental audit program.

OIG Reply: We consider this recommendation resolved and implemented. No further action is required.

BLM Response: BLM concurred with the recommendation and agreed to develop a “centralized business process to track existing and new wells.”

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

USBRE Response: USBRE concurred with this recommendation and agreed to “validate, update, and manage Reclamation’s [USBRE’s] centralized listing of UIC Class V wells.”

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

FWS Response: FWS partially concurred with this recommendation and cited its transition to an “electronic environmental compliance information repository for field station-specific environmental information” as a potential means of addressing it.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

NPS Response: NPS concurred with the recommendation and has upgraded its current facility tracking system to include identifying Class V wells. Through this process, NPS has been able to identify 1,273 potential Class V wells and is working with regional and field units to verify this information and to ensure an accurate inventory. This inventory will also be provided to environmental auditors prior to site visits to assist them in compliance verification. NPS is also drafting compliance assistance for park staff concerning Class V wells.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

5. Develop and implement policies and procedures that will educate facility managers on EPA’s rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA’s regulations, and ensure compliance with EPA’s regulations by conducting reviews to verify reporting requirements are being met.

BIA Response: BIA concurred with this recommendation and has given facility managers the ability to access Class V well information and requirements on its internal, SharePoint site. Third-party auditors are also providing 90 days of technical support on this site as well as a 1-day, on-site training to ensure facility managers are reporting Class V wells consistently and uniformly.

OIG Reply: We consider this recommendation resolved and implemented. No further action is required.

BLM Response: BLM concurred with this finding and plans to issue additional guidance to supplement the previously issued instruction manual, and “will incorporate the policies in the Environmental Compliance Handbook.”

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

USBR Response: USBR concurred with this recommendation and will develop a training program for facility managers concerning Class V wells that will incorporate implementing EPA’s regulations and ensure the consistent reporting of new and existing wells.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

FWS Response: FWS partially concurred with this recommendation. FWS will include UIC Class V well requirements in their existing on-site and distance learning methods for training facility managers and will also create a UIC fact sheet for facility manager outlining requirements. FWS also will include UIC regulations in their 2014 training to regional environmental compliance coordinators.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

NPS Response: NPS concurred with this recommendation and will make compliance with UIC regulations an “NPS Environmental Management Program emphasis” through 2019. This will include creating support materials and services for staff managing Class V wells through their regional environmental coordinators. NPS will also task its Facilities Management Division and Denver Service Center to ensure new wells are in compliance with EPA’s and the Department’s policies. In addition, NPS will continue to coordinate with NPS’s Office of Public Health to ensure that its officers and park water operators are aware of UIC requirements.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

6. Immediately close any banned Class V injection wells.

BIA Response: BIA concurred with this recommendation and will continue to identify and close banned Class V wells through multi-media environmental audits. Closed wells will be verified by an EPA-approved third-party operator within 80 days after their identification. BIA will use the newly created SharePoint database of Class V wells to further these practices.

OIG Reply: We consider this recommendation resolved and implemented. No further action is required.

BLM Response: BLM concurred with this recommendation. While currently “BLM is unaware of any banned Class V wells operations at its field office and facilities” it plans on working with the Department to determine “if any of its pit toilets meet the definition of a large-capacity cesspool” and will close them if necessary. The three pit toilets in Kremmling, CO, identified in this report are to be replaced in 2014.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

USBR Response: USBR concurred with this recommendation and will work to identify and close all existing banned Class V wells based on EPA’s and departmental policies.

OIG Reply: We consider this recommendation resolved, but not implemented. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

FWS Response: FWS did not concur with the recommendation stating it has already closed all banned Class V wells and is in compliance with UIC requirements. It noted that the 54 unreported floor drains in the report were not reported because they have been closed. It stated that it does not have pit toilets sites.

OIG Reply: We consider this recommendation unresolved. While understanding that the 54 floor drains identified have now been closed, FWS has not demonstrated that it is fully aware of all the Class V well types, beyond floor drains and pit toilets, that may exist on FWS-managed lands, and has yet to be able to identify them. As such it is impossible to state with any certainty that it “is in compliance with these Class V well requirements.” We encourage FWS to continue to identify its Class V

wells and close those that are identified as banned. We request that FWS reconsider its response to this recommendation.

NPS Response: NPS concurred with the recommendation and has already, based on OIG communication, completed a review of possible Class V wells in 2013 and identified no banned wells. “However, NPS will maintain vigilance through its Environmental Audit Program, Environmental Disposal Liability (EDL) Program, and other review opportunities to ensure that no existing banned Class V wells remain operational on NPS lands.”

OIG Reply: We consider this recommendation resolved and implemented. No further action is required.

We further recommend that the Acting Assistant Secretary for Insular Areas:

7. Work with EPA to develop an outreach program to include identifying, inspecting, and managing UIC Class V wells to ensure compliance with EPA’s UIC regulations.

OIA Response: OIA concurred with the recommendation but added that EPA retains primacy for UIC activities and has a program in effect. OIA has initiated contact with the EPA regarding possible outreach activities but did not provide details of this contact.

OIG Reply: We consider this recommendation resolved, but not implemented. We request that OIA provide us with the details of the contact they have initiated with EPA and encourage OIA to continue to make overtures to EPA that would form partnerships and result in benefitting all stakeholders through better management of UIC wells.

Appendix I: Scope and Methodology

Scope

We focused on the U.S. Department of the Interior's oversight of policies and procedures for Class V underground injection control.

Methodology

We conducted this evaluation in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency in January 2012. We conducted the evaluation from November 2012 through June 2013. We believe the work performed provides a reasonable basis for our conclusions and recommendations.

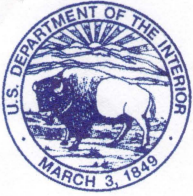
We reviewed laws, regulations, policies, and procedures related to underground injection control, examined Class V well listings, and interviewed knowledgeable personnel in the Department of the Interior and the Environmental Protection Agency (EPA).

We visited or contacted the following organizations:

- EPA, Region 8, Denver, CO;
- EPA, Region 9, San Francisco, CA;
- EPA, Region 10, Seattle, WA;
- Bureau of Land Management (BLM), Colorado State Office, Lakewood, CO;
- BLM, Evaluations and Management Services;
- BLM, Division of Solid Minerals;
- BLM, Fluid Minerals Division;
- BLM, Renewable Energy Program;
- BLM, Branch of Lands & Realty;
- BLM, Branch of Social and Cultural Resources;
- U.S. Bureau of Reclamation (USBR), Operations , Washington DC;
- USBR, Maintenance Services Division, Lakewood, CO;
- Department of the Interior, Office of Environmental Policy and Compliance;
- U.S. Fish and Wildlife Service (FWS), Environmental Compliance Branch, Division of Engineering, Arlington, VA;
- FWS, Office of Resource Conservation;
- National Park Service, Inter-mountain Region;
- Bureau of Indian Affairs (BIA); Environmental and Cultural Resources;
- BIA, Office of Indian Energy and Economic Development;
- BIA, Branch of Engineering;
- Office of Insular Affairs, Office of Policy Development; and the
- Office of Surface Mining, Division of Regulatory Support.

Appendix 2: Bureaus' Responses to Draft Report

The Bureaus' responses to our draft report follows on page 20.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JAN 15 2014



Memorandum

To: Kimberly Elmore
Assistant Inspector General for Audits, Inspections, and Evaluations

From: Willie R. Taylor, Director *Willie R. Taylor*
Office of Environmental Policy and Compliance

Subject: Draft Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities, OIG Report No. CR-EV-MOA-0006-2012

Thank you for the opportunity to review the “Draft Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities,” Report No. CR-EV-MOA-0006-2012. The Office of Environmental Policy and Compliance (OEPC) has been designated as providing the response on behalf of the Assistant Secretary – Policy, Management and Budget (AS-PMB).

We appreciate the efforts of the Office of Inspector General to identify the potential for noncompliance with underground injection control (UIC) regulations at the Department. In general, OEPC concurs with the recommendations for the AS-PMB, however, we are concerned about the language used in the report when describing the threat to the Nation’s drinking water. On page 3, the report states the Department has “thousands of these types of wells operating on departmental lands thereby posing a significant threat to the Nation’s drinking water.” The findings of the report do not seem to support this assessment of the number and the threat. The OEPC will however work with the bureaus to address the recommendations included within the report with the understanding that this work will be placed alongside other current priorities within a severely constrained and limited resources environment.

Recommendation 1: Develop and implement policies, procedures, and plans to ensure compliance with the U.S. Environmental Protection Agency’s (EPA’s) UIC regulations and help bureaus consistently identify, inspect, and manage UIC Class V wells.

Response: Concur. The OEPC will issue guidance for compliance with U.S. EPA’s UIC regulations for the identification, inspection, and management of UIC Class V wells.

Target Date: Q4, FY 2014

Recommendation 2: Work with EPA to clarify the definition of large capacity cesspools to ensure consistency in application throughout the Department.

Response: Concur. The OEPC will work with the U.S. EPA's Office of Ground Water and Drinking Water personnel to clarify the definition of large capacity cesspools in order to ensure a consistent understanding of that definition is applied Department-wide.

Target Date: Q4, FY 2014

If you have any questions about this response or need additional information, please contact a member of my staff, Lisa Treichel, at Lisa_Treichel@ios.doi.gov or 202-208-7116.

cc: Environmental Management Systems Technical Workgroup members
Ed Awni, Office of Acquisition and Property Management
Director, Office of Financial Management
Deputy Assistant Secretary – Policy and International Affairs



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, DC 20240

FEB 11 2014

IN REPLY REFER TO:

Memorandum

To: Kimberly Elmore
Assistant Inspector General for Audits, Inspections, and Evaluations

From: *for* Michael S. Black
Director, Bureau of Indian Affairs *Bryan C. Rip*

Subject: Response to Draft Evaluation Report – U.S. Department of the Interior’s
Underground Injection Control Activities
Report No. CR-EV-MOA-0006-2012

Thank you for the opportunity to provide comments on the four recommendations identified in the Draft Evaluation Report-U.S. Department of the Interior’s (DOI) Underground Injection Control (UIC) Activities; Report No. CR-EV-MOA-0006-2012, dated December 2013.

The Division of Environmental and Cultural Resources Management (DECRM) oversees and assesses environmental compliance throughout Indian Affairs (IA) and manages the conduct of multi-media environmental compliance audits. The official responsible for assessing IA environmental compliance is Pamela Snyder-Osmun, Environmental Compliance and Audit Program Manager, DECRM.

The IA Memorandum, dated April 12, 2013, to Mr. Charles Haman, Regional Manager for Audits, Inspection and Evaluation, Office of the Inspector General-U.S. DOI, identified IA environmental policies, procedures, standard operating procedures (SOPs), including those for Class V well management, a description of the multi-media environmental audit program and the Environmental Management Systems (EMS) which is compliance-based and implemented throughout all organizational levels of IA. In addition to the information IA provided in the April 12, 2013, Memorandum, IA provides its responses in this Memorandum to the recommendations outlined in the Draft Evaluation Report-DOI UIC Activities; Report No. CR-EV-MOA-0006-2012, dated December 2013.

Recommendation 1. Develop and implement policies, procedures and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class V wells to ensure compliance with EPA UIC regulations.

IA Response. Indian Affairs developed two manual chapters that identify management roles and responsibilities to comply with all environmental regulations. Indian Affairs has also developed procedures for IA operations and activities that are posted on the EMS SharePoint site for use by IA staff and managers. To ensure IA facilities are in compliance, IA conducts multi-

media environmental audits at all IA facilities on a continuous three-year cycle. Third-party auditors, approved by the U.S. EPA, conduct the audits. The IA multi-media audit program is EPA approved and allows for consistent reporting in all environmental laws in accordance with EPA regulations. After the audit, the facility prepares action plans and compliance plans with specific staff assignments to correct audit findings. Indian Affairs will continue to update, develop and implement policies, standard operating procedures, action plans and compliance plans, including auditing procedures that provide consistent conformance to environmental regulations and audit assessments in identifying and closing banned UIC Class V wells at IA facilities.

Recommendation 2. Identify Class V UIC wells and develop centralized systems for tracking existing and new wells.

IA Response. In addition to the asset management information system managed by the Office of Facilities Management and Construction-Indian Affairs, IA established a UIC Class V Well centralized database on its EMS SharePoint site to track existing and new Class V wells. The centralized database allows each facility to report and track their Class V wells and provide information on the type of Class V well, date of installation, and date they submitted the Inventory Report Form and/or permit application to EPA. The IA EMS SharePoint site is maintained on the DOI SharePoint website and is accessible to all IA employees with DOI security clearance. Indian Affairs will continue to maintain the UIC Class V Well centralized database on its EMS SharePoint site and verify Class V well information at each facility through its EPA-approved multi-media environmental audit program.

Recommendation 3. Develop and implement policies and procedures that will educate Facility Managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

IA's Response. In addition to the policies and procedures described in Recommendation 1, IA continues to implement its compliance-focused EMS to manage continual environmental performance improvement. Facility managers that require information on Class V wells may access the EMS SharePoint site and view the regulations and guidance on managing Class V wells. The centralized Class V well database on the EMS SharePoint site provides consistent and uniform reporting of new and existing Class V wells. The IA third-party auditors provide 90 days of technical assistance and one day of on-site training/assistance to each audited facility. The subject of on-site training and technical assistance is determined in collaboration with the facility staff and the third-party auditor, and weighted by the findings identified during the audit. Indian Affairs will continue the multi-media environmental audit program and training of facility staff on managing Class V wells to ensure UIC compliance.

Recommendation 4. Immediately close any banned Class V injection wells.

IA Response. Indian Affairs identifies banned Class V wells in its multi-media environmental audits and banned Class V wells are closed within 90-days after the audit. Progress and/or verification of closure are provided by a third-party auditor, approved by EPA, within 60 to 80

days after the audit. The Regional Environmental Scientists, Facility Managers and DECRM-IA will continue to review the Class V well information in the centralized database on the EMS SharePoint site and close banned Class V wells as identified.

Indian Affairs will continue implementation of its compliance-focused EMS and incorporate the four recommendations as described in Report No.: CR-EV-MOA-0006-2012, into its action plans, procedures, and audit assessments to maintain continual environmental compliance with UIC regulatory requirements. If any additional information is needed, please contact Marvin Keller, Acting Division Chief, DECRM, at (703) 390-6470.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240
<http://www.blm.gov>

JAN 31 2014

In Reply Refer To:
1245/9100/1703 (830/854/280)

Memorandum

To: Kim Elmore
Assistant Inspector General for Audits, Inspections, and Evaluations

From:  Neil Kornze
Principal Deputy Director 

Subject: Office of Inspector General Evaluation Draft Report – U.S. Department of the Interior's Underground Injection Control Activities (CR-EV-MOA-0006-2012)

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) evaluation draft report titled, *U.S. Department of the Interior's Underground Injection Control Activities* (CR-EV-MOA-0006-2012). The Bureau of Land Management (BLM) concurs with the four recommendations and has requested updates to the findings to better reflect the situation on-the-ground.

Attachment 1 provides specific responses to each recommendation including a summary of the actions taken or planned by the BLM as well as the contact information for the responsible officials and the target dates of implementation.

If you should have any questions about this response, please contact Nancy Dean, Chief, Division of Environmental Quality and Protection, at 202-912-7136; Corey Grant, Chief, Division of Business Services, at 202-912-7040; or LaVanna Stevenson, BLM Audit Liaison Officer, at 202-912-7077.

Attachment

Response to the Recommendations included in the Office of Inspector Evaluation Draft Report of U.S. Department of Interior's Underground Injection Control Activities (CR-EV-MOA-0006-2012)

Recommendation 1: Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class wells to ensure compliance with EPA's UIC regulations.

Response: In August 2013, the BLM issued an Instruction Memorandum (IM) 2013-178, *Inventory of Class V Underground Injection Control Wells, Septic Systems and Pit Toilets*, which required field offices to conduct an inventory of the waste disposal and storm water drainage systems that are considered underground injection control (UIC) Class V wells, septic systems, and/or pit toilets. The IM further requires an update to the Facility Asset Management System (FAMS) by documenting any waste disposal or storm water drainage systems not already included and to flag such systems that are regulated as a UIC well.

The results of the inventory are currently under review to identify all BLM Class V Wells and the status of their compliance with the U.S. Environmental Protection Agency (EPA) regulations. A follow-up IM will be issued that provides a comprehensive listing of BLM-managed Class V Wells per State and provides direction on managing the existing wells and potential new wells to ensure compliance with EPA's regulations.

In addition, the BLM is drafting an Environmental Compliance Handbook to include the Class V requirements and will continue to consult with the Department of the Interior's Office of Environmental Policy and Compliance and the Department's Environmental Management System and the Compliance Technical Working Group to develop a comprehensive policy and procedures for managing UIC wells.

Target Date: March 1, 2015

Responsible Official: Edwin Roberson, Assistant Director, Renewable Resources and Planning and Janine Velasco, Assistant Director, Business, Fiscal and Information Resources Management

Recommendation 2: Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

Response: As a follow-up to the issuance of IM 2013-178, the BLM Washington Office is reviewing the field office responses to the inventory of the existing septic systems and pit toilets to assess whether they meet the definition of a Class V well. As noted in Recommendation 1, we will continue to consult with the Department and will develop a centralized business process to track existing and new wells.

Target Date: July 31, 2014

Responsible Official: Edwin Roberson, Assistant Director, Renewable Resources and Planning

Recommendation 3: Develop and implement policies and procedures that will educate facility managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

Response: Once the Class V Well inventory is finalized, the BLM will issue additional guidance to supplement IM 2013-178 and will incorporate the policies in the Environmental Compliance Handbook.

Target Date: March 1, 2015

Responsible Official: Edwin Roberson, Assistant Director, Renewable Resources and Planning

Recommendation 4: Immediately close any banned Class V injection wells.

The BLM is unaware of any banned Class V wells operations at its field office and facilities. The BLM will work in conjunction with the Department and the applicable regulatory agencies to identify if any of its pit toilets meet the definition of a large-capacity cesspool. Any toilets that meet the criteria will be immediately closed.

The three pit toilets in Kremmling, CO that EPA Region 8 had identified are scheduled to be replaced with vault toilets in the summer 2014.

Target Date: July 31, 2014

Responsible Official: Edwin Roberson, Assistant Director, Renewable Resources and Planning and John Mehlhoff, Acting Colorado State Director



United States Department of the Interior

BUREAU OF RECLAMATION
Washington, DC 20240

IN REPLY REFER TO:

84-27400
ADM-8.00

MEMORANDUM

To: Office of Inspector General
Attn: Assistant Inspector General for Audits, Inspections, and Evaluations

Through: Anne J. Castle *Thomas M. Jones* FEB 18 2014
for/ Assistant Secretary – Water and Science

From: Michael L. Connor *Connor* FEB 14 2014
Acting For Commissioner

Subject: The Bureau of Reclamation's Response to the Office of Inspector General (OIG) Draft Report, *U.S. Department of the Interior's Underground Injection Control Activities*, Report No. CR-EV-MOA-0006-2012

The OIG in its December 19, 2013, draft report, *U.S. Department of the Interior's Underground Injection Control Activities*, requested that Reclamation inform the OIG of the planned course of action to address and implement the recommendations in the subject report. The requested information is attached.

If you have any questions or require additional information, please contact Elizabeth Cordova-Harrison, Director, Management Services Office, at 303-445-2783.

Attachment

The Bureau of Reclamation's Response to the
Office of Inspector General (OIG) Draft Evaluation Report
U.S. Department of the Interior's Underground
Injection Control Activities
Report No. CR-EV-MOA-0006-2012

January 2014

Reclamation appreciates the opportunity to provide comments on the four recommendations identified in the Draft Evaluation Report-U.S. Department of the Interior's (DOI) Underground Injection Control (UIC) Activities; Report No. CR-EV-MOA-0006-2012.

Reclamation is committed to complying with EPA's regulations and protecting our Nation's resources. As such, Reclamation will take a two pronged approach to address both new and existing UIC Class V wells. The first approach will establish requirement to ensure no new banned UIC Class V wells are constructed. The second approach will establish requirements to ensure existing UIC Class V wells are in compliance and banned UIC Class V wells are closed. This will be accomplished through actions identified in Reclamation's responses to Recommendations 1-4 listed below.

Response to OIG Recommendations

Recommendation 1: Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class V wells to ensure compliance with EPA's UIC regulations.

Reclamation's Response: Concur. To address this recommendation, Reclamation will update Reclamation's Directives and Standards to include compliance with EPA's UIC Class V well regulations.

Responsible Official: Roseann Gonzales, Director, Policy and Administration

Target Implementation Date: September 30, 2015.

Recommendation 2: Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

Reclamation's Response: Concur. To address this recommendation, Reclamation will validate, update, and manage Reclamation's centralized listing of UIC Class V wells based on the requirements established in Reclamation's Directives and Standards (Recommendation 1).

Responsible Official: Roseann Gonzales, Director, Policy and Administration

Target Implementation Date: June 30, 2016.

Recommendation 3: Develop and implement policies and procedures that will educate facility managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

Reclamation's Response: Concur. Reclamation will develop a training program to educate Reclamation's facility managers on EPA's rules concerning Class V wells, ensuring consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations. Reclamation's training program will include an initial overview of EPA's requirements followed with specific training on implementation, management, and oversight based on the requirements established in Reclamation's Directives and Standards. (Recommendation 1: Reclamation will update Reclamation's Directives and Standards to include compliance with EPA's UIC Class V well regulations).

Reclamation will ensure compliance with EPA's regulations regarding UIC Class V wells by conducting reviews to verify reporting requirements are addressed in accordance with Reclamation's Directives and Standards. (Recommendation 1: Reclamation will update Reclamation's Directives and Standards to include compliance with EPA's UIC Class V well regulations).

Responsible Official: Roseann Gonzales, Director, Policy and Administration

Target Implementation Date: September 30, 2016, Reclamation will develop a training program to educate Reclamation's facility manager.

Recommendation 4: Immediately close any banned Class V injection wells.

Reclamation's Response: Concur. Reclamation will work to identify and close all existing banned Class V injection wells in order to comply with EPA UIC regulations.

In order to close banned Class V injection wells the current listing must be updated, evaluated, and inspected to determine operating status and validate that the current listing meets the Department and EPA's definitions and processes (Department Recommendation 1 & 2). Reclamation's timeline is dependent on the Department's action and timeline to: 1) Collaborate with the EPA to clarify the definition of large capacity cesspools to ensure consistency in application throughout the Department; and 2) Determine the extent of resources available to close any banned Class V injection wells.

During this time Reclamation will proceed with actions identified in Recommendation 2 (Recommendation 2: Reclamation will validate, update, and manage Reclamation's centralized listing of Class V underground injection wells based on the requirements established in Reclamation's Directives and Standards). This will result in Reclamation

taking action on any banned Class V injection wells in a timely manner, as resources allow.

Reclamation will follow any Departmental policies in developing a process and timeline to close any banned Class V injection wells based on the clarification and definition provided by EPA and within Reclamation's contractual authority with its partners.

Responsible Official: Roseann Gonzales, Director, Policy and Administration

Target Implementation Date: 180 days following the issuance of Department policies which established policies, procedures that include the clarification in definition of large capacity cesspools to ensure consistency in application throughout the Department, Reclamation will develop a process and timeline to close banned Class V injection wells.



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240



In Reply Refer To:
FWS/DEN/056394

JAN 14 2014

Memorandum

To: Deputy Inspector General
Office of the Inspector General
Attn: Kimberly Elmore

From: Deputy Director

Subject: Draft Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities, Report No. CR-EV-MOA-0006-2012

The U.S. Fish and Wildlife Service (Service) appreciates the opportunity to review the “Draft Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities.” As requested, the following information is provided in response.

Recommendation 1: Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting and managing Underground Injection Control (UIC) Class V wells to ensure compliance with the U.S. Environmental Protection Agency’s (EPA) UIC regulations.

Response: We partially concur. The Service has policy and an environmental compliance program; however we can improve on the policy, plans, and procedures. As indicated in our response on March 27, 2013, the Service’s policy prohibits the “...injection of any fluid in a well that allows the movement of fluid containing a contaminant into underground sources of drinking water....” (561 FW 4 Safe Drinking Water Act). Specific environmental requirements are contained in a separate document, The Environmental Assessment and Management (TEAM Guide), which includes regulatory requirements applicable to UIC Class V wells (40 CFR 144), and is the basis for environmental compliance audits.

UIC Class V wells on Service-managed land are constructed in compliance with the substantive requirements of the UIC program. The Service obtains the necessary permits for septic leach field installation as part of the building construction process, and complies with all applicable State requirements for septic system construction. The permit authorizes construction of the septic leach field system and provides confirmation that it is constructed in compliance with

State requirements. Once constructed, the Service includes septic systems as part of building inspections in our facility condition assessments, which are conducted on a five-year cycle. The condition assessments ensure proper management of these systems.

In response to the Office of the Inspector General's (OIG) recommendation, the Service plans to expand existing policy by adding specific UIC program requirements and their applicability, and definitions that clarify the identification of UIC Class V wells.

Recommendation 2: Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

Response: We partially concur. The Service agrees with the importance of identifying Class V wells at the facility level. The Service is planning to migrate to an electronic environmental compliance information repository for field station-specific environmental information. The Service will evaluate the viability of including an indicator in the system to identify UIC wells at our facilities. We expect that the information repository will be available in Fiscal Year 2015.

Recommendation 3: Develop and implement policies and procedures that will educate facility managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

Response: We partially concur. The Service has policies in place and conducts training to educate facility managers; however we can improve our coverage on Class V wells. The Service conducts environmental compliance classroom training targeted to facility managers in each Region at least once every three years. This training addresses the full range of environmental compliance requirements applicable to the Service's operations. The Service also is developing a course for distance learners to expand the audience reached by the training. The Service will ensure that the requirements for UIC Class V wells are included in this and any other relevant environmental compliance training. In addition, the Service will develop a fact sheet outlining UIC program requirements and explore other training opportunities to ensure compliance with EPA's regulations.

The Service's on-site environmental compliance audits are the most effective means to review and verify the UIC information submitted by facility managers. The Service provides training every two years for the Regional Environmental Compliance Coordinators (RECCs), who conduct the environmental compliance audits. The Service will ensure that the upcoming training in October 2014 includes a comprehensive section about the UIC program.

Recommendation 4: Immediately close any banned Class V injection wells.

Response: We do not concur. The Service has closed banned Class V wells. The draft report refers to 54 “unreported floor drains.” The Service would like to clarify that the list we provided in March contained information about locations where floor drains were identified and subsequently addressed. As stated in the Service’s response dated March 27, 2013, “... since 2003, the Service has directed field stations to close floor drains in motor vehicle maintenance facilities that flowed into the subsurface or to a septic system not designed to treat motor vehicle wastes.” The floor drains were not reported because they were closed.

In addition, the Service stated in our March response that we do not have locations where pit toilets (i.e., large capacity cesspools) flow into the subsurface without treatment. The Service is in compliance with these Class V well requirements.

If you have any questions or require additional information, please contact Andrea McLaughlin, Division of Engineering, at 703-358-2596, or andrea_mclaughlin@fws.gov .



United States Department of the Interior

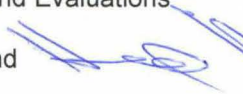
NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:

Memorandum

FEB 06 2014

To: Assistant Inspector General for Audits, Inspection, and Evaluations

From: Associate Director, Park Planning, Facilities and Land 

Subject: Office of Inspector General Draft Report entitled: U. S. Department of the Interior's Underground Injection Control Activities (Report No. CR-EV-MOA-0006-2012)

The attachment provide in response to the findings and recommendations included in the audit report noted above. The recommendations and responses are as follows:

Recommendation 1: "Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing Underground Injection Control (UIC) Class V wells to ensure compliance with Environmental Protection Agency (EPA) UIC regulations."

NPS Response: With regard to policy, NPS will await policy direction from DOI and be prepared to carry through with supporting policies (i.e., Director's Order or other policy channel) that align with and support DOI's direction on management of existing and new Class V wells. With regard to procedures and plans, the NPS Environmental Compliance and Response Branch (ECRB), within the NPS Facilities Management Division, is in the process of updating its NPS Environmental Audit Program Operating Guide (Audit Guide) and associated audit checklists to more fully address and emphasize the UIC requirements and to identify both compliance requirements and best management practices (BMPs) to fulfill and exceed the goals of the UIC program. This will include additional training for external and internal environmental auditors on how to identify Class V wells (and other types of wells covered by the UIC regulations), and how to verify and document compliance with the UIC requirements. We will also additional checklist questions that will help park staff identify and anticipate (prior to construction) the need to register newly constructed Class V wells.

Responsible Official: Carl Wang, NPS Target Date: NPS will await policy direction from DOI

Recommendation 2: "Identify Class V Underground Injection Wells and develop centralized systems for tracking existing and new wells."

NPS Response: Consistent with the memo provided to OIG by NPS in March 2013, NPS has upgraded its Facility Management Software System (FMSS) to distinguish onsite wastewater treatment systems that meet the definition of a Class V UIC well. Based on this, NPS has identified **1273** wastewater systems documented in the FMSS that are potentially Class V wells. The NPS will work with the Regions and field units to confirm these assumptions to insure that all Class V wells are indeed accurately inventoried and document. Additionally, the NPS is in the process of providing detailed compliance assistance guidance to parks with Class V wells, consistent with our March 2013 planned actions. Moving forward, the ECRB and supporting Regional Environmental Coordinators will ensure that data on the existence of Class V wells is

provided to external auditors prior to audit site visits to assist them with verifying and documenting compliance.

There is qualification regarding the completeness of data regarding Class V wells that are operated under NPS authority or oversight: The FMSS database provides internal controls for Class V wells that are under the purview of the NPS Facilities Management Division. Entities that hold oil & gas leases on NPS property, and may be operating Class V and other types of UIC wells on NPS property with NPS oversight, are not under the authority of the Facilities Management Division. In addition, the ECRB staff has offered its assistance in understanding the UIC regulations and how to manage the issues within their purview.

Responsible Official: Mike Seibert

Target Date: Attachment 1

Recommendation 3: “Develop and implement policies and procedures that will educate facility managers on EPA’s rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA’s regulations, and ensure compliance with EPA’s regulations by conducting reviews to verify reporting requirements are being met.”

NPS Response: In addition to updating its Audit Guide and providing additional training to internal and external auditors, NPS will make conformance with UIC requirements and BMPs a NPS Environmental Management Program emphasis through the NPS audit program FY 2014 through FY 2019 (it typically takes three to five years to complete audits of all NPS units). As part of this program emphasis, NPS will develop compliance assistance materials and support services for park staff managing Class V wells, directed and administered with contractor support through the NPS Regional Environmental Coordinators. In addition, NPS will work with appropriate points of contact within the NPS Facilities Management Division at all levels as well as the Denver Service Center to ensure that staff designing, planning, and overseeing installation of new Class V wells are prepared to ensure that they are installed and operated in full conformance with EPA regulations and DOI and NPS policy. Consistent with our March 2013 memo we also continue outreach to the NPS Office of Public Health to ensure that OPH officers and park water operators are aware of the UIC requirements.

Responsible Official: Carl Wang

Target Date: TBD

Recommendation 4: “Immediately close any banned Class V injection wells.”

NPS Response: During FY 2013, NPS completed an exhaustive review of known installations that could be Class V wells and found that none constituted banned Class V injection wells. However, NPS will maintain vigilance through its Environmental Audit Program, Environmental Disposal Liability (EDL) Program, and other review opportunities to ensure that no existing banned Class V wells remain operational on NPS lands.

Responsible Official : Carl Wang

Target Date: Completed

Should you have additional questions or need further information regarding the subject evaluation report, please do not hesitate to contact Vera Washington, NPS Audit Liaison Officer at (202)354-1960.

Attachments



United States Department of the Interior


OFFICE OF THE SECRETARY
Washington, DC 20240



JAN 17 2014

MEMORANDUM

To: Kimberly Elmore
Assistant Inspector General for Audits, Inspections, and Evaluations

From: Nikolao Pula 
Director of the Office of Insular Affairs

Subject: Draft Evaluation Report – U.S. Department of the Interior’s Underground Injection Control Activities, OIG Report No. CR-EV-MOA-0006-2012

The Office of Insular Affairs (OIA) has reviewed the Office of the Inspector General’s (OIG) draft evaluation report entitled “U.S. Department of the Interior’s Underground Injection Control Activities” (Report). The Report identifies that the regulatory agency for underground injection control (UIC) activities is the U.S. Environmental Protection Agency (EPA), and EPA created a UIC Program and subsequent UIC regulations for which owners and managers of identified classes of wells must comply. Additionally, the Report references EPA’s outreach program for compliance with EPA’s UIC Program.

The Report on page 7 includes the statement that “OIA is unique in that it does not oversee or participate in injection well activities in the territories unless asked to do so”. Please note that OIA’s exclusion from UIC activities extends further in that OIA does not own, manage or oversee any wells or UIC activities. Additionally, if an insular grantee requests and receives financial assistance for UIC activities from OIA’s grant programs, the grantee certifies compliance with all applicable Federal regulations, and EPA as the regulatory agency would have primary authority for oversight of any UIC activities and for any educational/outreach program EPA may undertake. However, in response to the Report’s recommendation for OIA, OIA is available to discuss with EPA how OIA may assist with EPA’s outreach program related to its UIC Program, and OIA has initiated communication with EPA officials.

Report Recommendation for OIA (Report page 11):

Work with EPA to develop an outreach program to include identifying, inspecting, and managing UIC Class V wells to ensure compliance with EPA’s UIC regulations.

OIA Actions: As EPA is the primary agency for regulatory and oversight authority over UIC activities and EPA has a UIC Program in effect, OIA defers to EPA on the nature and extent of an outreach program. OIA has initiated communication with EPA regarding outreach programs

in the insular areas for compliance with EPA's UIA Program and whether OIA may be able to assist.

Target Date: January 8, 2014.

Status of OIA Actions: OIA has initiated communications with EPA and any further discussion is dependent upon EPA. Additionally, OIA defers to EPA regarding the nature of any outreach program in the insular areas for EPA's UIC Program. Therefore, OIA determines that its actions of initiating communication with EPA and OIA's availability for assistance to EPA are sufficient to resolve and implement the recommendation.

Responsible OIA Official: Marina Tinitali, Accountability Policy & Audit Liaison Officer

If you have any questions or require additional information, please do not hesitate to communicate with me at (202) 208-4736 or Nikolao_Pula@ios.doi.gov. Or, please feel free to communicate directly with Mr. Tom Bussanich, Director of Grants Management and Budget for OIA at (202) 208-5947 or Tom_Bussanich@ios.doi.gov, or Marina Tinitali, Accountability Policy & Audit Liaison Officer for OIA at (202) 208-5920 or marina_tinitali@ios.doi.gov.

Appendix 3: Status of Recommendations

The tables below summarize the status of the recommendations.

PMB Recommendations	Status	Action Required
1 and 2	Resolved; not implemented.	Recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking implementation.

BIA Recommendations	Status	Action Required
3, 4, 5, and 6	Resolved and implemented.	No further action required.

BLM Recommendations	Status	Action Required
3, 4, 5, and 6	Resolved; not implemented.	Recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking implementation.

USBR Recommendations	Status	Action Required
3, 4, 5, and 6	Resolved; not implemented.	Recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking implementation.

FWS Recommendations	Status	Action Required
3, 4, and 5	Resolved; not implemented.	Recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking implementation.
6	Unresolved.	We encourage the U.S. Fish and Wildlife Service to continue to identify Class V wells and close those that are identified as banned.

NPS Recommendations	Status	Action Required
3, 4, 5, and 6	Resolved; not implemented.	Recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking implementation.

OIA Recommendations	Status	Action Required
7	Resolved; not implemented.	We request that the Office of Insular Affairs (OIA) provide us with the details of the contact they have initiated with Environmental Protection Agency (EPA) and encourage OIA to continue to make overtures to the EPA that would form partnerships and result in benefitting all stakeholders through better management of underground injection control wells.

Report Fraud, Waste, and Mismanagement



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