

# Tankline Bulletin

JANUARY 2026



## Contractor Rule Update

On July 1, 2025, DEQ updated Oregon Administrative Rule Chapter 340, Division 160, which are the rules that govern the contractors who perform UST Services.

These updates clarify the relationship between the UST contractor rules and the UST equipment rules. The revisions also expand DEQ oversight of testing, repair, and construction work performed by licensed UST contractors. This is intended to result in higher compliance with UST regulations through increased communication.

On June 25, 2025, DEQ's UST Program hosted a webinar to explain the rule changes and answer contractor questions. Since then, we have received a high volume of inquiries, concerns, and in some cases, misinformation about what the rule updates require.

To be clear: if you have questions about your UST equipment or the rules that apply to it, please contact us directly. We encourage operators and contractors to reach out to individual UST inspectors or call DEQ's main line at 503-229-5696 and ask for the Underground Storage Tank Program. You may also contact the UST Program directly at 503-229-5034 or by email at [ust.dutyofficer@deq.oregon.gov](mailto:ust.dutyofficer@deq.oregon.gov).

### How do these changes affect you?

As part of the recent rule changes to OAR 340-160, licensed UST contractors are now required to:

- Notify the UST Program prior to conducting any compliance testing
- Submit test documentation within 30 days of completing the work

These requirements apply to all regulated testing work performed under a DEQ UST contractor license. Since the rule update, we've heard concerns from operators and contractors, including:

- "If I report a spill bucket failure the facility will be shut

down immediately."

- "If a contractor reports an overfill issue, the operator will automatically receive a penalty."

Contractors reporting valid test results are fulfilling a legal obligation, not triggering enforcement action to the operator. That said, if DEQ receives evidence of non-compliance and there is no documented effort to correct or respond, enforcement is possible. **Timely correction and communication are critical.**

[OAR 340-150-0163](#) outlines the core requirements for operating a regulated UST system in Oregon. These requirements are also the foundation of the compliance inspections DEQ must conduct under the federal Energy Policy Act of 2005. Failure to meet any part of [OAR 340-150](#) can result in enforcement which some of you may have already experienced during past inspections.

Let's be clear. The intent of the recent rule change is not to increase enforcement against operators. As strange as it may sound, the intent is to reduce the number of violations observed during inspections. I understand if you're skeptical of that claim. I would be too if the roles were reversed.

Violations observed during compliance inspections must be documented which usually results in mandatory enforcement.

The new requirement for contractors to submit test results within 30 days creates a separate opportunity. If we receive those results in advance, we can engage with you before the next inspection occurs. That window gives you a chance to correct issues and potentially avoid having them flagged during the inspection which may result in enforcement actions.

This will not eliminate enforcement, but it can reduce the number of violations recorded during inspections. The earlier we know about a problem; the more options exist for correction before it becomes part a formal violation.

Let's look at an example.

**Scenario Comparison: Spill Bucket Failure – Two Paths,**

## Two Outcomes

### Scenario 1: Spill Bucket Failure Discovered During DEQ Inspection

On September 1, 2025, a DEQ UST inspector visits your facility for a scheduled inspection. During the inspection, they observe two things:

- A visibly cracked spill bucket
- A failed spill bucket integrity test dated one year prior

At that point, the inspector is required to document the violation and enforcement actions must follow which may result in the following:

- A \$500 penalty
- Tank placed into temporary closure until the spill bucket is repaired or replaced and passes a valid test
- A DEQ-imposed deadline for correction
- Risk of formal referral to the Office of Compliance and Enforcement if repairs are not completed, which may trigger additional civil penalties

### Scenario 2: Contractor Submits Test Results for Failed Spill Bucket

On the same date, September 1, 2025, a licensed contractor conducts routine spill bucket testing at your facility. The test fails and the following occurs:

- You work with the contractor to confirm the spill bucket must be replaced
- The contractor submits the failed test results to DEQ within the required 30-day requirement
- You begin obtaining bids or scheduling the repair immediately
- You contact DEQ to notify us that the failure occurred, and you are working toward resolution within an agreed-upon deadline
- After the spill bucket is replaced and passes a new test, the contractor submits updated records showing the new spill bucket has passed.

### Key Difference

In both scenarios, the failed spill bucket must be replaced. The physical outcome is the same.

But in **Scenario 1**, DEQ learns about the failure during an inspection which requires enforcement, including a \$500 penalty and possible tank closure.

In **Scenario 2**, DEQ is notified through the required contractor test submission. The operator follows up, takes corrective action, and resolves the issue before an inspection occurs. In this case, enforcement is not automatically triggered.

### Bottom Line

The rule requiring test result submission within 30 days gives operators an opening to fix problems before DEQ discovers them during an inspection. It does not excuse non-compliance.

## Additional Comments

The DEQ UST Program is bound by Oregon statutes and administrative rules governing regulated underground storage tanks. The rules are explicit:

***All required UST equipment must be fully functional for a tank to be legally operated in Oregon.***

Operating a tank with any piece of compliance component that is not working properly is in violation of Oregon statutes and rules. The rules do not include a provision for operating a tank with partially functioning or intermittently failing components.

Each day any compliance component is non-functional increases the chance of a release to the environment.

This is not just a paperwork issue. When spill buckets, overfill devices, release detection equipment, or other required components are not working, the risk of a petroleum release into soil or groundwater increases significantly. The consequences for these releases include:

- Expensive remediation of contaminated sites
- Long-term monitoring and cleanup oversight
- Increased enforcement actions from DEQ
- Delays in permitting, renewal, or operational approvals
- Potential replacement of entire UST systems

**Important Note:** Repairs to improperly functioning equipment must be completed as soon as practical. After test results are submitted through YDO, a DEQ UST inspector will review the information and contact you regarding any required corrective actions and associated repair deadlines. Failure to complete required repairs within the timeframe established by DEQ may result in formal enforcement action.

### Final Thoughts

The UST Program understands that some operators hesitate to contact the State out of concern for penalties. Compliance is the objective. Not punishment.

Our mission is to protect Oregon's soil and groundwater. A cracked spill bucket on-site is not just a violation, it's a potential pathway for petroleum contamination to reach drinking water systems. We want to work with you to ensure your UST system is safe for the community you are serving.

From 7/1/24—6/30/25, DEQ inspected 1,170 tanks and identified 753 violations. With the revised rules now in effect, we hope to see fewer violations in FY2026 and look forward working with you to achieve this goal.

We welcome your questions. Please contact us by phone at 503-229-5034 or by email at [ust.dutyofficer@deq.oregon.gov](mailto:ust.dutyofficer@deq.oregon.gov).

Prevention is less costly than remediation.

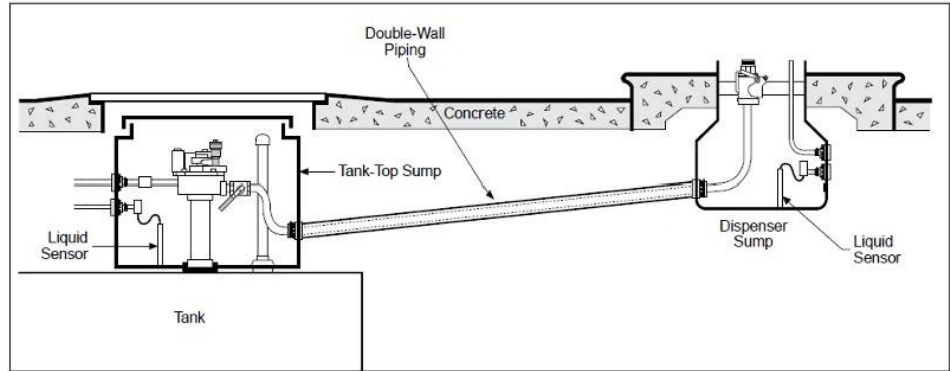
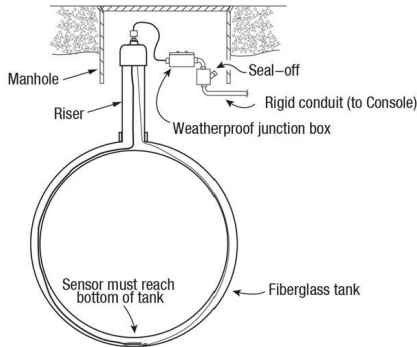
Mark Drouin, UST Compliance Program Manager

# Interstitial Monitoring

All tanks and piping installed after March 8, 2008 must use interstitial monitoring for release detection. There are several components to this requirements.

## 1) Equipment

Interstitial monitoring detects the presence of liquid in either the interstitial space between the inner and outer walls of a tank, or in containment sumps where liquid drains from the interstitial space between the inner and outer walls of piping. This requires sensors.

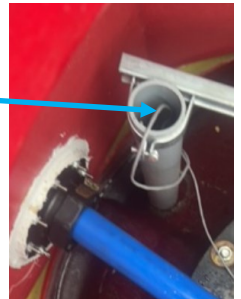


Sump sensors must be secured and rest flush with the bottom at the lowest part of the sump where liquid accumulates first. Liquid must be free to drain from the interstitial space in the piping into the containment sump where the sensor is. Raised sensors and tight penetration boots are very common violations that DEQ inspectors observe and cite.



This UDC sensor has been lifted from the lowest part of the sump and placed upon a shelf in the UDC. This is a serious violation

This STP sump sensor is correctly secured and rests in the correct part of the sump, flush with the bottom



The metal clamps around this boot were tightened, probably during a hydrostatic test, and not opened again afterward. This does not allow the piping secondary to drain to the UDC. This is a serious violation

## 2) Alarms

Most interstitial sensors are hooked up to an automatic tank gauge (ATG.) They trigger an alarm when they detect liquid. **You must record and respond to all sensor alarms.** Your monthly walkthrough form is a good place to record alarms. For tank annular alarms, **call your service provider immediately and report the suspected release to DEQ within 24 hours.**

For alarms from a sensor in a sump, you must open up the sump to investigate the cause of the alarm. In rainy Oregon, it's unfortunately easy for water to get into containment sumps. If you find water in a sump, remove the water, clear the alarm and record the alarm and your response. If you find fuel in a sump, this is a **suspected release**, and **you must report it to DEQ within 24 hours.**

**Never raise a sensor to keep it from alarming.**

Some sump sensors are not hooked up to ATGs, but instead shut off power to the tank turbine or the dispenser. Treat these shutdowns the same as alarms. Record, investigate and notify DEQ if you find fuel in a sump.

## 3) Recordkeeping

In addition to recording alarms, you must also keep printouts of your liquid sensor status for every month. Print them out from the ATG the same day of every month, and keep them onsite to show the DEQ inspector. Again, attached to your monthly walkthrough form is a good place to keep them. If you see an alarm on the printout, respond as described above, and then print out another report when the problem has been identified and resolved.

For shutoff sensors, there is no report from the ATG. You must keep a monthly log by hand, recording the status of the sensors. DEQ has a shutoff sensor form available on our website:

<https://www.oregon.gov/deq/tanks/Documents/DispCutOffSensorMonForm.docx>

If you have sensors in your UDCs, you must open the UDCs every month and verify that the sensors are correctly positioned and not in alarm, recording this on your monthly walkthrough form.

#### 4) Testing

Every year, as part of your annual testing, you must have your tank gauge (the Veeder Root, Evo, etc) and sensors tested by a licensed UST Supervisor, working for a licensed UST Service Provider. The UST Supervisor must have a certification from the UST equipment manufacturer saying that they are qualified to test that equipment. A liquid sensor status report and an alarm history report must be printed out from the ATG and attached to the test report form. You must keep this test record on site to show the DEQ inspector.

## Your DEQ Online

As of January 7, the UST Compliance Program has been using Your DEQ Online (YDO) for one year. It remains very challenging for both UST owners and contractors and DEQ staff alike. *All* forms and applications for the UST Compliance Program must be submitted through YDO: financial responsibility, ownership modifications, license applications, testing notification and results, 30 day notices for construction projects, etc.

DEQ has user guides for all UST submittals available at this link: <http://oregon.gov/deq/permits/Pages/UST-in-YDO.aspx>

In addition the YDO Help Desk is available at this link: [oregondeq.atlassian.net/servicedesk/customer/portal/2](http://oregondeq.atlassian.net/servicedesk/customer/portal/2)

Your annual tank fees invoice has further information about paying online.

## Happy 2026!

You received this *Tankline Bulletin* with your invoice for 2026 tank fees. DEQ issues operating certificates in June for the state fiscal year starting on July 1. OAR 340-150-0102(4) states:

A registration certificate for operation will automatically terminate on the date set forth on the certificate if the permittee fails to provide DEQ with the following prior to June 30th of each year:

- a. Proof of compliance with financial responsibility requirements in OAR chapter 340, division 151; and
- b. Payment of fees due under OAR 340-150-0110.

Make sure to keep your proof of financial responsibility up to date. Like all UST submittals, it must be submitted through Your DEQ Online. You do not have to renew your operating certificate. DEQ will send them out. But DEQ will *only* send operating certificates to sites with tank fees paid in full and current proof of financial responsibility.

#### Translation or other formats

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