

ARIZONA STATE HOUSE OF REPRESENTATIVES
RESEARCH STAFF



TO: JOINT LEGISLATIVE AUDIT COMMITTEE

DATE: January 26, 2022

SUBJECT: Sunset Review of the Arizona Department of
Environmental Quality

Paul Bergelin
Committee on Natural
Resources, Energy & Water
Telephone: (602) 926-3458

Attached is the final report of the sunset review of the Arizona Department of Environmental Quality which was conducted by a joint meeting of the House Committee on Natural Resources, Energy & Water and Senate Committee on Natural Resources, Energy & Water.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Douglas A. Ducey

President of the Senate
Senator Karen Fann

Speaker of the House of Representatives
Representative Russell Bowers

House Members
Representative Gail Griffin, Chair
Representative Judy Burges, Vice-Chair
Representative Morgan Abraham
Representative Andrés Cano
Representative Frank Carroll
Representative Andrea Dalessandro
Representative Tim Dunn
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Representative Teresa Martinez
Representative Christopher Mathis
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Senate Members
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Senator Victoria Steele

Arizona Department of Environmental Quality
Arizona State Library, Archives & Public Records
House Republican Staff
House Democratic Staff
House Research Staff

Senate Resource Center
Senate Republican Staff
Senate Democratic Staff
Senate Research Staff
Office of the Auditor General

House of Representatives
Natural Resources, Energy & Water
Committee of Reference



Senate Natural Resources, Energy & Water
Committee of Reference

Sunset Review of the
Arizona Department of Environmental Quality

Final Report

January 2022

House Members

Representative Gail Griffin, Chair
Representative Judy Burges, Vice-Chair
Representative Morgan Abraham
Representative Andrés Cano
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Senator Victoria Steele

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Report 2022

Background

Pursuant to [A.R.S. § 41-2953](#), the Joint Legislative Audit Committee assigned the sunset review of the Arizona Department of Environmental Quality (ADEQ) to the House Natural Resources, Energy & Water and Senate Natural Resources, Energy & Water Committees of Reference for review.

ADEQ possesses delegated authority from the Environmental Protection Agency to enforce some federal environmental laws including the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Resource Conservation and Recovery Act and the Safe Drinking Water Act. In that capacity, it ensures Arizona's compliance with these environmental laws ([A.R.S. §§ 49-202, 49-404, 49-761](#) and [49-922](#)).

ADEQ also administers and enforces state environmental laws and rules including:

- 1) The Water Quality Assurance Revolving Fund program, which identifies, prioritizes, assesses and remediates threats of contaminated soil and groundwater sites; and
- 2) The Voluntary Remediation Program, in which ADEQ will forgo enforcement activities when an owner develops and implements and work plan to remediate a contaminated site ([A.R.S. §§ 49-282, 49-172](#)).

ADEQ will terminate on July 1, 2022 unless legislation is enacted for its continuation ([A.R.S. § 41-3022.19](#)).

Summary of Committee Activity

The House Natural Resources, Energy & Water and Senate Natural Resources, Energy & Water Committees of Reference jointly met on January 5, 2022, to evaluate ADEQ's response to the sunset factors and receive public testimony.

Committee Recommendation

The House Natural Resources, Energy & Water and Senate Natural Resources, Energy & Water Committees of Reference jointly recommended that ADEQ be continued for eight years until July 1, 2030.

Appendix A:

January 5, 2022 House Natural Resources, Energy & Water and Senate Natural
Resources, Energy & Water Committee of Reference
Minutes and Reference Materials



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Misael Cabrera
Director

September 1, 2021

The Honorable Gail Griffin
Arizona House of Representatives
1700 W. Washington Street
Phoenix, AZ 85007

Re: Response to June 17, 2021 Committee of Reference Sunset Factors Request

Dear Representative Griffin:

I am writing in response to your June 17, 2021 letter requesting a response to the following eight questions, as a supplement to our July 2, 2020 Sunset Factors Report, for consideration in determining whether the Department should be continued, revised, consolidated or terminated.

1. An identification of the problem or the needs that the agency is intended to address.

The Arizona Department of Environmental Quality was created by the Legislature under the Environmental Quality Act of 1986 to consolidate all environmental programs into one agency so that the regulated community had one destination to obtain its environmental permits, and so that one agency was responsible for protecting and enhancing public health and environment in Arizona. To accomplish its mission, ADEQ administers a wide range of state and federal programs administered through our Waste Programs Division, Water Quality Division and Air Quality Division. Each of these Divisions issues permits to safely control discharges into Arizona's water, land and air. Each Division also conducts compliance and enforcement activities, environmental monitoring and analysis and facilitates public access to data and opportunities to comment on Departmental activities. And, the Department's remediation programs ensure polluted areas of our state are defined and cleaned up quickly and safely.

2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.

The [ADEQ FY2022 Strategic Plan](#) identifies five strategic goals to enable ADEQ to meet its mission of protecting and enhancing public health and the environment and to fulfill the vision of being the number one state in the nation in balanced leading-edge environmental protection through technical and operational excellence and radical simplicity for customers and staff.

These strategies include:

1. Reduce the number of Known, Ongoing, Unauthorized Impacts (KOUI) to human health and the environment.
2. Develop and Implement the Surface Water Protection Program (HB2691), enacted in June, 2021.
3. Address ozone nonattainment.
4. Assume primacy of Underground Injection Control (UIC) and Coal Combustion Residuals (CCR) Federal Programs.
5. Ensure sustainable environmental program funding.

These strategies are further defined in specific objectives with metrics as follows:

Objective	Metrics	Initiatives
Reduce the number of Known, Ongoing Unauthorized Impacts (KOUIs) from 68 to 51 including	<ul style="list-style-type: none"> ● Number of KOUIs. ● Number of net Drinking Water Systems not meeting federal standards. ● Number of net Impaired Surface Waters. 	<ul style="list-style-type: none"> ● Stop PFAS plume before it reaches Tucson’s central drinking water wells by conducting a pilot PFAS treatment system. ● Leverage WIFA loans & WIIN Act for small systems. ● Expand assistance to small drinking systems including technical, managerial and financial support.
Focus on the steps necessary to implement the Surface Water Protection Program.	<ul style="list-style-type: none"> ● Percent complete of fully implementing program. (goal: 75% complete) 	<ul style="list-style-type: none"> ● Complete the proposed rule package and publish for public comment
Find and certify 210 tons of ozone offsets (VOCs and NOx) in the Greater Phoenix non-attainment area by June 30, 2022.	<ul style="list-style-type: none"> ● Tons of ozone precursor offsets certified. 	<ul style="list-style-type: none"> ● Analyze, prioritize and implement countermeasures to reduce ozone precursors in the Phoenix Area and create offsets. ● Work with Maricopa and Pinal counties and stakeholders to identify voluntary air emission reduction credits.
Assume Underground Injection Control Program.	<ul style="list-style-type: none"> ● Percent complete of fully implementing the UIC program. (goal: 75% complete) 	<ul style="list-style-type: none"> ● Complete the final UIC rule and primacy packages and submit for EPA approval.
Enactment of authorizing statute to facilitate CCR primacy.	<ul style="list-style-type: none"> ● Percent complete of agency requests submitted in FY22. (goal: 100% complete) 	<ul style="list-style-type: none"> ● Conduct stakeholder meetings and compile recommendations for FY23. ● Conduct regularly scheduled meetings with OSPB. ● For appropriated funds, we’re going to include recommendations in the FY23 EBR. ● For fee adjustments requiring statutory change, include recommendations in ADEQ legislative proposals to the Governor’s office.

		<ul style="list-style-type: none"> • For fee adjustments requiring only rule change, adhere to the standard rule exemption process.
Secure Agency continuation from the Legislature	<ul style="list-style-type: none"> • Percent complete of Agency Sunset process. (goal 100% complete) 	<ul style="list-style-type: none"> • Advocate for Agency continuation for no less than 8 years. • Prepare response to Auditor General report and findings. • Address Auditor findings not associated with funding shortages prior to Legislative vote.

While our Strategic Plan provides a window into our future, ADEQ’s deployment of the Arizona Management System (AMS) since the last sunset audit has engaged our employees to achieve amazing results as shown below and in the performance metrics at: <http://www.azdeq.gov/ams>.

Our Accomplishments

- Led by ADEQ, Arizona was the first state in the nation to complete a comprehensive statewide screening program for lead in public school district drinking water. Over 16,000 drinking water samples collected at over 1,400 schools confirmed that Arizona’s public school district facilities are not a common source of lead in Arizona within six months’ time.
- Greater than 99 percent of the population continues to receive drinking water that meets state and federal requirements.
- ADEQ has assisted more than 1.4 million additional people with receiving healthy drinking water through helping 245 public water systems to return to compliance with safe drinking water regulations standards since Fiscal Year (FY) 2016.
- Since Fiscal Year 2014, ADEQ has treated 14.9 billion gallons of contaminated groundwater, removed nearly 25,000 pounds of volatile organic compounds and 11.5 million pounds of metals and other hazardous waste from the environment, through the Water Quality Assurance Revolving Fund (WQARF) program.
- ADEQ implemented a new UST Program that has accelerated the discovery and mitigation of releases, achieved twice as many cleanups over the 2012 baseline and resulted in the lowest number of open UST releases since the 1980s.
- ADEQ has supported more than 72 brownfields projects in more than 34 communities across the state since FY2014.
- Arizona has seen a 68% reduction of emissions, even as our economy and population has grown.
- Facilities are returning to compliance 49% faster.

- Enhanced air quality information for Arizona communities by delivering hourly air quality forecasts, high pollution watches/advisories online, by email and through the Air Arizona mobile app.
- Developed and deployed a state wildfire smoke forecast in 2020, the first of its kind in the country, to provide Arizona communities with early and ongoing information about potential air quality impacts from wildfires.
- Landmark settlement was achieved to address border region wastewater which set forth a comprehensive plan to mitigate future discharges of untreated wastewater into the Nogales Wash and Santa Cruz River in Nogales, Arizona. The settlement yielded \$34 million in federal funding.
- Reduced vehicle emissions inspections fees resulting in savings of over \$81.8 million for motorists in Area A since 2014.
- Won the following awards:

2022

- Special Award from the American Meteorological Society for ground-breaking work to develop the Wildfire Smoke Forecast.

2021

- COVID-19 Air Quality Inspection/Compliance Determinations recognized as Best Practice by the Association of Air Pollution Control Agencies.
- Mobile Compliance Inspections recognized as an Exemplary System in Government by the Urban and Regional Information Systems Association (URISA).
- Earned a Top Product of the Year Award from Environment + Energy Leader for the Automated Surface Water Quality Assessment Tool.
- Awarded a Granicus Digital Government Award for Superior Civic Engagement for myDEQ, My Community & Companion Demographic & Environmental Data Dashboard, Wildfire Smoke Forecast and Automated Surface Water Quality Assessment Tool.
- Received the Environmental Excellence Award for Public Involvement and Education for the Arizona Water Watch Citizen Science Program from the National Association of Environmental Professionals.

2020

- Recognized as Environment + Energy Leader 100 Honoree for using AMS to dramatically increase positive environmental outcomes and deliver award-winning online services for customers.
- Online service portal myDEQ won an innovation award for software development from the CIO 100 Symposium.

- Finalist for the Adobe Creativity Government Award for Arizona Water Watch marketing materials. Arizona Water Watch offers Arizona residents and visitors the opportunity to help monitor and protect Arizona’s waters.
- ESRI Special Achievement in GIS Award for Arizona Water Watch.

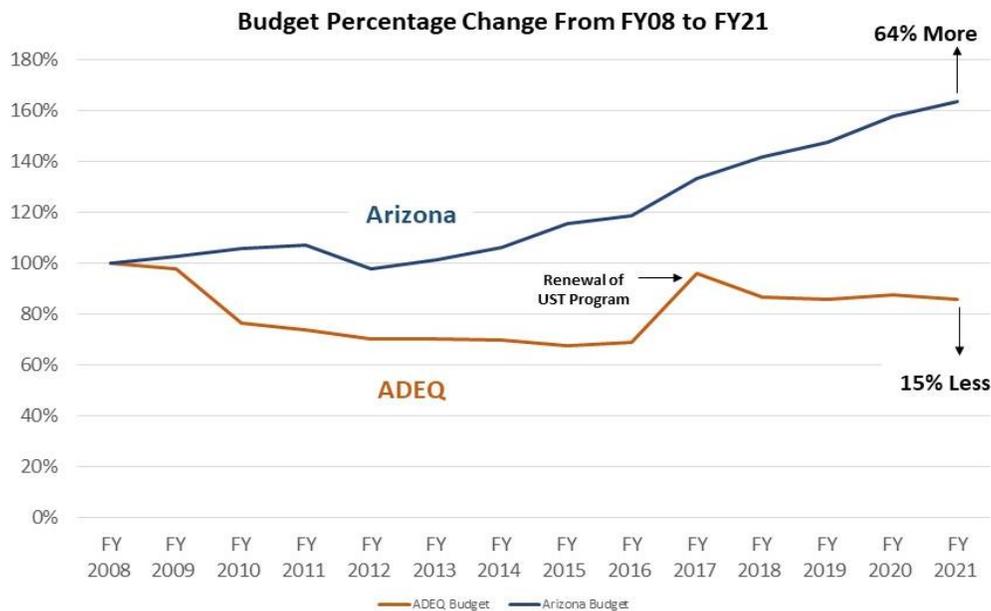
2019

- Arizona Forward Crescordia Award for Technology Innovation for ADEQ’s Water Watch mobile app.
- State Government Experience award from The Center for Digital Government for myDEQ.

2018

- Good Government Award from Governor Douglas A. Ducey.
- Environmental Council of States Innovation Award for Arizona Water Watch.
- National Association of State Chief Information Officers (NASCIO) State Information Technology Recognition Award — Digital Government: Government to Business Category: myDEQ Environmental Compliance Portal.

ADEQ achieved these and other significant mission, fiscal and customer results with 235 fewer people and 15% less budget than in 2008.



3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

ADEQ’s mission is unique among Arizona state agencies and has no conflicting or duplicate objectives with any other state agency. The Attorney General has limited independent authority

to bring criminal cases related to some environmental crimes. ADEQ does not have criminal enforcement authority.

When appropriate, the Department enters into delegation agreements with political subdivisions, such as a county, to implement certain environmental regulatory functions authorized in statute. These delegated local authorities must exercise standards of conduct and application of law that are not less stringent than ADEQs operation. Delegation agreements help ensure the agency avoids duplication with local agencies by specifically outlining the function, duties and roles of the respective agencies. ADEQ delegates a number of permitting, compliance and inspection functions to county agencies and rather than a duplication or conflict of effort, they promote local involvement and control in state environmental programs. ADEQ is currently in the process of revising delegation agreements and anticipates new agreements to be signed by all parties by January 3, 2022. ADEQ is also developing standardized training and auditing processes that will coincide with execution of the new updated agreements.

Furthermore, ADEQ works cooperatively with Maricopa, Pima and Pinal County, each of whom has programs approved by the Environmental Protection Agency (EPA) to administer certain portions of the Clean Air Act.

4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

See response to Sunset Factor #10 of the ADEQ Sunset Factors Report of July 2, 2020.

As stated previously, ADEQ is unique among state agencies. If the Legislature terminated the Department, federally delegated and assumed functions would revert to EPA, and those reverted functions would be managed by EPA Region 9 staff located in San Francisco, thus eliminating the ability for Arizona to manage environmental risk in a way that best meets our needs. Several of the regulatory programs that have the most impact on both public health and the environment and private business operations would be impacted, including, but not limited to the Hazardous Waste Program, the Safe Drinking Water Program, many portions of Clean Air Act implementation and the Underground Storage Tank Program.

In addition, the vast majority of Water Quality Assurance Revolving Fund sites managed by the State would qualify and could be added to the federal Superfund list. This means that those businesses that are now conducting cleanup under the more equitable and business friendly proportionate share liability scheme that WQARF provides, would be subject to the joint and several liability scheme utilized by EPA. This means these same businesses could be held responsible for 100% of the cleanup costs at a site, regardless of their contribution to the problem.

Before the creation of ADEQ, the Arizona Department of Health Services had purview of environmental issues among its many responsibilities. Consolidating these agencies would impair compliance assistance, outreach, permit processing, and the creative approaches and improvements ADEQ has taken in order to protect the environment, promote compliance and educate the public. ADEQ recognizes that discussions have occurred over the years

contemplating combining ADEQ with other agencies to effect efficiencies. While ADEQ would certainly adapt to any such change, the unique functions of the Department are best served by maintaining a separate agency focused on ADEQ's core mission of protecting public health and the environment.

5. The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and business to operate efficiently and increasing the cost of government.

ADEQ recognizes and respects that Arizona tax payers and ADEQ's customers have made a financial investment in state government with an expectation that they will receive value in return. This value is manifested in many ways. Certainly, it can be seen in operational efficiency that holds down cost and ensures timely delivery of products and services, such as permits, but it can also be seen in effectiveness with which an agency fulfills its statutory mission. In ADEQ's case, citizens expect a clean, safe, and healthy environment. They expect Department personnel to apply themselves productively and use their knowledge and expertise to administer federal and state laws fairly and responsibly. They also expect the Department will not act frivolously or wantonly so as to adversely affect Arizona's economy or its ability to retain and attract businesses to the state.

Our Accomplishments:

- 50% of agency-provided services are online through myDEQ (88 of 177) which has over 40,000 annual transactions and an estimated annual economic benefit of \$192 million.
- Returned \$2.32 Million to the State from vacated and sold buildings in Phoenix (2017) and Tucson (2020).
- Consolidated office space in Phoenix in 2015, which reduced total square feet by nearly 30,000 and reduced annual rent expense by over \$500,000. Consolidated office space in Phoenix again in 2021, reducing occupancy and an additional total square feet by 48,000 with more to come.
- Steadily increased outsourcing and privatization – in FY 2021, almost 60% of ADEQ's budget went to private enterprises, non-profit organizations and local governments.
- Negotiated a \$1.1 million annual cost saving in the privatized vehicle emission testing contract that started in July, 2021.
- Reduced the number of fleet ADEQ vehicles by 32% from 96 in 2015 to 65 in 2021.
- Implemented a gas cap replacement program to immediately replace failing gas caps at Vehicle Emissions Inspections stations at no cost to the consumer.

ADEQ staff adheres to several principles and values, foremost among them is to advocate for Arizona's environment and to uphold the highest standards of technical professionalism. The

Department also is committed to openness, honesty, and transparency, which helps limit the occurrence of unexpected consequences. Because ADEQ implements many programs in lieu of EPA, federal laws and EPA policies influence departmental decisions. To retain the primary responsibility of enforcing federal environmental laws, ADEQ must implement federal requirements, even when they may be contrary to the will and intent of Arizona's elected leaders. Regardless, the Department maintains a commitment to work with stakeholders, to identify and respect their values, thereby minimizing the regulatory burdens and other adverse impacts, while not compromising ADEQ's ability to carry out its core mission.

6. The ability of the agency to timely investigate and resolve complaints within its jurisdiction.

The Department has processes, including convenient electronic tools, to receive and respond to environmental concerns ranging from water service complaints and environmental nuisances to hazardous material releases and other emergencies. Complaints may be received in person, by phone, through the online complaint portal, or through email. All complaints are logged into the ADEQ complaint tracking system database in order to track how quickly we respond to the complainant, the complaint follow-up including inspections and further compliance actions, and the closure of the complaint that includes notifying the complainant of the Agency's actions. To assist the public in filing complaints after hours, the Agency has established a toll-free emergency response telephone number that is answered 24 hours a day.

In FY 2020 and 2021, ADEQ received 849 and 900 complaints, respectively, and responded to complainants within 5 days, 77 and 84 percent of the time, respectively. In FY 22 so far, 82% of complaints have been responded to in 5 days or less with an average of 1 day to respond.

To continue improving, ADEQ is implementing the following complaint goals into our Compliance Handbook. 1) Complaints that deal with acute risks will be mitigated as soon as possible, which may mean notice provided to affected residents if the problem cannot be resolved immediately. 2) Other complainants will be responded to within 2 days. For complaints that require an inspection after the initial response, inspections will be conducted within 10 days.

7. The extent to which the occupational regulation meets the requirements of ARS 41-3502, as amended, transferred and renumbered by Laws 2021, Chapter 176

ADEQ's occupational regulations meet the requirements of ARS 41-3502 and include Potable Water and Wastewater System Operator Certifications (ARS 49-352, 361 and AAC R18-5-101 et seq.), Underground Storage Tank Service Provider Certifications (ARS 49-1082 and AAC R18-12-801 et seq.), and Septage Hauler Certifications (ARS 49-761 and AAC R18-13-1103). ADEQ regulates these occupations because there is credible evidence of harm that the unregulated practice threatens the public health, safety, and welfare of this State, and the benefits of regulation far outweigh the costs.

For example, Potable Water Operators (Drinking Water System Operators) frequently encounter issues with the water that is provided to customers and it is imperative that an operator of those systems have the knowledge and training to manage those issues effectively in order to ensure clean water is provided. Such operator certifications are required by federal law and neighboring states have reciprocal relationships with Arizona to recognize such certifications. Likewise, Wastewater Operators and Septage Haulers must ensure humans are not exposed to pathogens in waste. Underground Storage Tank Service Providers must ensure tanks are installed to prevent leakage into groundwater, which would then contaminate drinking water sources. ADEQ is currently cleaning up many leaking underground storage tanks across the State that have impacted or could impact aquifers designated for drinking water.

The operator programs are the least burdensome possible while maintaining their objective of ensuring public health and safety.

- 8. The extent to which the failure to regulate a profession or occupation will result in:**
- a. The loss of insurance**
 - b. An impact to the ability to practice in other states or as required by federal law**
 - c. An impact to the required licensure or registration with the federal government**
 - d. The loss of constitutionally afforded practices.**

If ADEQ does not regulate the potable water and wastewater service provider certifications, it will be out of compliance with federal law requiring such regulation. As well, other states also require those certifications.

Thank you for providing ADEQ an opportunity to respond to these additional questions and thank you for your leadership and support for our mission to protect public health and the environment. Please let me know if you require additional information.

Sincerely,



Misael Cabrera, P.E.
Director

cc: Senator Sine Kerr, Senate Committee on Natural Resources, Energy & Water, Chair
Kaitlyn Neff, Senate Committee on Natural Resources, Energy & Water, Analyst
Paul Bergelin, House Committee on Natural Resources, Energy & Water, Analyst

Enclosure: ADEQ Fact Sheet

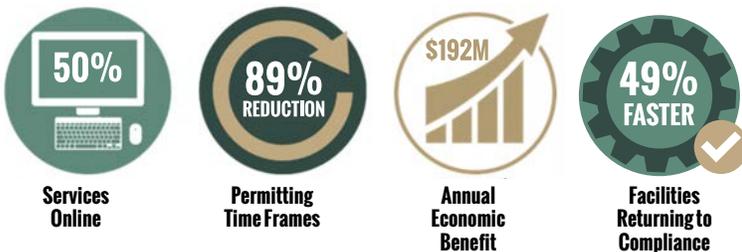
ADEQ is Requesting a Continuation of 8 Years or More

Citizens expect a clean, safe, healthy environment and a strong economy. At ADEQ we deliver environmental protection with innovation, speed and great customer service that supports environmentally responsible economic growth. Since the last sunset review in 2013, and with the support of the legislature, ADEQ has aggressively transformed its operations in pursuit of our vision to deliver balanced, leading-edge environmental protection through operational and technical excellence and radical simplicity for customers and staff.

Innovative, Efficient, Effective Government

Launched the myDEQ Permitting & Reporting Portal

50% of agency-provided services are available online through myDEQ – a TurboTax®-like platform, where customers answer questions that seamlessly guide them through permitting and reporting requirements. myDEQ radically simplifies the permitting process, reduces application errors, automates complex calculations and integrates compliance reporting, all in one application. **ADEQ partnered with the legislature to fund myDEQ through legislative transfers – no new revenue was required.** Today, we are helping customers conduct over 40,000 transactions per year, faster and with better outcomes for the environment – online reporting allows ADEQ and our customers address problems faster!

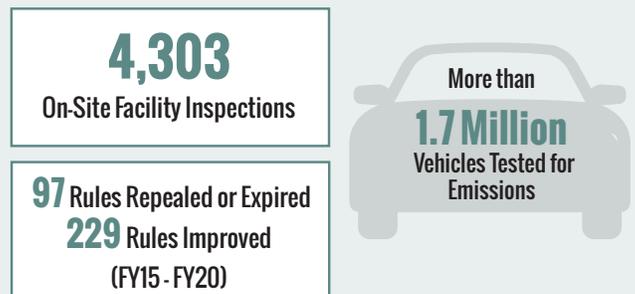
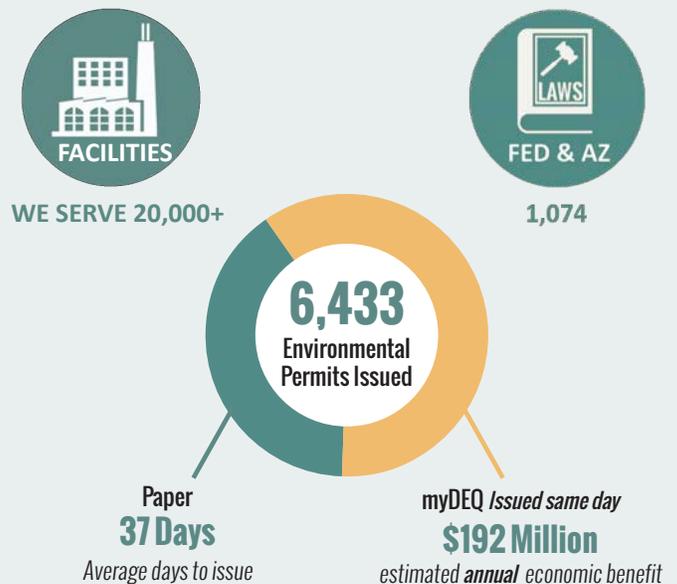


“The myDEQ online tool is a perfect example of government streamlining their processes to meet the needs of businesses and other stakeholders. The increase in permitting speed and the ease of doing business makes myDEQ portal invaluable to our membership and we look forward to additional features in the future.”

Mike Huckins, Vice President of Public Affairs,
Greater Phoenix Chamber of Commerce

ADEQ’s Mission is Vital and Large

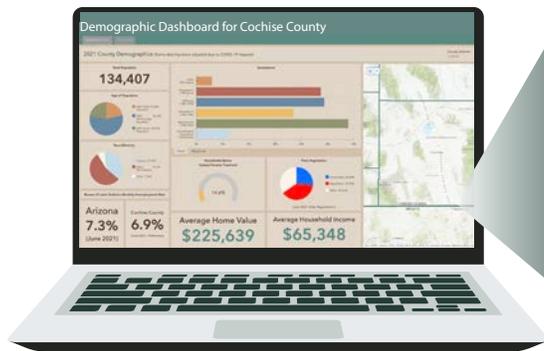
Although we are not a large Department, our vital mission spans the entire state. Our mission is to protect and enhance Arizona’s environment – the air, water and land that sustains us.



We deliver our mission with innovation, efficiency, great financial stewardship, and results. We also make sure to serve all Arizonans everywhere they live.

Launched My Community + Demographic & Environmental Data Dashboard

Anyone can access environmental data that's important to them with ADEQ's easy-to-use, online tools including interactive e-maps, outreach program information, demographic and environmental Geographic Information System dashboard, and personal assistance from an ADEQ Community Liaison contact.

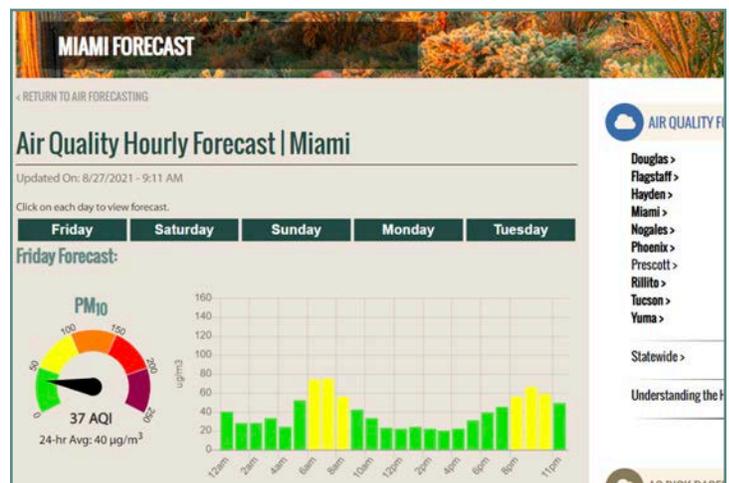


Predictive Analytics for Prevention of Compliance Issues

ADEQ developed and deployed a predictive analytics tool to focus our efforts on systems most likely to experience compliance issues to collaboratively prevent exceedances before they happen. Since developing and applying the predictive analytics tool for arsenic, ADEQ has prevented five public water systems from exceeding the arsenic limit, reduced the amount of time it takes for water systems to return to compliance by **325 days**, and provided technical assistance to four public water systems to address potential arsenic issues.

Enhanced Air Quality Forecasts

Delivering hourly air quality forecasts, high pollution watches/advisories online, by email and through the **Air Arizona mobile app** so people can better plan their days to protect their health and limit their pollution footprint when it matters most.



“What I love about these pages are:

1. They show the worst times of days for different pollutants, 2. I can compare levels in different cities, 3. There are different colors on the charts to indicate low, medium, high, and extreme pollution levels (more informative than numbers alone), and 4. The discussion of weather and the impact on air quality. This section is one of the best write-ups of our local weather I can find on the web and the connection with air quality is so informative! It is written in a way that is easily understood without insulting the intelligence of the reader- which I know is difficult to do.”

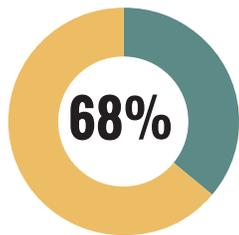
Jackie Rich, Community Member

ADEQ Works With Underserved Communities

We've taken actions to better engage and serve all Arizonans including those in rural Arizona.

Drinking Water in Disadvantaged Communities

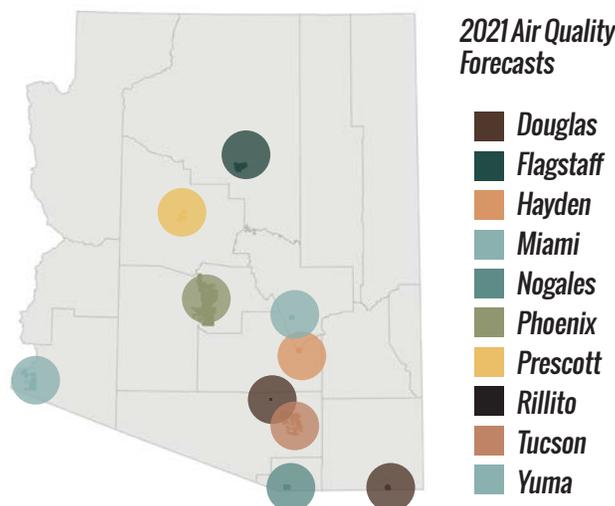
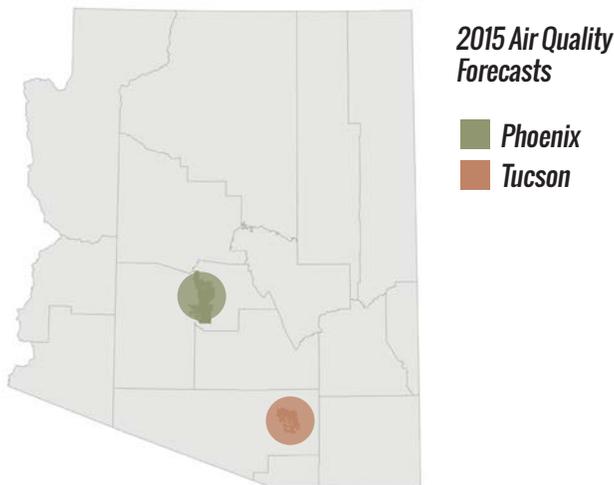
ADEQ expanded its compliance assistance program and linkages to funding options available to small drinking water systems enabling them to make necessary infrastructure upgrades.



of small drinking water system grants recommended by ADEQ went to disadvantaged communities.

Air Quality Forecasts Expanded to More Arizona Communities

Starting in 2015, ADEQ began expanding its Air Quality Forecasts to all areas of the state.



"We were between a rock and a hard place running out of water and without the financial means necessary to fix the water system. Without this Small Water Systems Fund grant, our families would not have the safe and reliable essential water we have today."

Paul Rivas, Community Member,
Three Points Area, Pima County

Community Liaisons

To better assist the public and regulated community all across the state, ADEQ has geographically dedicated staff serving the following regions:

- Apache, Navajo and Gila Counties
- Cochise, Graham, Greenlee and Santa Cruz Counties
- Coconino and Yavapai Counties
- Mohave, La Paz and Yuma Counties
- Pima and Pinal Counties

Brownfields

More Arizona communities are leveraging brownfields grants to revitalize blighted properties statewide. Brownfields grants help municipalities and nonprofits identify and reduce environmental hazards, mitigate public health threats, create new business opportunities, increase tax revenues and restore impacted properties to beneficial reuse. ADEQ has supported more than **72** brownfields projects in more than **34** communities across the state since FY2014.

Border Team

Our Border Team focuses on cross-border issues that impact Arizona's environment and citizens. We work in a binational and bicultural setting to promote efforts aimed at improving air quality, waste management and water quality conditions within Arizona's border communities. The Border Team regularly meets with the Arizona-Mexico Commission to develop action plans for projects or activities done in collaboration with the State of Sonora.

"We appreciate your leadership in reenergizing and reengaging in the [Border 2025] program to make the most of the benefits to the environment and quality of life to border residents. We look forward to continuing our efforts along the U.S.-Mexico Border with you."

Lisa Almodovar, Deputy Director, USEPA Office of International and Tribal Affairs

Award-Winning Innovation, Performance and Connection

Since 2018, ADEQ has been recognized and honored with **15 awards** for dramatically increasing positive environmental outcomes, technical excellence and innovation, civic engagement and online services for customers. National leaders among ADEQ's products and programs include the myDEQ online permitting and reporting portal, the automated surface water quality assessment tool, the Arizona Water Watch Citizen Science Program, the Wildfire Smoke Forecast, and more.



ECOS



esri



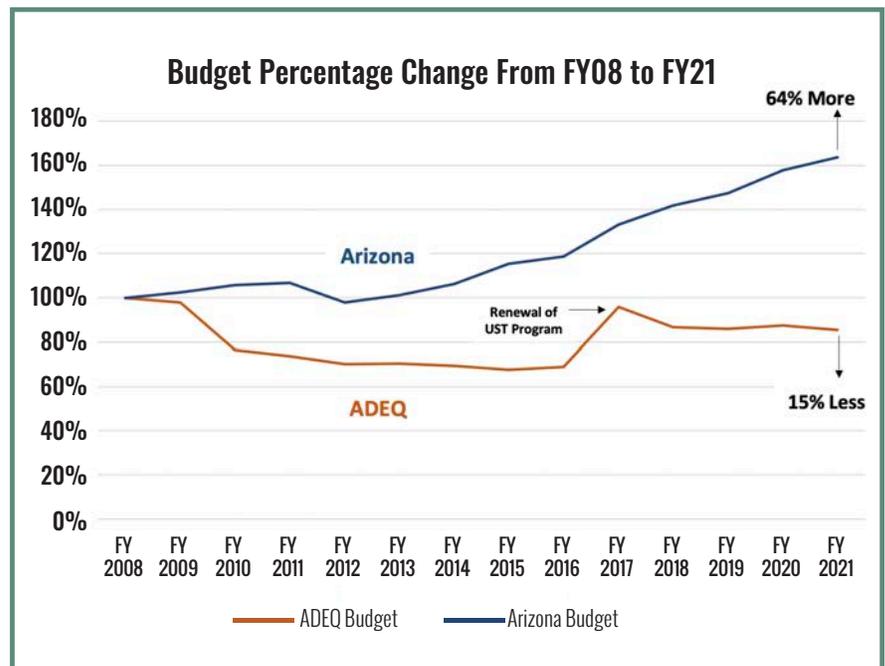
National Association of Environmental Professionals
Be Connected

Great Financial Stewardship

ADEQ achieved significant mission results and has done so with **235** fewer people and **15%** less budget than in 2008.

In addition, we have:

- Returned **\$2.32 million** to the State from vacated and sold buildings in Phoenix (2017) and Tucson (2020).
- Consolidated office space in Phoenix in 2015 and 2021, reducing total square feet by nearly **78,000 square feet** with more to come.
- Reduced vehicle emissions inspections fees saving motorists more than **\$81.8 million** since 2014.
- Highly outsourced – in FY2021, **almost 60%** of ADEQ's budget went to private enterprises, non-profit organizations and local governments.
- Reduced the number of ADEQ fleet vehicles by **32%** from **96** in 2015 to **65** in 2021.
- Implemented a gas cap replacement program to immediately replace failing gas caps at Vehicle Emissions Inspections stations at **no cost to the consumer or state.**



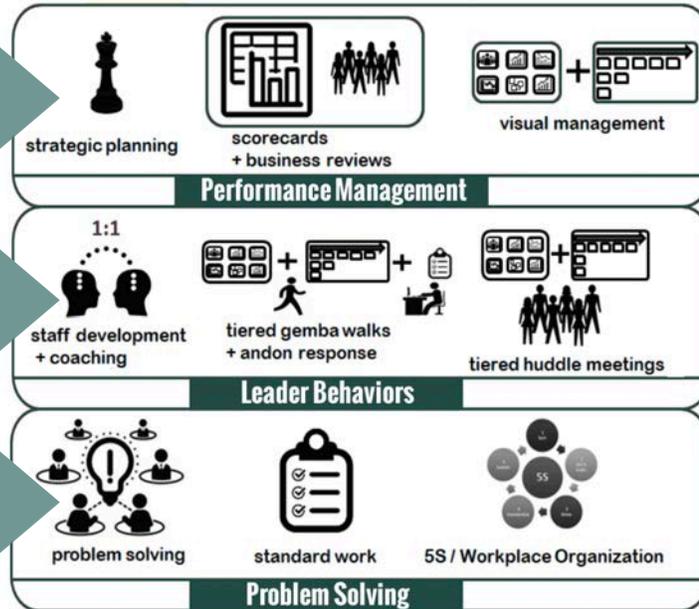
You Can Trust ADEQ for the Long Run

By integrating the Arizona Management System into every element of our work, ADEQ has dramatically increased efficiency, improved customer service and convenience, delivered award-winning online services, and breakthrough environmental outcomes for Arizona. And we have put specific processes and measures in place to ensure this high level of service continues.

We have **19** performance metrics to keep us on track and that let us know how we are doing and where we can improve. We also track **62** performance metrics by program.

To ensure the agency is positioned to serve Arizona today and for our future, ADEQ has a succession plan in place to develop and cultivate future leaders. ADEQ also tracks single points of failure so that they can be avoided and addressed.

To ensure we work efficiently and provide timely service, we document and use standard work for our processes, with more than **1,000** standard works in place.



“Thank you so very much for allowing us to observe your MBR [Monthly Business Review], I have been amazed at the breadth and depth of your analysis.”

Lynn Juett, USEPA
Superfund Remedial/
Removal Branch Chief

We Serve Your Constituents and Arizona’s Environment Well

Water Quality Assurance Revolving Fund (WQARF) Registry (State Superfund)

The WQARF is the State’s Superfund program, which cleans up the most polluted hazardous waste sites in Arizona. This program provides Arizona businesses with a more equitable approach than the Federal Superfund program, which can hold one entity accountable for all cleanup costs regardless of their small contribution to the site. Since the last sunset review, ADEQ has removed **four sites** from the WQARF Registry.

Groundwater Treated & Mass Removed by WQARF Since FY2014:

14.9 BILLION
Gallons of contaminated groundwater treated

25,000 pounds of volatile organic compounds
11.5 MILLION pounds of metals and other hazardous wastes

Drinking Water

ADEQ regulates more than **1,500 public** water systems statewide that provide Arizonans with essential drinking water. Greater than **99%** of the population continues to receive drinking water that meets state and federal requirements.



ADEQ has assisted more than

1.4 million

additional people with receiving healthy drinking water through helping



245 public water systems

to return to compliance with safe drinking water regulations standards since FY2016.

“SRP supports the leadership of Governor Ducey and Director Cabrera in advocating for full funding of Arizona’s WQARF Program. Full funding will help ADEQ accelerate efforts to clean up legacy contaminants.”

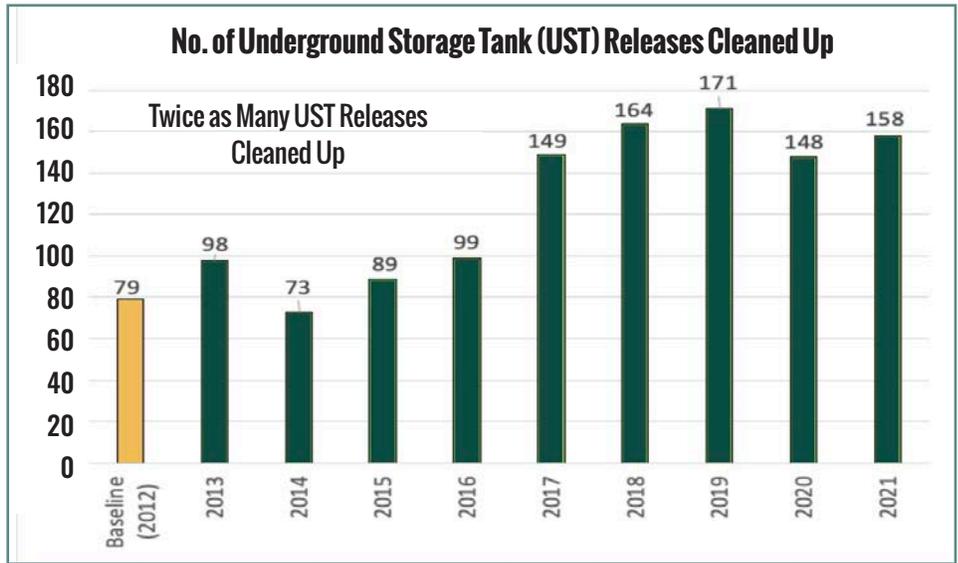
Kelly Barr, SRP Associate General Manager
and Chief Strategy, Corporate Services and Sustainability Executive

Dramatically Increased the Number of Underground Storage Tank (UST) Cleanups

Implemented a new UST Program that has accelerated the discovery and mitigation of releases, increased the number of UST cleanups from **73** to **158** and resulted in the lowest number of open sites since the 1980s.

"I only wish there were more we could do to show just how much you've done for my family in removing these fuel tanks from our property."

Joe & Edie DeSoto, Owners, Kaibab Repair, Ashfork, AZ

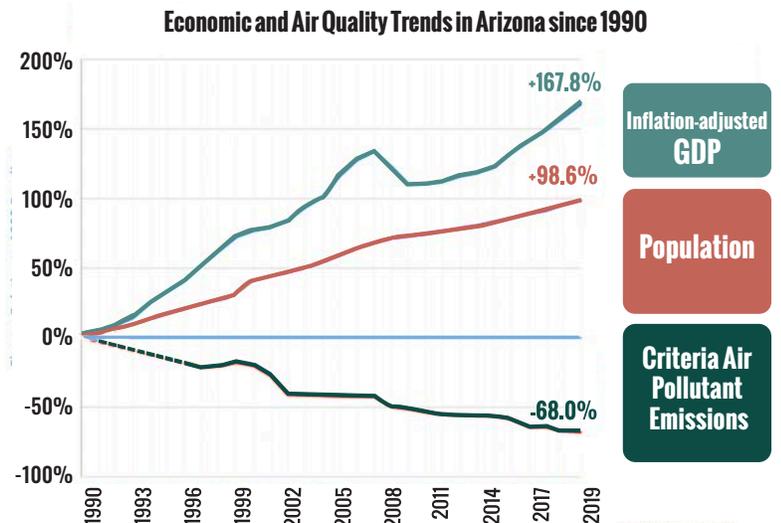


Arizona Has Seen a 68% Reduction of Emissions, Even as Our Economy and Population Have Grown

Although there is more to do, ADEQ has partnered with counties and facilities to design and implement State Implementation Plans that improve our air quality and avoid Federal Implementation Plans and sanctions.

In the context of a growing economy and population, Arizona has succeeded in improving air quality all across the state.

In addition, and although ADEQ does not regulate greenhouse gases (GHGs), Arizona is a leader in actual CO₂ emissions reductions in the west. Today, roughly a third of Arizona's energy production comes from non-fossil fuel alternative sources: Palo Verde Nuclear Generating Station (a zero emissions source), solar plants and hydroelectric plants. In addition, Arizona is ahead of schedule for the now defunct Federal Clean Power Plan goals for CO₂ emissions reductions.



Comparison of CO ₂ Emissions Reductions by State (2008-2018*)			
State	CO ₂ Emissions	Population Growth	Per Capita CO ₂ Emissions
Arizona	-11.89%	15.90%	-22.69%
Oregon	-7.48%	11.91%	-17.24%
California	-4.77%	7.94%	-11.67%
Washington	4.50%	16.04%	-8.85%

* 2018 is the most current published data

Data Sources:

Energy Information Administration Data (Energy-Related Carbon Dioxide Emissions by State 2005-2018): [eia.gov/environment/emissions/state/analysis/](https://www.eia.gov/environment/emissions/state/analysis/)

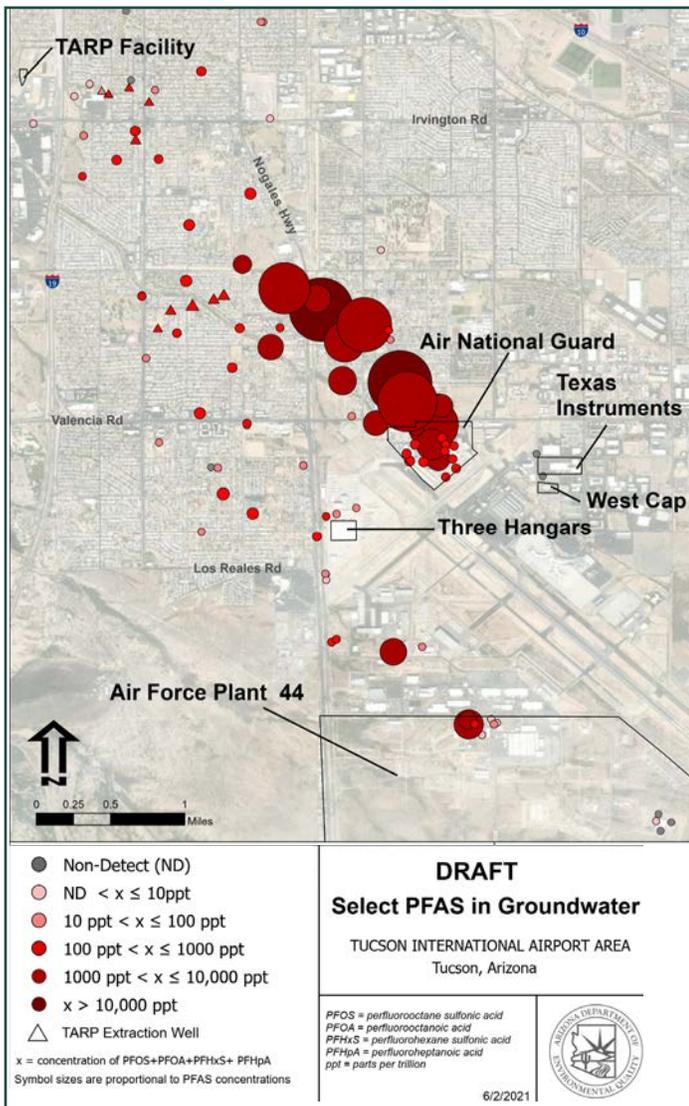
Population:

[census.gov/programs-surveys/popest/datasets/2000-2010/intercensal/state/](https://www.census.gov/programs-surveys/popest/datasets/2000-2010/intercensal/state/) and [census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage](https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage)

Addressing Forever Chemicals When The Federal Government is Slow To Act

ADEQ is addressing the threat of PFAS in groundwater, preventing PFAS contamination and keeping the public and stakeholders informed.

- Dedicated **\$3.3 million** to stop a PFAS plume from reaching the City of Tucson's central wellfield. In less than one year we have characterized the extent of contamination, designed a pilot plant and begun remedial construction.
- Screening high-risk public drinking water systems statewide.
- Established the Arizona PFAS Resources Information Clearinghouse: azdeq.gov/pfas-resources.
- Advised fire departments, local emergency planning committees and relevant industries about adverse impacts to public health and the environment.
- Worked with the Governor's office to grant **\$2 million** to Tucson Water so they could re-start the Tucson Area Remediation Project Treatment (TARP).



ADEQ is There When You Need Us

- **ADEQ's Emergency Response Unit** is on call 24/7 and worked with first responders and local emergency response authorities to respond to **104** incidents since FY2018. These include the 2021 Friedmans' six-alarm recycling fire – the largest in City of Phoenix history – and the Union Pacific Railroad rail car derailment at Tempe Town Lake in 2020.



- We lead the **Arizona Water Emergency Team (WET)** and have responded to **82** water emergencies since inception. Established in 2016, the WET helps improve the state's response to water emergencies. WET consists of representatives from state government and the water industry and is designed to facilitate immediate relief to water providers and their customers in cases where a water emergency poses an imminent threat to public health and safety. WET also provides guidance and support to all engaged organizations involved in a water emergency.
- ADEQ developed and deployed a state **Wildfire Smoke Forecast** in 2020 – the first of its kind in the country – to provide Arizona communities with early and ongoing information about potential air quality impacts and help individuals make informed decisions for their health. The tool provides an hourly (not just daily) Air Quality Indicator forecast. ADEQ issued **72** forecasts in 2020 and **52** in 2021 thus far.



Assessed Arizona's School Facilities Statewide



Screening for Lead in Drinking Water and Flooring Evaluation for Mercury Vapor

Collaborated with the Arizona Department of Health Services and the Arizona School Facilities Board (AZSFB):

— Led by ADEQ, Arizona was the first state in the nation to complete a comprehensive statewide screening program for lead in public school district drinking water. **Over 16,000** drinking water samples collected at more than **1,400 schools** confirmed that Arizona's public school district facilities are not a common source of lead in Arizona within **six month's time**. Where problems were found, ADEQ worked with the AZSFB and school districts to address the localized issue.

— ADEQ served a key role in the multi-agency task force to conduct a statewide assessment for potential health effects to children, school staff and the public associated with possible exposure to mercury vapor from rubberized flooring in school buildings. This first-of-its-kind statewide assessment of **220 Arizona school districts** produced a comprehensive database of school floors, including current condition, potential concern and recommended actions to mitigate potential exposure risk.

Tough When We Have To Be



When polluters do not work within ADEQ's collaborative approach to resolve non-compliance, ADEQ escalates. In the last five years, in cooperation with the Attorney General's Office, ADEQ has settled over **\$50 million** in enforcement cases and has supported criminal cases that resulted in jail time for two criminals.

ADEQ has collaborated with our stakeholders and customers and engaged our employees to achieve amazing results for Arizona as shown at: azdeq.gov/ams



And We Respect You

Our goal is to implement the laws that you pass effectively, steward the budget you provide diligently, and respond to all legislative inquiries within 24 hours or less to help you serve your constituents.



Arizona Department of Environmental Quality

Presenter: Marc Owen

Date: January 5, 2022



Department responsibilities



Administer environmental laws to prevent and address pollution

- Air Quality
- Waste Management
- Water Quality

Auditor General reports



- Water Quality Protection Responsibilities (September 2021)
- Sunset Review (September 2021)



Water Quality Protection Responsibilities

Did not develop all required aquifer water quality standards (AWQS)

- AWQS help to limit contamination in State's aquifers
- Department uses AWQS as a compliance standard
- 350,000 Arizonans rely on private wells for drinking water

Department has not conducted groundwater monitoring since 2017

- Groundwater is water found below earth's surface
- Monitoring involves detecting and evaluating effects of contaminants
- Not monitoring limits Department's ability to identify, address, and protect Arizonans from groundwater contamination

Department has not conducted pesticide monitoring since 2013



- Monitoring involves testing for pesticides, and assessing actions needed to protect groundwater and surrounding soil
- Not monitoring limits Department's ability to identify and address pesticides that threaten to pollute groundwater

Department reported various reasons for these issues



- Lack of an authorized funding source
- Fund balance for Water Quality Fee Fund has declined since FY2016
- Staffing turnover

Key recommendations



- Develop AWQS and perform groundwater and pesticide monitoring
- Assess cost of performing these responsibilities
- Work with Legislature to authorize funding and resources

Department had not reduced the number of impaired surface waters

- Impaired surface waters cannot be used for intended purpose
- As of 2020, there were 155 impaired surface waters in Arizona
- Department required to develop and assess plans for how and when pollutants will be reduced, but it had not always done so

Key recommendations



- Reduce number of impaired surface waters
- Develop plans to reduce impaired waters and schedule review of those plans

PFAS contamination in Arizona



- PFAS are found in variety of consumer products and can impact human health
- 15 sites in Arizona impacted by PFAS
- EPA started process to develop drinking water standards for PFAS
- Department has worked with partners to address PFAS



Sunset Review

Conflict-of-interest policies and practices

Department had not complied with some conflict-of-interest requirements

- Did not require employees to complete a disclosure form upon hire
- Did not maintain a file of substantial interest disclosures
- Increased risk that employees/public officers would not disclose interests
- We recommended that the Department continue to implement improvements and to provide periodic training

Department has made improvements

- Reduced average time to issue permits by 76 percent
- Assisted in closing 1,200 leaking UST sites
- Assisted 200 public water systems to provide safe drinking water



Arizona Department of Environmental Quality

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SUNSET FACTORS REPORT

FOR THE ARIZONA DEPARTMENT
OF ENVIRONMENTAL QUALITY

July 2, 2020

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SUNSET FACTORS REPORT

For The Arizona Department Of Environmental Quality

July 2, 2020

The Arizona Department of Environmental Quality (ADEQ) submits this report in accordance with Arizona Revised Statutes § 41-2954 (D) for consideration in determining whether the department should be continued or terminated.



INTRODUCTION AND BACKGROUND

The Arizona Legislature established ADEQ as the state's environmental regulatory agency under the Environmental Quality Act of 1986. ADEQ's mission is to protect and enhance public health and the environment in Arizona. The department achieves this mission by administering the state's environmental laws and delegated federal programs to prevent pollution of Arizona's air, water and land, and to ensure clean up of such pollution when it occurs.

The department is composed of three environmental program divisions: Air Quality, Water Quality and Waste Programs. These divisions are supported by mission partners: Business and Finance, Administrative Counsel, Information Technology, Intergovernmental and Community Affairs, Communications and Outreach, Human Potential, the Office of Continuous Improvement and the Office of Environmental Excellence. Together, the divisions and mission partners carry out the core functions of the agency: monitoring and assessment, pollution prevention and control, compliance management, cleanups, policy development, education, outreach and financial assistance. These core functions are delivered for the citizens of Arizona within the context of the state's unique environment and culture. This simply means that our service delivery includes:

- Balancing local accountability and our responsiveness to local concerns
- Transparency and predictability
- An emphasis on problem solving and return to compliance rather than punitive actions
- A deep technical understanding of our unique Arizona environment and how federal regulations best apply.

KEY ACCOMPLISHMENTS

Since the department's last Sunset Review in 2013, ADEQ has become a leader in implementing a transformational and rigorous management system now known as the Arizona Management System (AMS). By employing rigorous measurement and unleashing staff potential to improve processes using structured problem solving, ADEQ has accumulated an impressive list of accomplishments for Arizona.

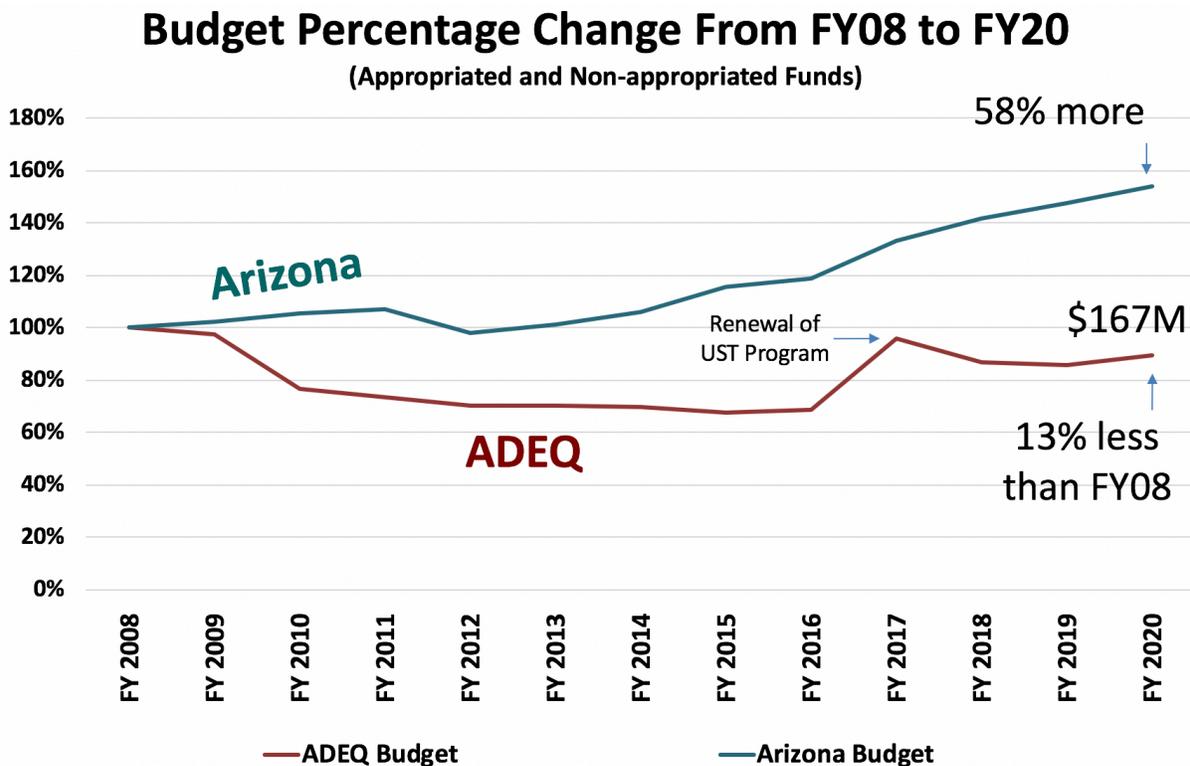
Mission Outcomes

- Mitigated 197 sites with known, ongoing, unauthorized impacts to human health or the environment since 2017.
- Assisted 1.3 million additional people with receiving healthy drinking water through helping 223 public water systems to return to compliance with safe drinking water regulations standards since Fiscal Year (FY) 2016.
- Since 2017, the net number of drinking water systems not meeting federal standards dropped 50 percent from 72 systems not meeting standards to 36 systems not meeting standards in 2020.

- Treated 17 billion gallons of contaminated groundwater, removed 29,000 pounds of volatile organic compounds and 13 million pounds of metals and other hazardous waste from the environment, through the Water Quality Assurance Revolving Fund (WQARF) program since 2012.
- Removed seven (7) sites from the WQARF Registry and added six (6) new sites to the Registry, after conducting more than 70 Preliminary Investigations. Note that the program had not closed a single site prior to 2013.
- Implemented a new Underground Storage Tank (UST) Program that provides funding assistance to owners/operators of USTs for system upgrades, suspected release determinations, tank removals and remediation of confirmed releases.
 - Closed 660 Leaking UST sites (1,059 releases), which remediated both soil and groundwater thus decreasing the net number of open leaking UST sites to 255 sites in 2020. Since 2018 alone there has been a 21% percent reduction in leaking UST sites from 322 in 2018 to the current 255 sites.
- Created and made available hourly air quality forecasts for Phoenix, Yuma, Tucson and Nogales to inform the public about expected hourly air quality pollutant concentrations so they can better plan their days to both protect their health and limit their pollution footprint when it matters most.
- Developed and deployed a state wildfire smoke forecast -- the first of its kind in the country -- to provide Arizona communities with early and ongoing information about potential air quality impacts and help individuals make informed decisions for their health. The tool provides an hourly (not just daily) Air Quality Indicator forecast.
- Created a risk-based air quality forecast for lead (Pb) for Hayden, Arizona. The forecast predicts the possibility of reduced air quality due to lead by using historical weather patterns relating to high winds and elevated lead concentrations and forecasts a low, moderate or high risk for residents.
- Reduced the number of overdue State Implementation Plans (SIPs) from nine (9) to two (2), ensuring state primacy for air quality regulations and reducing the chance of federal intervention and sanctions.
- Achieved a 96 percent annual compliance rate for vehicles in 2020, which is an all-time high and up from 92.7 percent in 2015.
- Executed a first of its kind Performance Partnership Agreement (PPA) with the U.S. Environmental Protection Agency (EPA) Region 9 in the Fall of 2019. The PPA provides significant increased flexibility in how grant funds are dispersed throughout the department to maximize mission outcomes.
- Collaborated with the Arizona Department of Health Services and the Arizona School Facilities Board (AZSFB) with two statewide projects to protect the children's health:
 - Completed a statewide screening program for lead in public school district drinking water in six month's time that confirmed Arizona's public school district facilities are not a common source of lead in Arizona. Over 16,000 drinking water samples were collected at over 1,400 schools across the state. Arizona was the first state in the nation to complete this type of comprehensive survey. Where problems were found, ADEQ worked with the AZSFB and school districts to address the localized issue.
 - Evaluated 1,492 schools (220 School Districts) for potential mercury exposures from gym floors.
- Reduced the average days for facilities to return to compliance from 144 days (baseline 2010 to 2012) to 73 days in 2019.

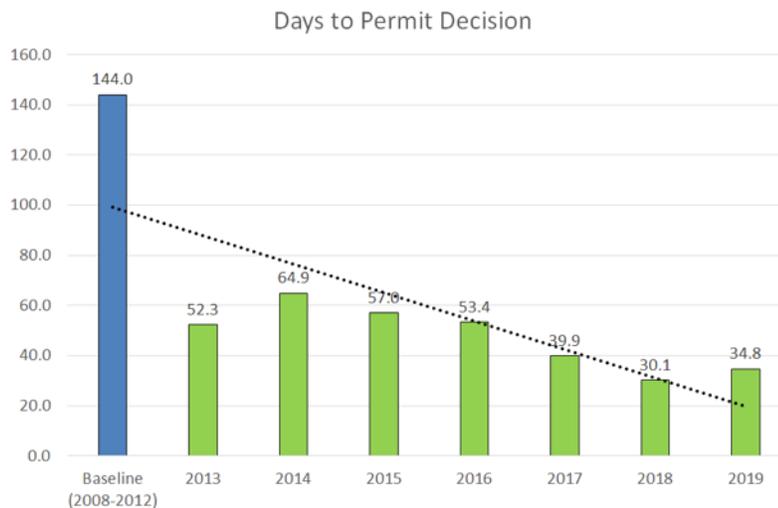
Increased Financial Efficiency and Reduced Costs

- Reduced rent expense by \$590K annually with the 2016 consolidation of Phoenix office space (29,598 sq ft. reduction) to 156,790 sq ft.
- Vacated and sold a Phoenix building in 2017, returning \$1.84 million to the State.
- Reduced vehicle emissions inspections fees resulting in savings of over \$67 million for motorists in Area A since 2014.
- Continued outsourcing and privatization – in FY 2020, more than half of ADEQ’s budget went to private enterprises, non-profit organizations and local governments.
- Negotiated a \$1.1 million annual cost saving in the privatized vehicle emission testing contract that will start in July, 2021.
- Reduced number of fleet ADEQ vehicles by 32% from 96 in 2015 to 65 in 2020.
- Accelerated mission and customer outcomes while maintaining fiscal discipline.



Enhanced Customer Service and Convenience

- Reduced average permitting lead times by more than 70% as compared to the baseline (2008 - 2012). See figure below.



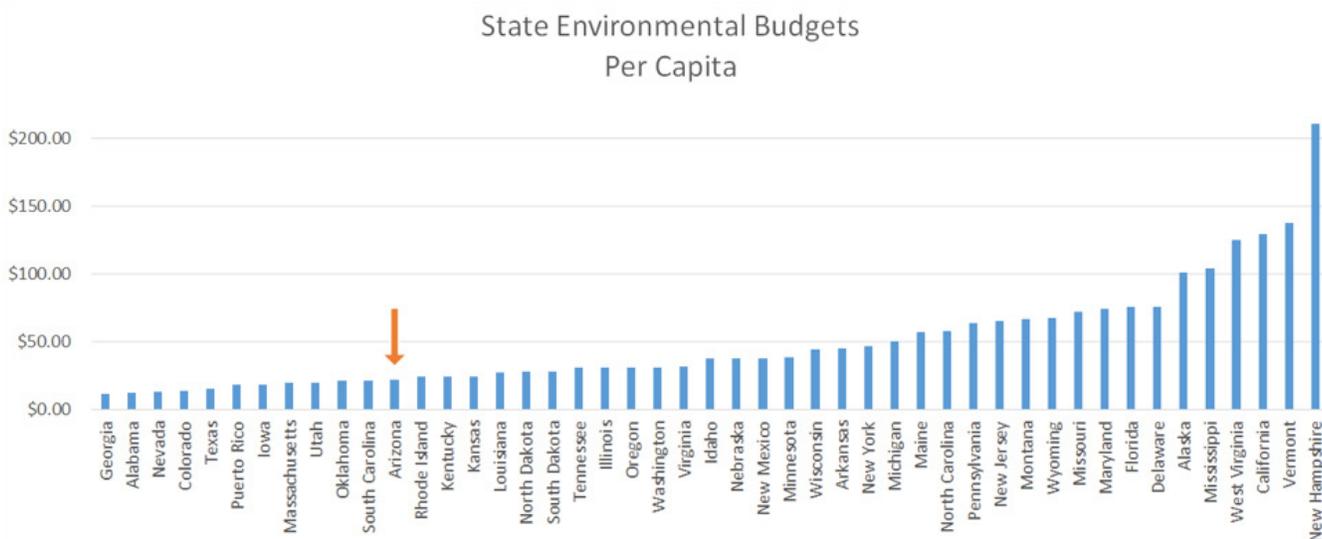
- Increased compliance at the time of inspection by more than 15% as compared to the baseline (2010 - 2012).
- In 2019, over 90% of environmental complaints were investigated within five days.
- Highlighted in the Pew Charitable Trust Report: State Strategies to Help Businesses Launch and Expand, August 2018.
- Listed in the 2020 CIO 100 for ADEQ's myDEQ permitting platform.
- myDEQ online customer services - Currently, 77 of ADEQ's most critical online services, as prioritized by our customers, have been developed and deployed. Three additional services are on schedule to be deployed by June 2020, bringing the total to 80. Within myDEQ, several permits can be issued the same day.
- The estimated annual economic benefit of the myDEQ platform is \$154 million. To provide easier public access to critical environmental data throughout the State, ADEQ deployed **My Community** in January 2018.
- Won the 2019 Arizona Forward Crescordia Award for Technology Innovation for ADEQ's Water Watch mobile app. Arizona Water Watch (AWW), offers Arizona residents and visitors the opportunity to help monitor and protect Arizona's waters.
- Implemented a gas cap replacement program to immediately replace failing gas caps at Vehicle Emissions Inspections (VEI) stations at no cost to the consumer.

ADEQ achieved these significant mission outcomes, while also working to mitigate significant regulatory, funding and staffing challenges described in the next section.

Challenges Affecting the Department

The challenges ADEQ faces are not dissimilar to other state agencies, but in some respects are more severe. These challenges can be grouped into three (3) major categories:

Fewer financial resources: Since the last Sunset Review, numerous significant fund sweeps have been enacted, eliminating all General Fund revenue (until FY 2021: Laws 2020, Chapter 55, SB1689, Sec 4) and mandating a fee for service model to generate 86% of the department budget. In addition, Arizona budgets less per capita for the environment than most states (see figure below).



Data Source: ecos.org/wp-content/uploads/2020/06/ECOS-Green-Report-Status-of-State-Environmental-Agency-Budgets-FYs-2016-to-2019.pdf

Many department fees were established with one-time rule writing authority, or established with authority that does not allow recuperation of all program operating expenses. These limitations have frustrated the department’s attempts to create or adjust fees in response to economic growth, employee recruitment goals and other factors. As a result, several important programs are no longer self-sufficient through fee revenue:

- The Waste Programs Division has struggled to fund several of its programs, particularly the Hazardous Waste program.
- The fee-based programs within the Water Quality Division (WQD) have also experienced similar differences between revenue and funding needs. With the elimination of the General Fund, WQD adopted new fees in FY2011 to cover the costs of the surface and groundwater permitting programs. The level of water quality permitting activity is linked directly to the health of the local economy. With the downturn in the economy and the slowing of the housing market in particular, water quality revenues are not yet matching projections and are not expected to for several more years resulting in a need for continuing reliance on federal and state water infrastructure finance funds, with each funding source facing an uncertain future.

As of May 13, 2020, ADEQ has 459 filled positions, as compared to 704 positions on June 30, 2008 (a reduction of 245 positions). As seen elsewhere in the department, WQD has lost staff to retirements and reductions in force resulting in marginal staffing in key programs. Loss of key personnel in the UST Inspections and Compliance Unit has resulted in EPA contractors having to perform inspections in Arizona. As explained in the response to Sunset Factor 10, the loss of local accountability and control is an unwelcomed outcome for Arizona's regulated community.

Recruiting and retaining key talent: Perhaps ADEQ's greatest challenge today is finding creative and effective solutions to recruit, retain, train and equip staff in the face of ever-expanding responsibilities. ADEQ has a high demand for highly trained professionals - geologists, planners, engineers and scientists. The purpose of the agency necessarily involves data-driven decisions - decisions that require highly trained professionals collecting and evaluating technically valid data and engineering designs. The economy will inevitably recover, but in the meantime, ADEQ is enlisting a variety of tools to meet demands including judicious hiring of additional staff and making efficient, effective use of private contractors to acquire specialized expertise where necessary.

Federal regulatory reform: Air Quality Division (AQD), in particular, has faced challenges as a result of recent changes at the federal level. Recent revisions to the National Ambient Air Quality Standards, which the federal Clean Air Act requires EPA to undertake every five years, resulted in changes to ozone, nitrogen oxides, sulfur dioxide, and lead standards, with further changes to the particulate matter standards under consideration. The 2015 ozone standard already has required the designation of an additional nonattainment area in Yuma and could require nonattainment plans for other areas in the state. The Affordable Clean Energy Rule (ACE), requires the AQD to engage in extensive stakeholder outreach over the next two years in order to develop standards to satisfy the rule's requirements. To address the particulate matter 10 (PM10) standards in West Pinal County, the Air Quality Division will need to revise and strengthen the Agricultural Best Management Practices Program (Ag BMP). The Division continues to work to develop a plan to meet the 2010 one-hour sulfur dioxide (SO2) standard for the Hayden area.

Other federal regulatory changes include, but are not limited to, the Waters of the United States definition change discussed below, pending federal rules to establish or revise primary drinking water standards, and federal underground storage tank regulatory modernization. Each of these federal regulatory revisions require significant effort and expertise to carefully evaluate impacts to Arizona and respond appropriately to maintain a regulatory structure within the state that is consistent with but no more stringent than federal regulations and that protects Arizona's unique environment.

Continuing Initiative

ADEQ continues to utilize the Arizona Management System to improve performance and increase efficiency. The Arizona Management System is a set of principles and tools that focus on increasing customer value, reducing waste and continuously improving.

STATUTORY FACTORS UNDER A.R.S. § 41-2954(D)

1. The objective and purpose in establishing the agency, and the extent to which the objective and purpose are met by private enterprises in other states.

The Arizona Environmental Quality Act of 1986 created the department to protect human health and the environment. Public opinion strongly favored the creation of ADEQ to address the then-recently discovered, widespread contamination of groundwater by pesticides and industrial pollution. That act created a new state agency from several programs and offices that had previously operated within the Arizona Department of Health Services. The Legislature prescribed the “Purpose and objective of [the] Department of Environmental Quality” in Sections 153 of the Act, Laws 1986, Chapter 368:

“The purpose and objective of the department of environmental quality is to consolidate and focus responsibility for environmental management and administration of water quality, air quality, solid waste and hazardous waste regulation with the goal of increasing effectiveness, efficiency and public acceptance of environmental regulation.” Based on that, the department defines its mission as follows:

“To protect and enhance public health and the environment in Arizona.”

In support of this mission, ADEQ’s three environmental divisions – Air Quality, Water Quality and Waste Programs – perform the following core functions:

- **Monitoring, Assessment, and Standards** – The department collects air, water and soil samples for laboratory analysis to monitor for the presence of contaminants. Department staff interpret data from field monitoring to draw conclusions about environmental indicators and trends to form the basis for future planning and policy decisions, including establishing standards for clean air, soil and water.
- **Pollution Control** – The department issues permits, approvals and certifications to ensure that facilities are legally constructed and operated and that any discharges to the air, water and soil are within health standards established by law. ADEQ coordinates development of management practices and control strategies in areas where standards are not being met, or where additional efficiencies or emissions reductions can be achieved.
- **Compliance Management** – The department offers guidance, assistance and incentives to ensure health-based standards are met while waste and pollution are reduced. As part of this effort, ADEQ conducts inspections of various regulated activities and facilities on a regular basis and in response to citizen complaints. The department offers compliance assistance, recognition for environmental stewards and pursues both informal and formal enforcement actions to ensure a return to compliance with environmental laws.

- Cleanups – The department investigates and oversees the removal and clean up of contaminated soil and water to protect public health and the environment. ADEQ’s emergency responders also provide technical assistance to local fire and police officials, as well as tribal governments upon request, to contain and clean up hazardous chemical releases.
- Policy Development – ADEQ writes rules to implement the broad statutory language contained in legislation and develops policies to ensure consistent, equitable decisions and to inform the public about its business processes. The department also works with state and national organizations and stakeholder groups to advocate for Arizona and to shape and influence sound environmental policy.
- Citizen Outreach – ADEQ engages citizens in many ways to keep them informed and invite their participation in environmental decision-making. The department publishes information via newsletters and the Internet, conducts seminars and workshops, and supports numerous advisory and stakeholder groups.
- Financial Assistance – ADEQ reimburses corrective action costs for leaking UST cleanups and helps the communities address non-point source surface water contamination. ADEQ has also been granted authority to provide financial assistance, through a fund administered by the Water Infrastructure Finance Authority, to small drinking water systems to ensure they are delivering healthy water to their customers. Since FY 2018, the small water systems fund has assisted 10 small water systems. Nine were exceeding safe drinking water standards, seven were able to install treatment as a result of ADEQ’s expanded authority to grant financial assistance.

Most, if not all, other states have agencies similar to ADEQ to fulfill their vital public health and environmental protection missions. Since public health and environment agencies are accountable to their elected state executive and legislative officials, who, in turn, are directly answerable to the citizens, many department programs and functions are complex and infused with public health and environmental policy decisions that cannot and should not be delegated to outside entities. Moreover, as is true for other states, ADEQ receives a number of unique delegations of authority from the EPA to meet both federal and state standards and objectives. In most cases, the states do not have the authority to sub-delegate federal authorities and responsibilities to private enterprise, non-profits or local governments.

While the department cannot attest to the extent its counterparts in other states use private contractors to carry out specific activities related to performance of the core functions outlined above, ADEQ uses private enterprise, nonprofits, and local government agencies to the greatest extent possible, and has done so for many years. In fact, in FY 2019, 56% of ADEQ’s expenditures were passed through to private enterprises, non-profit organizations and local governments.

ADEQ partners with the private sector in both its day-to-day administrative activities and in performing statutory duties. The department currently works with the private sector in a number of areas, including those listed below. These partnerships with the private sector allow ADEQ to be more efficient, flexible and effective in delivering its services and protecting the environment.

Vehicle Emissions Inspections

ADEQ uses a private contractor to operate the vehicle emissions inspection stations in and around metropolitan Phoenix and Tucson. This is by far ADEQ's largest contract with a private entity (in excess of \$22 million per year) and represents the best example of ADEQ's partnering with a private contractor to perform more efficiently.

Permitting

While ADEQ still offers the expedited permit program, it has not been requested in years because the department has significantly reduced the time to issue permits through our AMS transformation. However, if requested, ADEQ would hire private contractors to expedite the permitting process in its Air and Water Quality Divisions. Under the expedited permit program, applicants agree to pay the actual costs of a private contractor, as well as ADEQ's oversight of the contract. ADEQ then contracts with a private consultant to write the permit that is reviewed and issued by the department. ADEQ also has awarded a contract to use private contractors for non-expedited permitting activities to supplement staffing on an as-needed basis. The Waste Programs Division uses private contractors to review portions of permits requiring special expertise, such as risk assessments. This results in cost savings for the department and the permit applicant because the department does not have to employ full time staff with the specialized skill sets that are only occasionally needed.

WQARF/UST Remedial Actions

Under ADEQ's Water Quality Assurance Fund (WQARF) and the Underground Storage Tank Revolving Fund (USTRF) programs, ADEQ uses private consultants to perform activities related to tank removal and soil and groundwater remediation.

Monitoring Assistance Program

To take advantage of economies of scale and to ensure that the expertise to perform proper testing is available to all small drinking water systems, state law requires ADEQ to perform sampling, analysis and reporting for all systems serving fewer than 10,000 people). Since the inception of the program in 1999, ADEQ has used a private contractor to perform this work, which results in minimal administrative overhead for the agency. The ability of the Monitoring Assistance Program (MAP) to share the monitoring costs among a large number of water systems has achieved a significant cost savings for small drinking water systems, as evidenced by the number of larger systems that have opted into the program voluntarily.

Risk Assessment and Financial Assurance Review

ADEQ contracts with private entities to conduct review of some risk assessments and financial assurance demonstrations for a variety of programs including hazardous waste, solid waste and the Voluntary Remediation Program (VRP).

Drinking Water/Wastewater System Operator Certification

ADEQ's drinking water and wastewater programs require a person to be certified by the state prior to operating a drinking water or wastewater system. At one time, ADEQ performed all of the training, testing, and certification using state employees and other state resources. ADEQ now partners with a national testing firm specializing in certification exams for water, wastewater and plant maintenance technicians and Gateway Community College (GWCC) to proctor the exams. With this national testing firm and GWCC, ADEQ has obtained the expertise, the testing facilities and the staff to ensure certified operators are meeting the professional standards needed in the industry.

ADEQ uses private contractors to perform several administrative functions that result in cost savings and improved efficiency. At the beginning of FY 2010, ADEQ hired a private firm to handle its security needs in place of Capitol Police, which resulted in an estimated annual cost savings of approximately \$64,000 for the department. Then in 2019, ADOA assumed security responsibilities for the entire building saving an additional \$120,000 annually. By using private firms for all of the department's copying services, ADEQ also has gained specialized, operational expertise and access to the latest advanced equipment that would be difficult for the department to maintain year after year. Use of private contractors has freed up staff to work elsewhere in the agency on more specialized assignments.

Privatization also affords the department flexibility to increase and decrease staffing quickly as circumstances require. For example, ADEQ contracts with several private entities to assist with the development of its complex data systems. While ADEQ still maintains a staff for its day-to-day information technology needs, the use of contractors allows access to highly trained individuals, without having to pay directly for the specialized training that would be needed to keep state employees abreast of the frequent changes in technology.

ADEQ also works closely with Arizona's universities and local government jurisdictions to fulfill statutory responsibilities. For example, state statute provides original permitting and enforcement jurisdiction over smaller sources of air pollution to county governments. The state is generally given authority over the largest sources of air pollution, and has specific jurisdiction over specific industries such as coal-fired power plants, oil refineries and copper smelters. Only when a county is not interested in administering an air quality program, or if EPA disapproves a county's major source permitting program, does the authority for these programs revert to the state. Currently Maricopa, Pima and Pinal Counties operate their own Air Pollution Control Programs; ADEQ also has delegation agreements with the Maricopa County Air Quality Department (MCAQD), the Pima County Department of Environmental Quality (PDEQ) and the Pinal County Air Quality Control District for certain source categories.

ADEQ has contracted with the University of Arizona via an Intergovernmental Service Agreement for an ongoing research collaboration looking to better understand soil health. This research is to determine the effectiveness of soil stabilizer and a second treatment—mulch created from recycled landscape materials—for reducing blowing dust. From July 2019 through June 2020, the team conducted a study on nine acres of land in Pinal County along Interstate 10 (I-10). The results of the study will allow ADEQ to better determine the effectiveness, suitability and economic feasibility of different dust stabilization techniques in different areas throughout the state.

ADEQ's Air Quality Division (AQD) also supports and implements various voluntary programs and projects to explore solutions to air quality problems. These efforts complement existing regulations to improve air quality in Arizona and operate in collaboration with other air monitoring agencies, state and local government, industry, co-ops and other partners. The AQD also works on voluntary air pollution reduction initiatives to achieve measurable reduction in regulated criteria air pollutants in non-attainment and near nonattainment areas within the State of Arizona, with emphasis on ozone and particulate matter. Recent successes include the completion of dust suppression projects on 56 acres of open desert in 2016 and another 98 acres in 2019 to reduce blowing dust. These projects complement the Arizona Department of Transportation (ADOTs) I-10 Dust Warning System.

ADEQ has the primary responsibility for developing plans to remedy areas with poor air quality throughout the state except in Maricopa, Pima and Pinal Counties where that responsibility has been granted by statute to the local association of governments. ADEQ's role in these three counties is to coordinate the activities of the local air pollution control and planning authorities, and to adopt and submit a final plan to EPA, satisfying the Clean Air Act's requirement that a state submit the plan to EPA for review and approval.

ADEQ has solid waste delegation agreements with 13 of the 15 counties. Each county has chosen the number of functions for which it will be responsible. Notwithstanding the delegation of some ADEQ solid waste authorities to the counties, ADEQ remains responsible for the proper management of solid waste in Arizona. ADEQ solid waste staff provides continuous support to their County counterparts, even on matters dealing with delegated duties. In addition, ADEQ has delegated hazardous waste inspection authority to the Pima County Department of Environmental Quality (PDEQ). ADEQ supports PDEQ by conducting staff training and oversight inspections, reviewing inspection reports and enforcement documents, providing assistance and regulatory guidance as needed, and conducting escalated enforcement on cases in Pima County when the County does not have the staff or expertise to do so.

The Water Quality Division has also delegated permitting and enforcement responsibilities for wastewater general permits to all 15 counties and five cities, except when the delegated entity is the owner or applicant or a federal or state government. The wastewater general permits include sewage collection systems, on-site wastewater (septic) systems, and alternative on-site systems. Each delegation agreement is tailored based on the interests, qualifications and staffing of the county or city to perform the tasks. ADEQ has delegated some portions of the public water system supervision program to county or city levels. County delegations may include oversight of a variety of engineering review activities including new wells, storage tanks and distribution systems; site inspections; and monitoring and reporting activities. City delegations primarily center on engineering review activities limited to the extension of main service lines.

While ADEQ remains responsible for management of both the Aquifer Protection Permit (APP) and the Safe Drinking Water Act programs, ADEQ supports the delegated entities by providing staff training, conducting performance reviews and providing assistance and regulatory guidance, as needed.

2. The extent to which the agency has met its statutory objective and purpose and the efficiency with which it has operated.

The department has excelled in meeting its overall objective and purpose, i.e., protecting and enhancing the public health and environment of Arizona. To that end, ADEQ strives to meet or exceed the performance measures set forth in the current Governor's Scorecard.

Examples of ADEQ's gains in efficiency follow.

Air Quality Division (AQD) Implemented Efficiencies

The AQD has undertaken several efforts in recent years to ensure that resources are used efficiently.

Ambient monitoring efficiencies include:

- Transitioned to continuous monitors for particulate matter, which reduced operator and filter handling costs,
- To provide more immediate and comprehensive data, increased remote capabilities for air monitoring network sites for remote checks and remote rebooting of communication, equipment, which reduced overall trips to sites and significantly reduced staff time, and
- Implemented the AirVision database which allows for Auto-Data Validation Protocols, advanced data queries and improved data analysis and review capabilities saving staff time and increasing reporting capabilities.

Permitting program efficiencies included developing three online modules in myDEQ for rock product facilities to fulfill air permitting and compliance reporting needs for approximately 225 permittees:

- Created three report templates (compliance certifications, permit deviations and excess emissions).
- More than 90 percent of our customers have transitioned to using myDEQ for these reports, reduced permit issuance time frames by at least 50 percent, providing benefits to both the regulated community and the general public with the issuance of timely environmentally protective permits, and enhanced outreach efforts coupled with clear and concise permits have increased compliance over the past three years to an average of 88 percent.

Planning program efficiencies include:

- Utilized existing data to automatically generate emission profiles for more than 200 rock product facilities reducing compliance costs for these facilities.
- Streamlined emission inventory submission process for major sources, creating a more efficient data review that resulted in an early delivery to EPA and cost savings for customers.
- Reduced the potential for federal sanctions through creation of standardized processes for State Implementation Plan development.
- Working with EPA to determine the critical components of state submittals, consolidating submittals to EPA, and meeting with stakeholders early in the planning process to ensure all stakeholders have input regarding rules and submittals.

Water Quality Division (WQD) Implemented Efficiencies

The WQD is continually looking for ways to improve performance and reduce costs where doing so does not compromise protection of public health and the environment. In the monitoring program, the division continues to utilize technology to augment its human resources with automatic sampling devices and telemetry, as well as partnering with other agencies and organizations to gather water quality and other physical data.

Permitting program efficiencies include:

- In some cases, the “administrative completeness” review is expedited by conducting a completeness review meeting with the applicant, during which a checklist is used to identify each mandated portion of an application. The applicant leaves the meeting with a list of deficiencies or a confirmation that all elements of the application are present and the permit will then go to the next phase of technical review. Improvements to the ADEQ website, including making application forms available, improving program descriptions and guidance, summarizing applicable fees, and identifying key program contacts; expanding its development of web-based portal applications to offer the regulated community the ability to apply and pay for some general permit applications on-line and expanded use of general permits, particularly for the Arizona Pollution Discharge Elimination System (AZPDES) permit program.

Compliance inspections efficiencies include:

- Development and use of templates and checklists to facilitate technical reviews and inspections.
- Using boilerplate language for inspection reports and enforcement documents to increase overall productivity, efficiency and timeliness for completing inspection related documents.
- Sequencing inspections to maximize efficiencies in travel; taking advantage of no-cost training opportunities from outside entities and cross-training within ADEQ.

Waste Programs Division (WPD) Implemented Efficiencies

The WPD has changed its operation in recent years to accomplish required work with fewer resources.

Permitting program efficiencies include:

- Development and use of templates for solid waste facility master plans and Aquifer Protection Permits.
- Use of contractors for permit application reviews when necessary for technical support or to meet pressing deadlines.
- Conducting pre-application meetings to ensure the customer understands the permitting requirements and expected timeframes.

Compliance program efficiencies include:

- Providing inspection checklists to the customer ahead of the inspection to assist them with the requirements/expectations.
- Deployed tablets for field inspectors to assist them in issuing inspection reports - Notices of Opportunity to Correct/Notices of Violations in the field, which allows the customer to take quicker action to address deficiencies.
- Created Personas for UST customers in order to better understand their world so the agency can assist them with compliance issues.
- Providing Operator Certification Training to UST customers to ensure they understand the regulations to help avoid spills, etc.
- Scheduling travel by grouping routine and complaint inspections into regions across the state.
- Developing fact sheets on how best to manage wastes and tires, etc.
- Improving data quality in databases for tracking purposes.
- Using boilerplate language for inspection reports and enforcement documents to increase overall productivity.
- Taking advantage of no-cost training opportunities from outside entities.
- Cross-training within ADEQ.
- Developing standardized fact sheets and presentations for outreach.
- Working to improve website resources to provide better information and increase outreach efforts.

A major area of focus on efficiency occurred in the division's cleanup programs. The WPD is responsible for conducting or overseeing remediation of contaminated sites regulated by the following programs: leaking UST, WQARF, solid waste, hazardous waste, Brownfields, voluntary remediation and federal Superfund sites. Completing remediation ensures that contaminated properties are addressed appropriately and threats to human health or the environment are mitigated. In addition, cleanup and closure of contaminated properties allows them to be returned to productive use and contribute to state and local tax receipts.

Through the WQARF program, ADEQ identifies, assesses, and cleans up soil and groundwater that is contaminated with hazardous substances. The program conducts these efforts statewide using state funds and also oversees privately funded cleanup efforts. WQARF monies are also used for remedial actions at state-lead CERCLA (federal) sites which are reimbursed by the responsible parties.

The WQARF program implemented numerous continuous improvement events to improve efficiency in each phase of the WQARF process. Highlights from those activities include:

- Reducing the time it takes to complete the Remedial Investigation phase from nine years to two years for new sites.
- For older sites, the average to complete the Feasibility Study phase was 14.5 years and with new sites the average is 2.4 years.
- The WQARF Program delisted seven sites from the WQARF registry and evaluated more than 70 Preliminary Investigation (PI) sites. This focused effort resulted in an addition of six new sites to the WQARF Registry.

In terms of UST corrective actions, WPD has closed 660 sites (1059 releases) since 2012. Tremendous activity has occurred in the UST world since 2012. New legislation, effective in 2015, created a completely new UST program. The new program provides financial assistance to owners/operators for system upgrades, tank removals, suspected release investigations and remediating confirmed releases. Creation of the new program involved significant stakeholder involvement and exemplifies the benefits of ADEQ's deployment of lean principles. The new program consists of Pre-Approval, Non-Corrective Action (NCA), Tank Site Improvements and State Lead. The UST State Lead Program continues to address sites where there is no responsible party (RP) or the RP is technically or financially unable to conduct the work themselves.

Through ADEQ's Voluntary Remediation Program (VRP), property owners, prospective purchasers and other interested parties investigate or clean up a contaminated site in cooperation with ADEQ. VRP results in a streamlined process for program participants who work with a single point of contact at ADEQ to address applicable cross-program remediation efforts. ADEQ reviews these voluntary remedial actions and provides a closure document for successful site remediation that is accepted by all relevant ADEQ programs. Since 2009, VRP has closed 150 sites with 96 of these site closures in the past five years. Currently, there are 59 active VRP sites.

In addition to the VRP, ADEQ encourages faster site closure through the Declaration of Environmental Use Restriction (DEUR) program. The DEUR program was designed to reduce the cost of remediation and to return contaminated sites to productive use more expeditiously. A DEUR program reduces remediation costs because the responsible party can close a site based on a non-residential future use, or can utilize long-term engineering or institutional controls to limit exposure to contaminants left on site.

Example of remediation totals for WQARF and Federal Remedial Activities:

Year	2012 through 2019
WQARF Remedial Activities:	
Gallons Water Treated	8,861,261, 574
Pounds VOCs Removed	28,961
Pounds Metals Removed	2,466,190,377
Federal Remedial Activities:	
Gallons Water Treated	43, 865,039,500
Pounds VOCs Removed	10,617,375
Pounds Metals Removed	111,171

3. The extent to which the agency serves the entire state rather than specific interests.

ADEQ operates in ways that generally benefit the broad public interests of Arizona residents and the communities in which they live. A good economy and healthy environment are interdependent; it is difficult to have one without the other. Citizens have a right to expect that their water is healthy to drink, their air is clean and clear, and their lands are free from harmful contaminants. ADEQ recognizes and values its role in supporting the general welfare of Arizona through its efforts to protect and conserve Arizona's natural resources for future generations.

Some areas of the state may require more of ADEQ's focus than others because of their demographic, geographical or historical characteristics. For example, the Phoenix metropolitan area is designated a nonattainment area for ozone, in part because of its population and resultant number of motorists, but also because of the Valley's bowl-like geography that contributes to ozone formation. Mineral-rich areas of the state may have higher concentrations of arsenic and other metals in streams and groundwater, and thus require more attention from ADEQ's water quality monitoring staff.

To ensure a balance of service is available in both rural and urban parts of the state, ADEQ has place-based community liaisons to provide community and business assistance and respond to inquiries throughout the state. A community liaison resides in Flagstaff, Yuma, Tucson and St. John's. The liaisons are a resource to communities, businesses and citizens in need of face-to-face guidance and service and their contribution to resolving community questions and complaints is discussed further in the response to question 6.

ADEQ has also expanded access to information and resources via the internet, social media and other electronic means. To reduce travel costs, for example, ADEQ conducts teleconferences whenever practical in lieu of in-person meetings and has greatly expanded its use of web-based meetings for official business, stakeholder engagement and training. In light of the COVID-19 pandemic, ADEQ is currently evaluating additional ways to permanently integrate telework to further reduce cost.

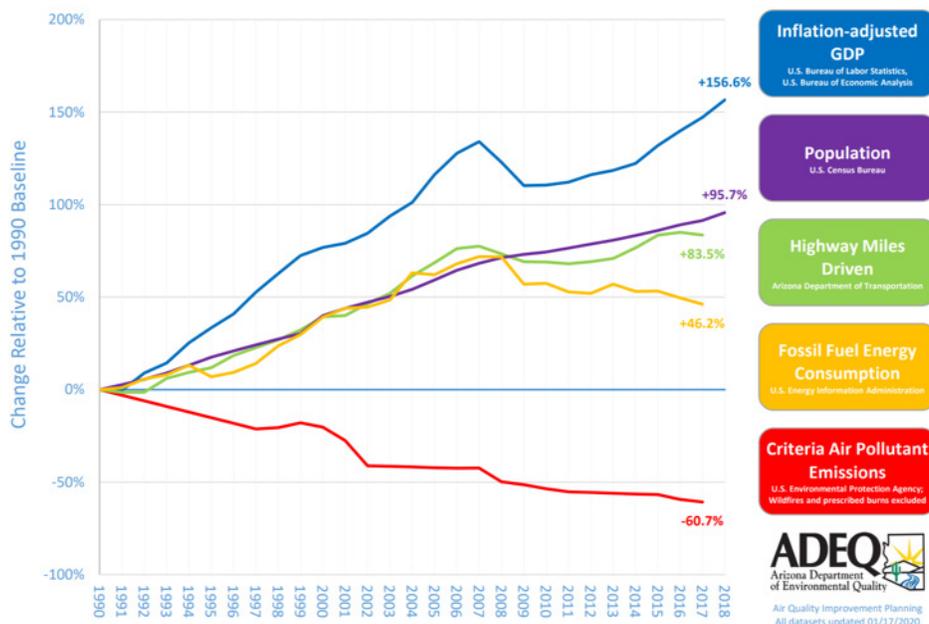
ADEQ administers several programs to protect human health and the environment from excessive and harmful pollutants, including the Clean Air Act, Vehicle Emission Inspections Program in Phoenix and Tucson, the Resource Conservation and Recovery Act, Superfund, Recycling, the Safe Drinking Water Act program, the Clean Water Act program, the Pesticide Contamination Prevention Program, the Water Quality Assurance Revolving Fund Program and the Aquifer Protection Permit program.

A few examples of these programs operating in the public interest include the following:

Air Quality Division (AQD)

Despite the fact that the population has increased significantly in Arizona, ADEQ has made substantial progress toward reducing Criteria Pollutants in Arizona. Some of the programs responsible for the improvement include: the Cleaner Burning Gasoline and the Vehicle Emissions Inspections (VEI) programs, which have significantly reduced on-road vehicle emissions in the Phoenix and Tucson areas; permits for industrial sources have reduced emissions and limit the increase in emissions from new sources, improving visibility in our national parks and wilderness areas; tracking and implementing dust control measures throughout the state; permitting of open, forestry and rangeland burning limits the impact of these activities on nearby communities and scenic areas; and pollution forecasting assists with prevention of emissions and preparing people who are sensitive to pollution so they can manage their exposure to unhealthy air.

Economic and Air Quality Trends in Arizona since 1990



To have an area reclassified by EPA from nonattainment to attainment of health-based standards, 10-year Maintenance Plans must be developed and submitted to preserve healthy air quality. ADEQ develops these plans with input from stakeholders including environmental, public health and neighborhood organizations; the regulated community; and elected officials. Public comments are carefully considered before the plans are finalized.

AQD staff operates air monitoring and meteorological equipment as part of various state and national networks which help to track and improve air quality in Arizona. ADEQ's primary monitoring objective is to measure criteria pollutants regulated under the Clean Air Act (CAA) for compliance with the National Ambient Air Quality Standards (NAAQS).

In order to ensure proper operation of air quality monitors for the measurement of ambient air quality concentrations at sites across Arizona, AQD staff follows strict quality assurance and quality control procedures for all record keeping, remote and in person quality checks, collecting and transporting physical samples from the monitors, following sample handling and shipping protocols with laboratories, and servicing monitors in operation on their required schedules. Continuous monitoring allows for hourly air quality data to be made available to the public in near real-time, while providing the benefit of remote access and remote quality checks of instruments.

AQD fulfills all the monitoring requirements as stated in 40 CFR Part 58, in any State or local laws, and according to the EPA administrator with regard to data quality assurance, siting and sampling criteria, annual data certification and meeting or exceeding minimum monitoring requirements for all networks.

In addition to the network of meteorological and air pollution samplers operated and maintained by AQD throughout Arizona, AQD staff also deploys portable particulate matter samplers on an as-needed basis for smoke management purposes related to prescribed fires and wildfires. AQD has deployed several semi-permanent, pre-stationed smoke samplers to Payson, Prescott, Flagstaff, Camp Verde, Show Low and Sedona to help keep the public informed of any smoke pollution events in some of the areas that are most prone to wildfire. During fire incidents, AQD can rapidly deploy additional temporary, portable air samplers to help measure the level of air pollution and inform the public of potential smoke impacts. Data from these monitors are displayed on the internet in near real-time, so that citizens in those communities can get current information on local air quality conditions.

Additionally, AQD employs a team of highly trained meteorologists that provide hourly air quality forecasts looking ahead up to five days out for various locations throughout Arizona. Communication methods utilized include email lists, the ADEQ webpage, as well as a mobile phone application, Air Arizona (in English and Spanish), all of which provide timely and accurate information to alert citizens of potentially harmful air quality in their area. These forecasts help those who are more sensitive to the effects of air pollution plan ahead to limit their outdoor exposure during the times of the day that pollution is forecast to be at or near its peak.

ADEQ issues a High Pollution Advisory (HPA) when pollutant concentrations are expected to exceed the federal health standard in a forecast area. When an HPA is issued, the information is shared via the ADEQ website and the Air Arizona App. ADEQ releases a news media advisory, posts messages to social media (Facebook, Twitter, LinkedIn, Instagram and NextDoor) and works with the Arizona Department of Transportation to post advisories on Phoenix freeways signs encouraging the public to limit their driving. HPAs are frequently broadcast by local radio and television stations and are also displayed on the National Weather Service website furthering the reach of the product to the public. Businesses and local governments also depend on these notices to implement travel reduction programs and other restrictions, which, in turn, helps limit activities that generate pollutant emissions. The public reaction to the alerts and the implementation of these strategies are the best ways to avoid a predicted exceedance the next day.

ADEQ provides staff support to the Oil and Gas Conservation Commission to administer and enforce the applicable provisions of title 27, chapter 4 relating to the oil and gas conservation commission.

Water Quality Division (WQD)

WQD protects both surface and groundwater quality throughout the state through a variety of programs. The Safe Drinking Water Act Program works to ensure that more than 7.3 million Arizonans, statewide, receive healthy drinking water from the nearly 1,600 regulated public water systems. Dedicated staff work to assist Arizona's public water systems in their compliance with approximately 90 primary drinking water regulations issued by EPA and adopted by ADEQ.

WQD administers the Monitoring Assistance Program (MAP), which provides direct assistance to the nearly 900 public water systems that each serve fewer than 10,000 customers. In the MAP, each participating system is charged a modest annual base fee (\$250) and a small amount per service connection (\$2.57 per connection). These monies are deposited into a fund which is used to hire a private contractor to collect, transport and analyze water quality samples and report results to the water systems and ADEQ. The MAP fund allows the water systems across the state to gain economies of scale by contracting for a large number of samples and ensures the proper drinking water monitoring is conducted to protect the health of Arizonans served by these systems.

WQD also administers the statewide Source Water Protection (SWP) Program to assist public water systems, local officials and utilities in developing and implementing plans to protect surface and groundwater resources from contamination. The program helps identify potential sources of pollution (e.g., septic tanks, USTs, agriculture, pesticide use) and then coordinates local pollution prevention efforts with existing state programs. In February 2008, WQD launched an outreach program for schools, colleges and day-care facilities that operate their own public water system. To date, 53 site visits have been conducted and 13 source water assessment plans (SWAP) have been developed and are being implemented at the schools. Several more SWAP plans are in development.

WQD also undertook two state-wide initiatives since 2013 to ensure the protection of public health. Due to an increased nationwide concern about lead in drinking water, in FY 2017 WQD initiated a six-month, statewide screening program for lead in public school district drinking water. Thanks to the overwhelming support from elected officials, sister and local agencies, municipal public water providers and Arizona public school districts, and others, this successful program has benefited Arizona's children's health and confirmed that drinking water in public school districts is not a common source of lead in Arizona. Where problems were found, ADEQ worked with the Arizona School Facilities Board and school districts to address the localized issue. Also due to increased nationwide concern, in 2018 the SWP Program screened 109 wells at 68 PWSs drinking water wells in Arizona that potentially were impacted by perfluorooctanoic acid (PFOA) and/or perfluorooctane sulfonate (PFOS) contamination. Data from facility analysis and sampling indicate that PFOA/PFOS are not widespread in Arizona and tend to be localized near potential sources. Where problems were found, ADEQ worked with the water systems to address the localized issues.

WQD also administers a licensing program to certify the operators of Arizona's drinking and wastewater utilities. The division provides training, continuing education and oversees the administration of the licenses of approximately 6,000 to 7,000 water and wastewater operators across the state. This program helps ensure that only qualified, certified operators make decisions about process control or system integrity that affects public health at no cost to the operators or the systems they serve.

WQD performs ambient water quality monitoring in streams, lakes and groundwater throughout the state. Samples and data are collected to assess the chemical, physical and biological conditions of the state's waters. Information obtained from ambient monitoring is used to develop water quality standards and to inform the public where Arizona's water resources are safe for activities including swimming, fishing, drinking and irrigation. Where water quality is poor, additional studies are conducted to identify the sources of pollutants and plans are developed to improve water quality. Some improvement projects can be funded by the Water Quality Improvement Grant Program, discussed in more detail later in this document.

WQD continues to study the effects of mercury in Arizona's watersheds. Mercury in Arizona's streams and lakes may result from historic mining activity, some natural mineralization and increasingly, from air pollution deposition. Mercury in the environment, especially in lakes, converts to methylmercury, which is a neurotoxic substance that is harmful to humans and wildlife. Methylmercury accumulates through a lake's food chain, from small bottom-feeding aquatic organisms to fish, like bass and crappie. As a result of ADEQ's monitoring efforts, in FY 2018, the WQD in partnership with the Arizona Game and Fish Department launched a state-wide initiative to highlight a "green light" list of fish species from specific waters that may be consumed without limits. This testing has identified fish to avoid (red light) and fish that can be eaten in limited amounts (orange light). Anglers have been routinely informed about consumption advisories, but never which fish species at which locations can be caught, eaten and enjoyed without limits.

ADEQ's Water Quality Improvement Grant (WQIG) Program allocates Clean Water Act Section 319 grant money from the EPA to interested parties for implementation of nonpoint source management and watershed protection projects to improve surface water quality. ADEQ uses these federal funds to implement on-the-ground water quality improvement projects to control nonpoint source pollution and to conduct nonpoint source education projects to improve water quality in streams and lakes. Since 2013, the WQIG Program has awarded over \$10 million dollars for nonpoint source education and improvement projects.

Cycle Year	Dollars Awarded
2013	\$1,326,629
2014	\$1,219,500
2015	\$1,267,500
2016	\$1,226,700
2017	\$1,276,500
2018	\$1,320,500
2019	\$1,304,500
2020	\$1,291,500
Total	\$10,233,329

During FY 2017, the WQD established a state-wide citizen science program to help collect information about the condition of Arizona’s water. This award-winning program, called Arizona Water Watch, has allowed the agency to train over 30 citizen science groups, which have volunteered over 7,500 hours, saving the State \$187,000 and gathered over 19,000 data points and 900 flow records. This data has helped ADEQ identify two water bodies now meeting surface water standards.

Waste Programs Division (WPD)

The Waste Programs Division protects and enhances public health and the environment by reducing the risk associated with waste management, contaminated sites and regulated substances. WPD has responsibility for ensuring businesses that generate solid and hazardous waste are doing so in compliance with the regulations to protect the public interest by requiring parties responsible for causing contamination to conduct facility investigations on two hazardous waste treatment and storage facilities in Phoenix. At one facility, a plume of perchlorate contamination in groundwater was characterized, and a permit was issued to require the responsible party to begin cleanup in 2012. At the second facility, WPD reviewed soil and soil gas results and determined that the underlying groundwater was likely contaminated. WPD required the responsible party to install several wells to verify the quality of groundwater and they will be required to fully characterize the groundwater contamination beginning in 2012.

ADEQ’s Pollution Prevention (P2) Program implements the state pollution prevention act with regulations to reduce the use of toxic chemicals; air, land and water pollution; water use and greenhouse gas emissions. ADEQ provides P2 technical assistance to facilities as part of each annual P2 plan review. Through pollution prevention and related reductions in water and energy usage, Arizona-regulated facilities become more, rather than less, economically competitive.

WPD also protects the public interest in the border area. Coordinating with ADEQ's Office of Regional and Border Assistance, WPD's Inspections and Compliance Section undertakes activities that: a) pursue enforcement against U.S. residents engaged in illegal trans-boundary shipment and storage of hazardous waste; b) facilitate communications with the U.S./Mexico and Arizona/Sonora environmental officials; c) ensure compliance with all international environmental agreements, such as the 1983 **La Paz Agreement**, which provides the legal basis for the Border 2012 environmental protection program; and d) encourage waste generators to minimize, reuse, recycle or avoid waste generation.

Since 2012, the division has provided \$2.65 million dollars in assistance to cities and counties, resulting in addressing 51 Brownfield sites, through the Brownfield grant program. Activities include Phase I and II Environmental Site Assessments, asbestos surveys and cleanup activities. These funds have been successful in providing rural communities with the assistance needed to pursue redevelopment activities to the economic and environmental benefit of Arizona residents.

WPD also assisted the Arizona School Facilities Board in evaluating 1,492 schools for mercury vapors potentially emanating from gym floors. During the project, several schools required remediation, which was addressed from funding from the School Facilities Board. While other states had recognized there might be an issue, Arizona appears to be in the front of understanding the scale of the issue.

The WQARF program conducts Early Response Actions (ERAs) at sites where human health is potentially impacted, where sources of contamination can cause significant environmental impact, or where early actions can save significant funds by limiting the spread of contamination. From 2012 to present, the WQARF Program continued operation and maintenance on numerous ERAs that were initiated in prior years, some of which are currently providing safe drinking water to residents.

Interim Remedial Actions (IRAs) are taken at a WQARF site to protect water supply wells, provide alternative water supplies, replace wells or for water treatment. ADEQ has been working with the Salt River Project, Flowing Wells Irrigation District and the Tucson Metropolitan Domestic Water Improvement District to implement IRAs at the East Central Phoenix – 48th Street and Indian School, Miracle Mile and Shannon Road/El Camino del Cerro WQARF sites, respectively.

Through the Emergency Response Unit (ERU), WQARF monies may be used for remedial actions taken in response to a release or threat of a release of a hazardous substance or pollutant that presents a threat to public health or the environment. In addition, the ERU manages the Emergency Response Fund (ERF) which provides funding to fire departments for hazardous material equipment. ERU also manages the Hazardous Material Emergency Planning (HMEP) grant fund administered by the Pipeline and Hazardous Material Safety Administration (PHMSA), which provides hazardous material training to fire/police departments across the state. These programs help to ensure Arizona's first response communities have updated equipment and training. Each year, the ERU also takes part in drills and exercises around the state and continues to provide Local Emergency Planning Committees (LEPCs) with training and assistance. As a result of the Tinder Fire, ERU personnel were requested to conduct hazardous materials risk assessments in the fire damaged areas around the community of Happy Jack.

ADEQ manages the Arizona Emergency Response Commission (AZSERC), which consists of representatives from state and local governments. AZSERC's role is to assist the LEPCs with training, membership issues and the previously mentioned funding programs. ADEQ coordinates with EPA Region 9's Emergency Planning and Community Right-To-Know team.

With the passage of HB2636 and subsequent legislation, ADEQ created the new UST program that provides assistance to UST owners/operators with system upgrades, tank removals, suspected release investigation and mitigation of confirmed releases. The program was developed with extensive customer/stakeholder involvement and all program elements have been fully implemented. Several highlights of the new programs include a corrosion study to better understand what is happening in the tank universe. The program started with offering testing of tanks located at school districts. Several schools participated in this project and the results have been shared at several national seminars.

Conflict of Interest- communication to staff on what constitutes a conflict of interest is provided in the ADEQ Employee Handbook and Procurement Manual. There has been no conflict of interest complaints that ADEQ is aware of.

4. The extent to which rules adopted by the agency are consistent with the legislative mandate.

Since the last sunset audit, multiple gubernatorial mandates have been issued constraining rule promulgation efforts. The most recent of which was issued by Governor Ducey **Executive Order 2020-02**. As a result, ADEQ does not engage in informal or formal rulemaking activities, except when approved by the Governor's Office. All rules promulgated by ADEQ can be found at azdeq.gov/function/laws/final.html.

ADEQ has established an effective system for tracking pending and adopted legislation that may impact agency rules. ADEQ tracks the progress of bills during a legislative session that may have program-specific and agency wide impacts. At the end of each legislative session, the agency leadership team reviews all enacted bills that require action, assigns an executive sponsor responsible for implementing the bill requirements, and the bill implementation schedule is added to an agency-level flow board reviewed by the leadership team weekly, to ensure implementation is completed consistent with the enacted bill.

Once initial bill implementation is complete, any ongoing mandated actions, including rule updates, are transferred to a separate list that will be reviewed annually by agency leadership to ensure any ongoing mandates are implemented. This list is informally referred to as the “shalls” list, and a summary of the list is provided below.

Water	
Implemented Status	Count
Additional Research Needed	6
No <ul style="list-style-type: none"> • Amend through Legislation (1) • Implement when Funding Available - A.R.S. § 1-254 (2) • Implement (8) 	11
Yes	279
Grand Total	296
Waste	
Implemented Status	Count
No <ul style="list-style-type: none"> • Eliminate through Legislation (8) • Implement (17) • Additional Research Needed (1) 	26
Yes	426
Grand Total	452
Air	
Implemented Status	Count
No <ul style="list-style-type: none"> • Implement when Funding Available - A.R.S. § 1-254 (1) • Amend through Legislation (5) • Eliminate through Legislation (9) • Implement (6) • Triggering Statute Needs Amending (14) 	35
Yes	328
Grand Total	363

Standard work (SW) processes associated with identification and implementation of legislation, include:

- Internal Legislative Review Meeting SW
- Bill implementation SW
- Legislative Tracking SW
- Post – session SW

Some statutory provisions require ongoing rule amendments, based on external factors, such as EPA action on establishing a cleanup standard. To ensure that these ongoing rule requirements are adhered to, ADEQ has developed and is in the process of reviewing a comprehensive list of every mandate in statute applicable to ADEQ. Included in this list, informally referred to as the “shalls” list, are all statutory provisions that require ongoing rule amendments.

ADEQ also maintains established lines of communication with EPA, to allow early notification of decisions at the federal level that may require the state to update rules to conform with changes in the federal regulatory structure. As mentioned above, some of ADEQ’s rules, authorized in state statute, implement federal laws such as the Clean Air Act, Clean Water Act, and Safe Drinking Water Act. ADEQ’s related programs are partially funded by the EPA, pursuant to cooperative agreements, which accounts for approximately 14% of ADEQs annual budget. Under the cooperative agreements, ADEQ assumes responsibility for implementing federal programs in Arizona. Delay in adopting rules necessary to implement and enforce federal law and regulations could trigger a loss of federal funding and a corresponding loss of state control over enforcement of these federal programs.

In addition to promulgating new or amended rules, five year reviews of all existing rules is also conducted pursuant to GRRC requirements.

5. The extent to which the agency has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

ADEQ’s three most recent rulemakings followed the steps in ADEQ’s Rules Flow Standard Work. Links to these final rulemakings can be found here:

- Coal Combustion Residuals Exemption (effective Sept. 23, 2019) [25 A.A.R. 3060](#)
- UST Rule Updates (effective January 1, 2020) [25 A.A.R. 3123](#)
- New Source Review-Ammonia (effective February 1, 2020) [25 A.A.R 3630](#)

ADEQ has a robust public process when it considers adopting rules and goes above and beyond the requirements of the **Arizona Administrative Procedure Act**. As part of ADEQ's Rules Flow Standard Work (attached), one of the very first steps ADEQ takes when considering a rulemaking is determining who the stakeholders are and communicating with them. ADEQ may communicate through online surveys, direct emails to stakeholders, and/or by holding one or more Path Forward Meetings. ADEQ's environmental program divisions maintain a database of stakeholders who are notified of proposed rule changes. Among those included in the database are environmental and community advocates, tribal officials, legislators, federal and state agencies, municipal governments, attorneys, lobbyists and industry representatives. As part of this initial round of communication with the public, ADEQ seeks comments, suggestions, and concerns to help shape its path forward. A good example of this in process can be found here: azdeq.gov/woaz. Because a Waters of Arizona program would impact many stakeholders and the public at large, ADEQ maintains this web page with Frequently Asked Questions (FAQs) and other helpful information along with contact and meeting information for interested parties.

After receiving an exemption from the Governor's Rulemaking Moratorium, ADEQ begins its formal rulemaking process. As required by the **Arizona Administrative Procedure Act**, ADEQ solicits and considers comments, statements, arguments, suggested rule language, data and other views submitted to the department regarding existing or proposed rules. Proposed rules also are published in the Arizona Administrative Register and posted on the department's website in their entirety. As noted in ADEQ's Rules Flow Standard Work, ADEQ plans for stakeholder meetings above and beyond the required public comment period and public hearing. These additional meetings are held most often for a proposed rule that has the potential to impact many stakeholders or the public at large. ADEQ conducts informal meetings statewide to inform people about the proposal and to solicit their comments before beginning formal rulemaking. Announcements of such meetings are publicized through department press releases and online subscriber notifications. Draft rules are posted on the agency web site and any person may subscribe to receive notification of such postings automatically.

Formal written or oral comments on proposed rules submitted during the public comment period become part of the official record of the rulemaking and the agency responds to each when adopting a final rule. In many instances, comments have led to changes to the draft rules.

In addition, ADEQ maintains lists of environmental and community advocates, tribal officials, legislators, federal and state agencies, municipal governments, attorneys, lobbyists and industry representatives for purposes of informal and informal rule processes. Proposed rules also are published in the Arizona Administrative Register and posted on the department's website in their entirety. ADEQ also convenes monthly meetings between the ADEQ Executive Leadership team and a broad range of customers, stakeholders, legislative staff, industry associations and non-governmental organizations. These meetings are often a valuable conduit for sharing and receiving information about the potential impacts of both proposed legislation and rules.

As a recent example of ADEQ's rulemaking outreach efforts, ADEQ promoted extensive informal comment on developing and seeking EPA primacy of the Clean Water Act 404 program, which ultimately helped inform the decision to not proceed with the program. Protection of Arizona's Lakes and Streams is a current and ongoing outreach effort in progress and more information about that informal process can be found [here](#).

ADEQ's community involvement staff is well-versed on open meeting law requirements in A.R.S. § 38-431 et seq. Public bodies conducting agency business under Open Meeting Law are typically assigned an Assistant Attorney General to provide guidance. Staff members are instructed to familiarize themselves with the Attorney General's Agency Handbook regarding Arizona Open Meeting Law requirements to ensure the agency fulfills its obligations for notice, agenda, minutes, deliberation and executive session. If needed, staff seeks guidance from ADEQ's Administrative Counsel or the Attorney General's Office.

All public hearing officers at ADEQ must go through training and be approved by the Administrative Counsel and Director before conducting a hearing. The Public Hearing Officer Policy and corresponding training are attached.

ADEQ staff publishes open meeting notices and agendas to be discussed and acted upon at the meeting for broad public consumption at least 24 hours in advance of the meeting. In accordance with Laws 2010, Second Regular Session, Chapter 88, Section 2 (HB2209) and A.R.S. § 38-431.02, ADEQ provides notice on the ADEQ website of the location, both physically and electronically, where all Public Notices including the meeting agenda of meetings of public bodies of the agency are posted. Such notices are made available via the **ADEQ website**, social media channels and specific subscriber lists so that any person can readily find the information that most interests them. Agendas are sufficiently detailed to comply with the letter and intent of A.R.S. § 38-431.09 (i.e., agendas "contain such information as is reasonably necessary to inform the public of the matters to be discussed or decided").

ADEQ related boards, commissions and councils that are subject to the State Open Meeting Law include:

- Agricultural BMP Committee (A.R.S. § 49-457);
- Arizona Recycling Advisory Board (A.R.S. § 49-837(D));
- Clean Water Act Section 208 Water Quality Management Working Group (EPA program approval requirement);
- Emergency Response Commission (A.R.S. § 49-123(C));
- Technical Assistance for Small Business Compliance Advisory Panel (A.R.S. § 49-456);
- Water Quality Advisory Board (A.R.S. § 49-322);
- Water Systems Coordinating Council (A.R.S. 49-356); (inactive)
- Water Systems Operator Certification Committee (A.A.C. R18-5-103); (inactive)
- WQARF Community Advisory Boards (A.R.S. § 49-289.03); and
- Water Quality Appeals Board (A.R.S. § 49-322).

ADEQ also assists these boards and commissions in adhering to open meeting law requirements. Training is provided as needed by either ADEQ or the Office of the Attorney General. Lastly, ADEQ supports the Oil and Gas Conservation Commission in adhering to open meeting law requirements, although ADEQ's role is technical and administrative only, and not regulatory for Oil and Gas Conservation Commission activities. ADEQ is unaware of any complaints from the public related to open meeting law since the last sunset audit.

6. The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction.

The department has processes in place to receive and respond to environmental concerns ranging from service complaints and environmental nuisances to hazardous material releases and other emergencies. To ensure that complaints are resolved in a timely manner, ADEQ requires that all complaints are investigated within five days of receipt, and further, that ADEQ staff must explain to the complainant how the department resolved the complaint, provided the complainant identifies her/himself.

In FY 2018 and FY 2019, ADEQ received 1,328 and 877 complaints, respectively. In both years, almost 40% of the complaints received were related to air quality and the remainder split evenly between water and waste. A listing of complaints for these years can be viewed [here](#). ADEQ's goal is to have a 90 percent success rate in resolving complaints within five days. Agency staff did not achieve this goal in 2018 (89.81%) but met this goal in 2019 (90.26%).

ADEQ receives complaints in a variety of ways. Complaints received via telephone between 8:00 a.m. and 5:00 p.m. are routed to the appropriate program within ADEQ for resolution. The vast majority of these complaints or requests for assistance are resolved immediately or referred to an appropriate agency for resolution. To assist the public in filing complaints after hours, the agency has established a toll free emergency response telephone number along with an automated complaint-tracking system, which is described below.

Once received, complaints are assigned an identification number and entered into a database that enables them to be tracked in multiple ways, such as by division, by media type and date received. This tracking also ensures ADEQ adheres to its internal requirement that complaints be resolved within five business days.

The department has created a website to allow the public to notify ADEQ of a public health or environmental concern. The **ADEQ online complaint system** is designed to let department staff know of a potential environmental problem or violation anywhere in the state. The website asks complainants to identify a city, county, and possible address, if known, for the complainant, and it allows them to fill in dates, add pictures, and specify what environmental media (i.e., air, water, waste) may be involved in the complaint. This latter category helps ensure the complaint is routed quickly to the appropriate ADEQ staff. If the environmental media is not known or is misidentified, ADEQ staff can quickly assess and redirect the complaint to appropriate personnel. The complaints are tracked by assigned staff and if the constituent filing the complaint leaves contact information, there will be follow-up with the constituent.

ADEQ staff routinely handles complaints and requests for assistance of a non-regulatory nature. ADEQ's switchboard operators regularly maintain and use a department-wide **Information List** to route calls to appropriate staff or external resources. Generally, staff members are instructed to manage inquiries at the lowest level of authority required to resolve the matter to the customer's satisfaction; matters are escalated through the management chain as necessary. Issues frequently arise that require more than one division, value stream or unit's expertise. In such cases, a team approach is used with a single point of contact identified and is responsible for providing a comprehensive response.

ADEQ community liaisons, located in Flagstaff, St. Johns, Tucson and Yuma, provide another avenue for residents to request information or log complaints. The community liaisons have proven to be very effective in resolving environmental concerns in the state's rural areas. Community liaisons receive, on average over the past 3 fiscal years (17, 18 and 19) 720 requests for assistance or complaints. These requests range from customers seeking help to find specific information on ADEQ's website or use of virtual tools such as EMaps, obtaining information on permit requirements, assistance with logging an online complaint form, and seeking assistance to find a specific point of contact within a program of interest.

The interactions and local networks that the community liaisons have help solve long-standing environmental problems. For example, by having the community liaison for the area reach out directly to the property owner, the UST State Lead Program was able to gain access to a site in Holbrook to begin cleanup actions that had a 30-year old release. Additionally, the community liaisons facilitate rural communities' access to practice exams for drinking water and wastewater operations certifications by hosting sessions in various locations throughout the state.

ADEQ also maintains an ombudsman position within the Director's Office to oversee and track the department's response to complaints and requests for information. ADEQ's ombudsman is the citizen's advocate inside the agency and works to obtain a solution to the citizen's problem. The ombudsman coordinates efforts with the State Ombudsman and the Governor's Office of Constituent Services. In cases where normal channels fail to resolve a complaint or concern, the ADEQ Director is accessible by mail, telephone and e-mail to resolve issues of public concern. In addition to addressing matters brought directly to his attention, the ombudsman works closely with the community liaisons, when necessary, to assist in addressing requests or complaints they receive.

Numerous standard work processes have been documented to ensure consistent and appropriate response to all requests for assistance and complaints. Some examples of standard work include:

- Inquiries tracker standard work (Office of Regional and Border Assistance), and corresponding Trello board can be viewed at: trello.com/invite/b/9fwxdl4z/625fd99456f750f09dbe058b8abca0f5/orba-inquiries
- Compliance Handbook for complaint and inspection procedures.

7. The extent to which the Attorney General or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

A.R.S. § 49-103(b) states, “The attorney general shall be the legal adviser of the department and shall give legal services as the department requires.” ADEQ provides funding to the Environmental section of the Office of the Attorney General, to support ADEQ legal needs.

While the department handles internally the informal enforcement actions taken at facilities that commit minor violations and formal enforcement actions that result in an administrative order, the Attorney General’s Office handles the formal enforcement actions resulting in a civil or criminal action.

Further, the Arizona Attorney General and 15 county attorneys have the authority to prosecute criminal environmental violations under state law. The United States Attorney and federal law enforcement authorities may prosecute criminal and civil cases under federal law. When ADEQ discovers evidence of criminal environmental activity, the information is forwarded to the Arizona Attorney General’s Office. ADEQ does not participate in the prosecution other than to supply information or to provide testimony upon request.

8. The extent to which the agency has addressed deficiencies in its enabling statutes that prevent them from fulfilling its statutory mandate.

The department evaluates the need for and feasibility of pursuing legislative changes each year. A number of formal and informal processes have been established to facilitate efficient analysis of issues and ideas related to legislation. There are three main categories of legislation that ADEQ or its stakeholders enact to address deficiencies:

1. Clarifying changes to allow an existing statutory mandate to be fully implemented - One such example is the 2018 53rd legislation, 2nd regular session SB 1494 – Environment; Underground Injection Control (UIC) Program. The UIC Program regulates the underground injection or discharge of six categories of hazardous and non-hazardous liquid and gas. Prior to enactment of SB 1494, ADEQ had an existing statutory mandate to administer a UIC program, however, the authority was insufficient to obtain the necessary primacy from EPA. SB 1494 provided elements necessary for EPA approval and ADEQ is currently working with stakeholders to develop rules, forms, guidance and other elements necessary to fully implement the program.

2. Conforming changes to align state statute with federal law or to allow ADEQ to better implement federal law
 - Many programs administered by ADEQ are required through various types of delegated authority or program deferral granted by EPA. Administration of federal programs at a state level requires similar or identical regulatory authority in state statute. As a result, when EPA modifies a federal law, that change often requires a conforming change in state statute. One such example is HB2452, UST Performance Standards, run during the 2020 legislative session. The bill did not pass because of the abbreviated session resulting from the COVID-19 pandemic, but will very likely pass during the 2021 session. EPA modified the federal law that describes when various components of an UST system require replacement. Those conforming changes must now be enacted in state statute to eliminate confusion for the regulated community and ensure that EPA continues to defer to the state program for implementation.

3. Statutory enhancements to accelerate mission outcomes - ADEQ regularly coordinates internally and with our customers and stakeholders to identify statutory constraints that could be modified to enhance or accelerate mission outcomes. These changes are usually discretionary, but are extremely important to ensuring a statutory structure that is most conducive to achieving mission outcomes. One such example is HB2152, enacted in 2017, which allows the Arizona Emissions Bank to accept “non-traditional” offset credits, resulting in more flexibility for businesses seeking to expand or locate in areas in “non-attainment” with National Ambient Air Quality Standards.

The link below identifies major legislation impacting ADEQ that has been enacted since 2013 and the type of deficiency the bill was intended to address, based on the three categories immediately above.

docs.google.com/spreadsheets/d/11CR9Sje-KBQMBeRR9iLVd3jw9mlxR9Y6gmrZRNGhTwg/edit?usp=sharing

Potential Stakeholder Ideas - 2021 Session

Idea Name	Description	Does the legislation address deficiencies in the agency’s enabling statutes (refer to categories 1, 2 and 3 above)?
Extending TSIP work Deadline for UST	Extend the TSIP claim eligibility time past one year	2
Expand exemptions to definition of solid waste	Exempt pyrolysis and gasification facilities from the definition of solid waste facility in Title 49.	2

Bills not passed in 2020 Regular Session - may be re-run in 2020 special session or 2021 Regular Session

Idea Name	Description	Does the legislation address deficiencies in the agency's enabling statutes (refer to categories 1, 2 and 3 above)?
Align state/federal UST Performance Standards (stakeholder bill)	Align UST performance standards to the federal regulations in effect on 1/1/20. Changes the requirement to meet the tank performance standards when installing new piping from 25 percent of the total piping to 50 percent. HB2452 was introduced in the 2020 Regular Session, but was not enacted because the session adjourned early.	2
Underground Injection Control (stakeholder bill)	Clarifies minor program elements. Not mandated for EPA program approval, but beneficial for clarity. H2747 was introduced in the 2020 Regular Session, but was not enacted because the session adjourned early.	3
AQ Omnibus (ADEQ bill)	1. Extend VEIP Testing Requirements and Motor Vehicle Dealer Emissions Testing conditional enactment - deadline is July 1, 2020 for EPA to approve. 2) Modify VEI to provide ADEQ with authority to study all air pollutants (ARS 49-533) 3) Voluntary Vehicle Repair Program (VVRP) – clarifies ADEQs role as program administrator H2455 H2747 was introduced in the 2020 Regular Session, but was not enacted because the session adjourned early.	3

Potential Agency Bill Ideas - 2021 Session

Idea Name	Description	Does the legislation address deficiencies in the agency's enabling statutes (refer to categories 1, 2 and 3 above)?
Protection of Arizona's Lakes and Streams (PALS)	Establish a permitting program to protect Arizona Lakes and Streams that are newly deregulated by the federal Waters of the U.S. Definition change.	1, 3
Waste Tire Fund	Expand approved uses of the Waste Tire Fund to include fire prevention	3
AQFF and APAF expansion	Expand the Air Quality Fee Fund (AQFF) and Air Quality Permit Administration Fund (APAF) expenditure authorities to allow development of voluntary projects and programs to reduce particulate matter and Ozone in areas that don't meet National Ambient Air Quality Standards (NAAQS).	3
Air Quality Public Notice	Amend hearing notice requirements to be consistent with other Federal and State regulations. A.R.S. §49-425 currently requires ADEQ to provide public notice of an air quality rulemaking public hearing at least 20 days before the hearing, whereas the Arizona Administrative Procedure Act (A.R.S §41-1023D) and Federal State Implementation Plan (SIP) notice and hearing requirements (40 C.F.R 51.102) require at least 30 day notice prior to all public hearings, including those related to rules.	2
Remote Testing Pilot Program Acceleration	Reduce the required duration of the remote testing pilot mandated by ARS 49-542(B) to one year.	3
Solid Waste Management Planning and Assistance Distribution of Appropriated Funds	Amend A.R.S. §49-724 to only require the development of criteria for distribution of funds once ADEQ receives the appropriation.	3
Remedial Actions Site Boundary Adjustment Petitions	Repeal A.R.S. §49-289.01(C)'s requirement to adopt rules to implement since statute provides necessary guidance.	3

Table Continued >

<p>Hazardous Waste Disposal at State Sites</p>	<p>Repeal Title 49, Chapter 5, Article 1 (A.R.S §49-901 – 49-905) since there are no state-owned hazardous waste facilities and there is no intention of creating one.</p>	<p>3</p>
<p>Dust-free Developments Program</p>	<p>Repeal A.R.S §49-457.02 requirement to establish the dust-free developments program to encourage and recognize persons and entities that demonstrate exceptional commitment to the reduction of airborne dust since the ADEQ Voluntary Environmental Stewardship Program (VESP) addresses this need (Title 49, Chapter 1, Article 7).</p>	<p>3</p>
<p>Vehicle Emissions Inspections -Technical Assistance Review Program</p>	<p>Repeal A.R.S §49-554 requirement to develop a technical assistance review program to expedite testing and certification of technological developments that improve air quality through a reduction in vehicle emissions, including developing incentives and establishing a board that would assist developers with the emission certification process of the California Air Resources Board and US EPA and support a credit trading and banking program.</p> <p>The current vehicle market, as well as the EPA vehicle emissions and fuel economy standards, drive technological innovation to improve air quality through reducing vehicle emissions.</p> <p>Additionally, ADEQ has already incorporated the credit and banking concept in the Arizona Voluntary Emissions Bank Program.</p>	<p>3</p>
	<p>Other ideas are listed on a tracking sheet and will be reviewed at ADEQ Strategic Planning event in July.</p>	

9. The extent to which changes are necessary in the laws of the agency to adequately comply with the factors listed in the sunset law.

The extent to which ADEQ has met its statutory objective and purpose (Sunset Factor 2) described in 49-104 has recently been diminished by enactment of the federal Navigable Waters Protection Rule. Pursuant to A.R.S. 49-104(A) (10), ADEQ must “Provide for the prevention and abatement of all water.....pollution....in accordance with...chapters 2...of this title.” The new rule, effective June 22,, 2020, substantially changes the definition of Waters of the United States (WOTUS) and will result in the removal of regulatory controls designed to protect the quality of surface waters throughout the state. Many ephemeral waterways, and intermittent and perennial waters may no longer be protected by federal and corresponding state regulatory constructs. As a result, ADEQ has initiated a process with customers and stakeholders to determine which newly deregulated surface waters are important to protect, to what degree those waters should be protected (how clean) and how those protections should be administered. The first phase of that process is expected to continue through December 2020, and may result in legislation during the 2021 session.

No other significant, program wide deficiencies currently exist. Many enhancements, conforming changes or required but not critically urgent amendments are identified elsewhere in this document.

10. The extent to which the termination of the agency would significantly affect the public health, safety or welfare.

Terminating the department would significantly harm public health, the environment and the economy of Arizona because ADEQ monitors and ensures statewide compliance with federal and state environmental regulations. ADEQ also issues numerous permits, required by law, that allow many industries to operate within the state. These adverse impacts are discussed below.

Impact on Local Control and Decision Making

ADEQ has sought program approval from EPA to ensure that environmental policies, priorities and decisions are made here in Arizona. Termination of ADEQ would return the federal EPA to a controlling position in Arizona and would also increase transaction costs for the regulated community, and would result in no environmental oversight for programs without a federal equivalent.

Authority for federally mandated programs would revert to EPA Region 9. In addition to being located in San Francisco, California, these programs would likely be subject to regional prioritization as opposed to the specific needs of Arizona. Further, EPA would likely focus more of their limited resources on enforcement functions rather than compliance assistance.

EPA would assume responsibility for ensuring compliance with federal environmental statutes in Arizona, and its Region 9 Office would divide its time among Arizona, California, Nevada, Hawaii, Guam, American Samoa and 147 federally recognized tribes in the Pacific Southwest. EPA would not be held to Licensing Time Frames for ensuring timely environmental permitting and would not be as accountable to the Governor, the legislature, the regulated community and most importantly to all Arizona citizens.

Moreover, if ADEQ were to be terminated, Arizona would abdicate to EPA its authority under the Clean Air Act to manage air quality resources within the state. Currently, ADEQ works closely with stakeholders, local and regional planning agencies and other interests to identify areas with unhealthy air quality, develop the boundaries where an air quality plan must be implemented, and then develop and submit revisions to the State Implementation Plan to EPA for approval. With the department's termination, EPA would continue to set the standards, but ADEQ would no longer have a role in representing Arizona's interests in determining how to meet them. Instead, EPA would decide the strategies and compel local businesses and other stakeholders to comply.

Although responsibility for some state programs would revert back to EPA for implementation, with some large and small county and municipal governments assuming responsibility for others, such a fragmented system would do little to ensure adherence to federal health-based environmental standards. Three likely consequences of shifting these programs include:

- 1) A lack of capacity to run the programs in local governments, except perhaps in the larger cities and counties;
- 2) An increase in multiple reporting requirements for the regulated public; and
- 3) An inconsistent application of regulations.

In addition, such a fragmented system would not support the statewide collection of environmental monitoring and assessment data needed to make informed policy decisions. Counties and municipalities also would be required to raise permit application and operating fees to provide staff and administrative support for their environmental programs.

Impact on Public Health, Safety and Welfare

The department oversees monitoring of the state's drinking water systems, takes enforcement action when drinking water regulations are violated, and supports the cleanup of water contamination when it occurs. If drinking water contamination occurs at high levels, short-term health risks and even death may occur. Lower levels of drinking water contamination may, over the long term, cause serious disease including cancer. Since 2017, the net number of drinking water systems not meeting federal standards dropped 27 percent to 36 systems in 2020. Similarly, the department protects human health, safety, and welfare by regulating hazardous and solid waste treatment, storage, and disposal. The department oversees the cleanup of leaking USTs and state Superfund sites, at which soil or water may be contaminated. Since 2015 net open leaking UST sites have decreased by 36 percent (143 sites) to 255 in 2020.

The department also regulates all sources of air pollution in most parts of the state. In the state's three most populous counties – Maricopa, Pima, and Pinal – the department shares air pollution regulation with county authorities, but retains authority to regulate large facilities, such as copper smelters and cement plants. Further, the department administers several programs, such as the vehicle emissions inspection and maintenance program, which are designed to reduce the level of air pollution. Annual compliance rate for vehicles has reached an all time high of 96 percent in 2020, up from 92.7 percent in 2015.

If ADEQ were to be terminated, there is no comparable authority to implement the VEI program. The state would then be vulnerable to citizen lawsuits filed in federal court claiming that the state is failing to implement a State Implementation Plan (SIP) that has been adopted in accordance with federal law. Failure to implement a SIP can result in sanctions to Arizona's industries and result in the loss of federal highway dollars.

Impact on State-Based Programs

Some environmental programs are specific to Arizona and would not be covered by federal laws. The termination of ADEQ would result in the termination of the following state programs that protect public health, safety, and the environment: Children's Environmental Health, Compliance Assistance, Declaration of Environmental Use Restriction (DEUR), Emergency Response, Groundwater Protection Permits (APP), Monitoring and Standards, Performance Track, Pesticide Contamination Prevention, Pollution Prevention, Recycling, Solid Waste, Voluntary Remediation, and WQARF.

Compliance Assistance – ADEQ provides compliance assistance through outreach efforts and as a part of its regularly scheduled compliance inspections. Extensive outreach targeted at the regulated community can help prevent pollution through providing educational information about new regulations and existing program requirements. ADEQ staff participates in more than 2,000 outreach events annually. About 2,500 inspections per year include compliance assistance directed toward facility operators or owners. Inspectors use these opportunities to provide consultation on operational and maintenance problems in an effort to correct problems as they arise. Although no quantitative data can be tied specifically to these compliance assistance efforts; undoubtedly, this one-on-one interface serves to prevent and correct inappropriate releases to the environment and to prevent many cases of environmental contamination.

Declaration of Environmental Use Restriction (DEUR) – A DEUR is a restrictive covenant designed to document institutional and engineering controls, allow closure of a site with contamination above residential soil remediation levels, and ensure appropriate future use of the contaminated site. The purpose of a DEUR is to ensure that current and future property owners are aware of contamination on a site and take appropriate actions to prevent unacceptable exposure to the contamination. The DEUR remains in effect and is monitored by ADEQ until the property owner demonstrates that the release of the DEUR is appropriate.

Emergency Response – ADEQ's on-scene response to emergencies which pose environmental threats would revert to the federal government via the Coast Guard, distant EPA offices, and local police and fire departments. Many local police and fire departments lack equipment and staff necessary to react to many hazardous material events. The distance that federal responders may have to travel would ensure delays, and almost certainly result in increased threats to human health and the environment.

Groundwater Protection Permits (APP) – Loss of the state water quality permit program, also known as the APP program, would mean that potential discharges of pollutants that threaten Arizona’s groundwater supplies would not be controlled. There are approximately 450 individually permitted facilities carefully permitted and closely monitored by ADEQ to control groundwater pollution. ADEQ administers an additional several thousand additional facilities under “general permit.” Without ADEQ and this program, already threatened aquifers would become impacted by pollutants, forcing water suppliers to use expensive treatment systems or abandon their wells. Arizona’s drinking water aquifers would be unprotected from pollutants stemming from sources like sewage, mines, landfills, and other industrial facilities.

Monitoring and Standards Programs - The Clean Water Act requires each state to perform water quality monitoring and establish state-specific water quality standards for streams and lakes; this is not a delegated function. If ADEQ is terminated and these efforts cease, Arizona would be in violation of the federal Clean Water Act. Further, failure to monitor under the state’s programs means the state cannot identify existing or future unhealthful situations or correct them. Some of the state monitoring programs that would be discontinued include: ambient air quality, surface and ground water quality, and pesticides in soil and water.

Voluntary Environmental Stewardship Program - ADEQ helps encourage and reward businesses for being good environmental stewards through this voluntary partnership program, which recognizes organizations that go above and beyond minimum requirements of the law and commit to continuous environmental improvement practices through the use of Environmental Management Systems. In addition to public acknowledgement, participating businesses may qualify for special incentives, such as flexibility in permitting, reduced frequency of inspections and reporting requirements and many other benefits.

Pollution Prevention – The pollution prevention program has worked to reduce the use of toxics and generation of hazardous waste. Since the advent of the Pollution Prevention Program in 1992, hazardous waste generation (indexed to economic indicators) has been reduced by 88 million pounds. See Table below for hazardous waste and other pollution reductions. It is likely that reductions would not continue at this rate if the program were discontinued. Increased hazardous waste generation would increase the risk of releases, which in turn poses a threat to human health and the environment.

Reduction Data

Category	Cumulative Totals (Up to 2017 RY)	2017 RY
Toxic Substances (lbs.)	47,954,137	233,679
Water Conservation (gal)	3,839,064,371	444,555,764
Solid Waste (lbs.)	520,213,663	20,871,820
Hazardous Waste (lbs.)	87,812,485	3,431,053
Electrical Energy (kWh)	1,244,045,783	66,268,981
Wastewater (gal)	876,585,798	27,746,200

Recycling - The ADEQ Recycling Program encourages Arizonans to reduce, reuse, recycle and buy recycled products as an alternative to solid waste disposal in landfills. The Arizona Legislature established the program in 1990 through the Arizona Solid Waste Recycling Act (see A.R.S. 49.831 et seq.)

Solid Waste - The state's solid waste program includes permitting and corrective action for solid waste facilities; performing inspections and providing compliance assistance; and advocating for solid waste reduction, reuse and recycling.

Voluntary Remediation Program - Through the Voluntary Remediation Program (VRP), property owners, prospective purchasers and other interested parties investigate or clean up a contaminated site in cooperation with ADEQ. VRP results in a streamlined process for program participants who work with a single point of contact at ADEQ to address applicable cross-program remediation efforts. ADEQ reviews these voluntary remedial actions and provides a closure document for successful site remediation that is accepted by all relevant ADEQ programs.

WQARF - Loss of the state WQARF program would result in less site remediation. The federal program (CERCLA) would not address many of the current sites. Health risks to the public would increase as drinking water aquifers remain contaminated. Through the WQARF Program, ADEQ identifies, prioritizes, assesses and remediates environmental threats. The Program conducts these efforts state-wide using state funds and also oversees privately funded cleanup efforts. Responsible parties are identified, notified and then legal and technical evidence is gathered for recovery of ADEQ's costs and enforcement of cleanup requirements. The WQARF program was created under the Environmental Quality Act of 1986 to support cleanup efforts in the state. The program underwent significant revisions as a result of what is known as the WQARF Reform Legislation of 1997 (Laws 1997, Chapter 287). As part of the WQARF Reform, the program changed to Proportionate Liability for the costs of the cleanup of contaminated sites is proportionate, rather than joint (as it is in the federal regulations). This is a fair construct and is one of only three states that manages a program in this manner. Without the WQARF program, significant groundwater and soil contamination would go unaddressed, leading to increased costs for remedial actions in the future.

In addition, as the water demands driven by future economic growth are anticipated to outstrip supplies, and as the availability of water supplies have been reduced by persistent drought, the need to protect and remediate scarce surface water and groundwater supplies becomes increasingly critical to the water supply future of Arizona. Over the next 25 to 100 years, the Arizona Department of Water Resources estimates an additional 900,000 to 3.2 million acre feet of water supplies will be needed to meet the projected water demand. While importing new supplies is one of the options being considered, protecting and restoring the water resources right here in Arizona is critical for meeting future demand.

Impact on Federal Programs

Termination of ADEQ would result in the loss of state primacy in enforcement of the following federal programs: Clean Air Act, Safe Drinking Water Act (SDWA), Clean Water Act and the Resource Conservation and Recovery Act (RCRA), as well as the UST program, which, although not delegated, is nonetheless federally authorized. This loss of primacy would subject Arizona to a less-responsive EPA approach based on prioritizing all sites within the region versus those within the state. Less money would be available to Arizona for these programs as well. These federal programs are funded in part with grant monies given directly to states and without ADEQ, the grant funds would likely flow to other states. EPA would not be eligible to receive these additional resources and would have fewer resources to operate the programs.

Changes could be expected in the focus of these programs if EPA operates them, including:

The administration of the SDWA would probably change focus from assisting operators in achieving compliance with a sense of urgency to limited enforcement occurring after a problem is identified. This would cause a decrease in the amount of oversight and protection of the 1,600 regulated water systems that serve more than 7.3 million Arizonans. Further, once EPA approved ADEQ's Clean Water Act permitting program (AZPDES), it divested its permitting resources. Accordingly, if ADEQ is terminated, EPA would not have the resources to issue timely Clean Water Act permits to new facilities in Arizona.

Air quality permits would be granted only for major sources of air pollution, effectively deregulating medium and small pollution emitters. This would leave large amounts of air pollutants unregulated statewide and could cause additional areas in the state to exceed health-based standards.

The focus of the regulation of municipally-owned solid waste landfills, since it falls under RCRA, would likely change. This would result in improper closures of solid waste landfills and increase costs and liability to facility owners including state and local governments. Privately-owned landfills would not be regulated by EPA.

Air quality authority has been statutorily vested in the counties, but only Maricopa, Pima, and Pinal counties have accepted the responsibility. The other 12 counties depend upon ADEQ to implement their air quality program. One of the reasons 12 of the 15 counties do not operate an air quality program is the financial burden such an undertaking creates. EPA or other state agencies would be responsible for air quality programs.

The termination of ADEQ would significantly impact the overall financial cost of protecting the public health and safety in the environmental arena. In addition to the increase of transaction costs associated with federal and county administration of programs, the time required to obtain permits and plan approvals would increase as programs become fragmented to multiple levels of government. With the implementation of myDEQ the economic benefit since 2016 has been \$635 million with an estimated annual benefit of \$154 million thereafter.

Impact on the Public Welfare

- Response to environmental complaints would take much longer or would not occur.
- Many areas would not have an ombudsman program to assist citizens in problem resolution.
- Most of the outreach programs and proactive approaches ADEQ has implemented would disappear.
- Ability to respond to environmental issues would be reactive versus offering a proactive approach.
- Less environmental information would be available to support sound public policy and private enterprise decision making.
- A loss of institutional knowledge and an inability to access facility file information would occur.
- Division of the programs between federal and local agencies would further splinter information and result in a loss of continuity and the cross-media understanding of environmental issues.
- Some facilities that produce large amounts of waste or air emissions would be attracted to the less stringent regulatory environment, and the amount of waste sent to Arizona from other states could increase.
- Some desirable businesses may be deterred by the uncertain regulatory environment, and may locate their businesses and corresponding jobs in other states.
- The additional wastes and air emissions generated would expose more Arizonans to the health risks associated with air, water and soil contamination.
- Slower cleanup times will hinder redevelopment.

Arizonans expect clean, healthy drinking water. They expect appropriate wastewater treatment. They expect proper disposal of garbage and wastes. They expect clean air to breathe. They expect preservation of deserts, forests, streams, and other natural habitats. These comforts do not occur without cost and without the careful oversight of a state regulatory agency.

ADEQ's programs are vital to continue to provide Arizonans with the quality of life they expect. Every day, the life of every Arizonan and visitor to this state is enhanced by ADEQ's continued commitment to its mission.

11. The extent to which the level of regulation exercised by the agency compares to other states and is appropriate and whether less or more stringent levels of regulation would be appropriate.

The level of regulation exercised by ADEQ is similar to that exercised by other environmental agencies in neighboring states, with the exception of California. California's environmental regulation is much more stringent than what is required in Arizona. Federal law sets minimum regulatory standards that ADEQ must enforce, and ADEQ has exceeded these standards only as required by the legislature and to address unique environmental challenges in Arizona (e.g., groundwater protection). Moreover, such changes are thoroughly vetted through legislative and regulatory review processes with significant opportunities for public involvement.

ADEQ exercises appropriate regulatory authority across a range of air quality, water quality and waste disposal programs that protect and enhance public health and the environment in Arizona. ADEQ solicits stakeholder input to create rules that are rigorous yet flexible, so that they are enforceable by ADEQ and delegated local agencies. In doing so, the agency meets its statutory obligation (A.R.S. § 49-106) to make rules of statewide application, and makes the adoption of more stringent local rules less likely.

Programs administered by the agency that derive their authority from the federal government are required to be no less stringent than those of the applicable federal laws and regulations. Should the state attempt to be less stringent in these areas, state primacy would be jeopardized and EPA would likely reassert its right to regulate environmental compliance and enforcement within Arizona.

There are certain areas in the state where more stringent regulation may be necessary. For example, portions of Pinal County have been determined by EPA as not meeting the ambient air quality standard for particulate matter and the area was recently redesignated as a serious nonattainment area. Additional regulation in this area of Pinal County will likely require additional emission reductions and rules in order to meet the health based standard in order to avoid federal economic sanctions and increased oversight by EPA.

12. The extent to which the agency has used private contractors in the performance of its duties as compared to other states and how more effective use of private contractors could be accomplished.

Most, if not all, other states have public agencies similar to ADEQ to fulfill their vital public health and environmental protection missions because public agencies are accountable to their elected state executive and legislative officials, who, in turn, are directly answerable to the citizens. Many agency programs and functions are complex and infused with policy decisions that cannot and should not be delegated to outside entities. Moreover, as is true for other states, ADEQ receives a number of unique delegations from EPA to meet both federal and state standards and objectives. The states do not have the discretion to turn over federally delegated authorities and responsibilities to private enterprise, non-profits or local governments.

While the department cannot attest to the extent its counterparts in other states use private contractors to carry out specific activities related to performance of the core functions outlined above, ADEQ uses private enterprise, nonprofits and local government agencies to the greatest extent possible, and has done so for many years. In fact, in FY 2020, more than 52 percent to date, 56 percent last year of ADEQ's expenditures went to private enterprises, non-profit organizations and local governments.

For those functions where it is cost effective and reasonable, ADEQ uses contractors extensively to support technical aspects of its program operations, including air quality modeling, and vehicle emissions inspections, water quality modeling and sample analysis, and environmental remediation. ADEQ continues to seek additional contractor opportunities where appropriate to leverage the agency's limited resources with high quality, cost-effective services.

For more details, please see the response to Sunset Factor 1.

ADEQ monitors contractor performance and evaluates their efficiency and effectiveness in a variety of ways. For example, the department audits the contractor that operates vehicle emission inspection stations in the Phoenix and Tucson metropolitan areas by performing both announced and covert inspections to examine the company and worker performance. Such extensive monitoring and evaluation is justified given this is by far ADEQ's largest contract with a private firm (in excess of \$22 million per year) and the high-profile visibility and near-constant level of motorist interaction via the inspections stations which requires maximal performance, efficiency and accountability.

For all contractors, the department follows the state procurement process for contractor selection, which requires a thorough evaluation among competing entities to ensure the selection is in the best interest of the state, including background checks and other prescribed forms of due diligence. Once hired, agency staff provide ongoing oversight by reviewing work patterns and products as well as maintaining regular contact with them to ensure that projects are completed satisfactorily and on time.

13. The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the Committee of Reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently, and increasing the cost of government.

ADEQ recognizes and respects that Arizona taxpayers have made a financial investment with an expectation that they will receive value in return. This value is manifested in many ways. Certainly it can be seen in operational efficiency that holds down cost and ensures timely delivery of products and services, such as permits, but it can also be seen in the effectiveness with which an agency fulfills its statutory mission. In ADEQ's case, citizens expect a clean, safe and healthy environment. They expect department personnel to apply themselves productively and use their knowledge and expertise to administer federal and state laws fairly and responsibly. They also expect the department will not act frivolously or wantonly so as to adversely affect Arizona's economy or its ability to retain and attract business to the state.

Because ADEQ implements many programs in lieu of EPA, federal laws and EPA policies influence departmental decisions. To retain the primary responsibility for enforcing federal environmental laws, ADEQ must implement federal requirements, even when they may be contrary to the will and intent of Arizona's elected leaders. Regardless, the department maintains a commitment to work with stakeholders, to identify and respect their values, thereby minimizing the regulatory burdens and other adverse impacts, while not compromising ADEQ's ability to carry out its core mission.



July 2, 2020



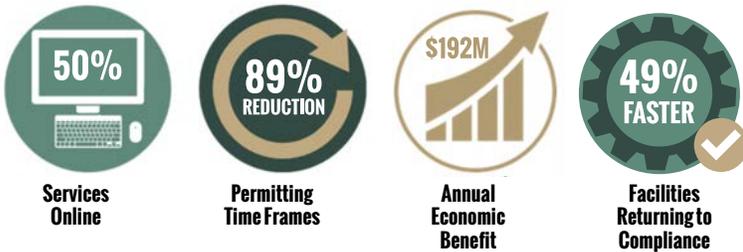
ADEQ is Requesting a Continuation of 8 Years or More

Citizens expect a clean, safe, healthy environment and a strong economy. At ADEQ we deliver environmental protection with innovation, speed and great customer service that supports environmentally responsible economic growth. Since the last sunset review in 2013, and with the support of the legislature, ADEQ has aggressively transformed its operations in pursuit of our vision to deliver balanced, leading-edge environmental protection through operational and technical excellence and radical simplicity for customers and staff.

Innovative, Efficient, Effective Government

Launched the myDEQ Permitting & Reporting Portal

50% of agency-provided services are available online through myDEQ – a TurboTax®-like platform, where customers answer questions that seamlessly guide them through permitting and reporting requirements. myDEQ radically simplifies the permitting process, reduces application errors, automates complex calculations and integrates compliance reporting, all in one application. **ADEQ partnered with the legislature to fund myDEQ through legislative transfers – no new revenue was required.** Today, we are helping customers conduct over 40,000 transactions per year, faster and with better outcomes for the environment – online reporting allows ADEQ and our customers to address problems faster!

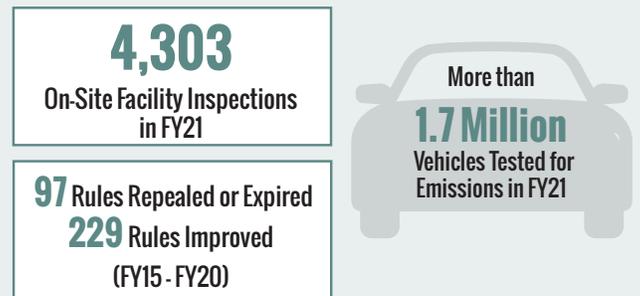
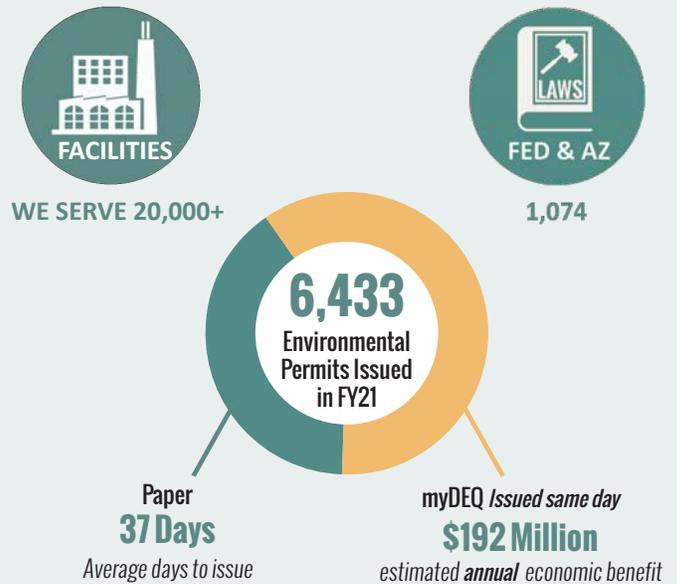


“The myDEQ online tool is a perfect example of government streamlining their processes to meet the needs of businesses and other stakeholders. The increase in permitting speed and the ease of doing business makes myDEQ portal invaluable to our membership and we look forward to additional features in the future.”

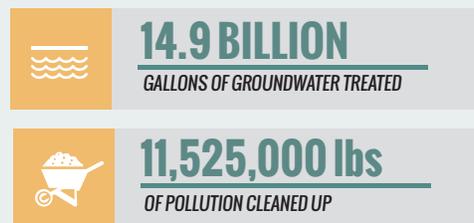
Mike Huckins, Vice President of Public Affairs,
Greater Phoenix Chamber of Commerce

ADEQ’s Mission is Vital and Large

Although we are not a large Department, our vital mission spans the entire state. Our mission is to protect and enhance Arizona’s environment – the air, water and land that sustains us.



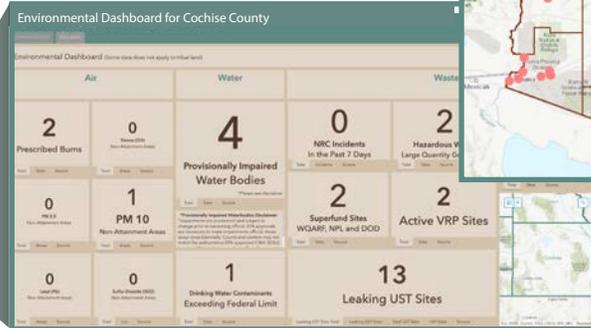
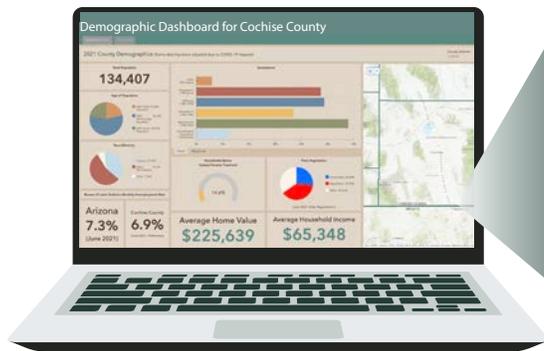
Groundwater Treated & Pollution Cleaned Up by WQARF Since FY2014:



We deliver our mission with innovation, efficiency, great financial stewardship, and results. We also make sure to serve all Arizonans everywhere they live.

Launched My Community + Demographic & Environmental Data Dashboard

Anyone can access environmental data that's important to them with ADEQ's easy-to-use, online tools including interactive e-maps, outreach program information, demographic and environmental Geographic Information System dashboard, along with personal assistance from an ADEQ Community Liaison contact.

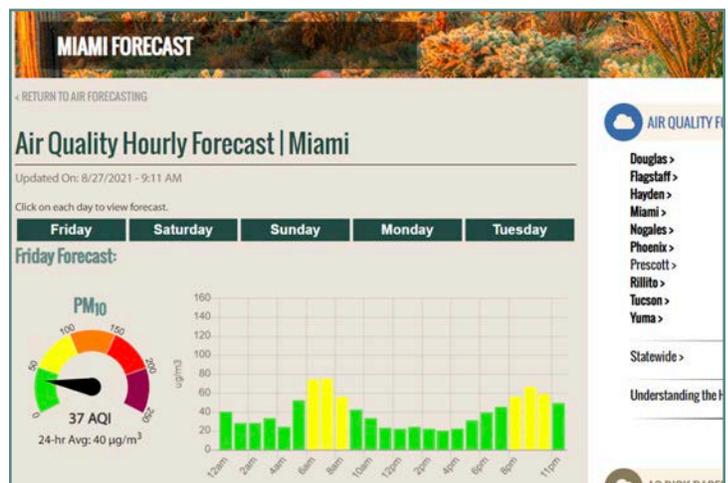


Predictive Analytics for Prevention of Compliance Issues

ADEQ developed and deployed a predictive analytics tool to focus our efforts on systems most likely to experience compliance issues and to proactively collaborate with systems to prevent exceedances before they happen. Since developing and applying the predictive analytics tool for arsenic, ADEQ has prevented five public water systems from exceeding the arsenic limit, reduced the amount of time it takes for water systems to return to compliance by **325 days**, and provided technical assistance to four public water systems to address potential arsenic issues.

Enhanced Air Quality Forecasts

Delivering hourly air quality forecasts, high pollution watches/advisories online, by email and through the **Air Arizona mobile app** so people can better plan their days to protect their health and limit their pollution footprint when it matters most.



"What I love about these pages are:

- 1. They show the worst times of days for different pollutants, 2. I can compare levels in different cities, 3. There are different colors on the charts to indicate low, medium, high, and extreme pollution levels (more informative than numbers alone), and 4. The discussion of weather and the impact on air quality. This section is one of the best write-ups of our local weather I can find on the web and the connection with air quality is so informative! It is written in a way that is easily understood without insulting the intelligence of the reader- which I know is difficult to do."*

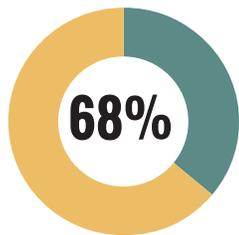
Jackie Rich, Community Member

ADEQ Works With Underserved Communities

We've taken actions to better engage and serve all Arizonans including those in rural Arizona.

Drinking Water in Disadvantaged Communities

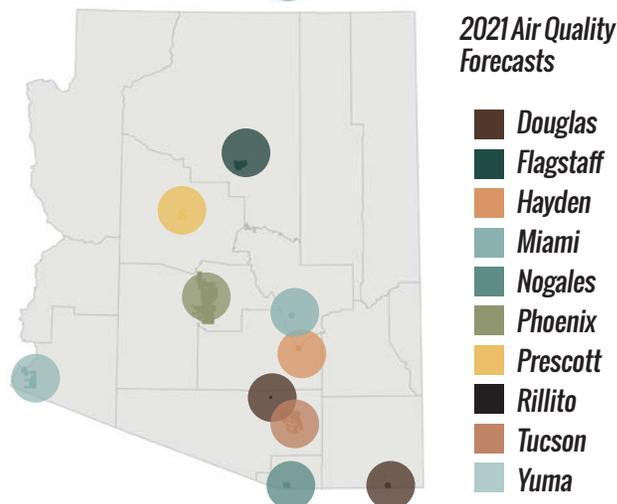
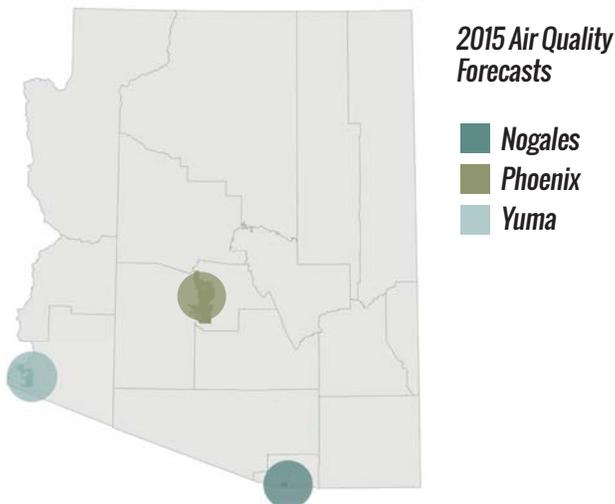
ADEQ expanded its compliance assistance program and linkages to funding options available to small drinking water systems enabling them to make necessary infrastructure upgrades.



of small drinking water system grants recommended by ADEQ went to disadvantaged communities.

Air Quality Forecasts Expanded to More Arizona Communities

Starting in 2015, ADEQ began expanding its Air Quality Forecasts to all areas of the state.



"We were between a rock and a hard place running out of water and without the financial means necessary to fix the water system. Without this Small Water Systems Fund grant, our families would not have the safe and reliable essential water we have today."

Paul Rivas, Community Member,
Three Points Area, Pima County

Community Liaisons

To better assist the public and regulated community all across the state, ADEQ has geographically dedicated staff serving the following regions:

- Apache, Navajo and Gila Counties
- Cochise, Graham, Greenlee and Santa Cruz Counties
- Coconino and Yavapai Counties
- Mohave, La Paz and Yuma Counties
- Pima and Pinal Counties

Brownfields

More Arizona communities are leveraging brownfields grants to revitalize blighted properties statewide. Brownfields grants help municipalities and nonprofits identify and reduce environmental hazards, mitigate public health threats, create new business opportunities, increase tax revenues and restore impacted properties to beneficial reuse. ADEQ has supported more than **72** brownfields projects in more than **34** communities across the state since FY2014.

Border Team

Our Border Team focuses on cross-border issues that impact Arizona's environment and citizens. We work in a binational and bicultural setting to promote efforts aimed at improving air quality, waste management and water quality conditions within Arizona's border communities. The Border Team regularly meets with the Arizona-Mexico Commission to develop action plans for projects or activities done in collaboration with the State of Sonora.

"We appreciate your leadership in reenergizing and reengaging in the [Border 2025] program to make the most of the benefits to the environment and quality of life to border residents. We look forward to continuing our efforts along the U.S.-Mexico Border with you."

Lisa Almodovar, Deputy Director, USEPA Office of International and Tribal Affairs

Award-Winning Innovation, Performance and Connection

Since 2018, ADEQ has been recognized and honored with **15 awards** for dramatically increasing positive environmental outcomes, technical excellence and innovation, civic engagement and online services for customers. National leaders among ADEQ's products and programs include the myDEQ online permitting and reporting portal, the automated surface water quality assessment tool, the Arizona Water Watch Citizen Science Program, the Wildfire Smoke Forecast, and more.



ECOS



esri



ARIZONA FORWARD



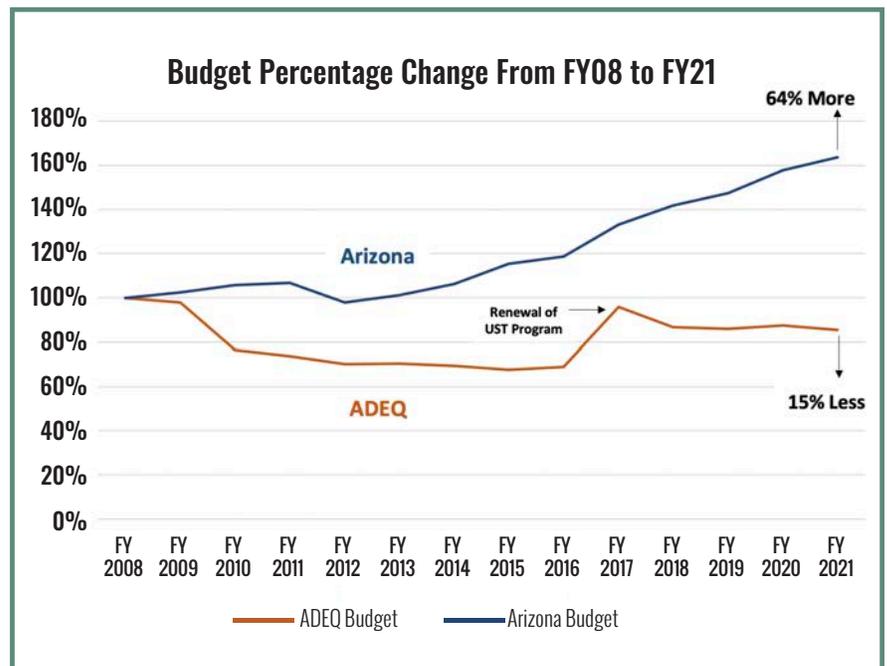
National Association of Environmental Professionals
Be Connected

Great Financial Stewardship

ADEQ achieved significant mission results and has done so with **235** fewer people and **15%** less budget than in 2008.

In addition, we have:

- Returned **\$2.32 million** to the State from vacated and sold buildings in Phoenix (2017) and Tucson (2020).
- Consolidated office space in Phoenix in 2015 and 2021, reducing total square feet by nearly **78,000 square feet** with more to come.
- Reduced vehicle emissions inspections fees saving motorists more than **\$81.8 million** since 2014.
- Highly outsourced – in FY2021, **almost 60%** of ADEQ's budget went to private enterprises, non-profit organizations and local governments.
- Reduced the number of ADEQ fleet vehicles by **32%** from **96** in 2015 to **66** in 2021.
- Implemented a gas cap replacement program to immediately replace failing gas caps at Vehicle Emissions Inspections stations at **no cost to the consumer or state.**



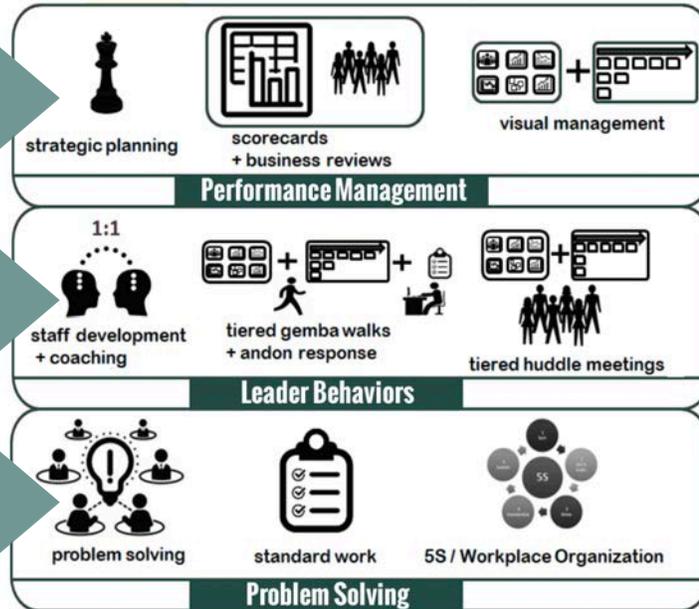
You Can Trust ADEQ for the Long Run

By integrating the Arizona Management System into every element of our work, ADEQ has dramatically increased efficiency, improved customer service and convenience, and delivered award-winning online services and breakthrough environmental outcomes for Arizona. And we have put specific processes and measures in place to ensure this high level of service continues.

We have **19** performance metrics to keep us on track and that let us know how we are doing and where we can improve. We also track **62** performance metrics by program.

To ensure the agency is positioned to serve Arizona today and for our future, ADEQ has a succession plan in place to develop and cultivate future leaders. ADEQ also tracks single points of failure so that they can be avoided and addressed.

To ensure we work efficiently and provide timely service, we document and use standard work for our processes, with more than **1,000** standard works in place.



“Thank you so very much for allowing us to observe your MBR [Monthly Business Review], I have been amazed at the breadth and depth of your analysis.”

Lynn Juett, USEPA
Superfund Remedial/
Removal Branch Chief

We Serve Your Constituents and Arizona’s Environment Well

Water Quality Assurance Revolving Fund (WQARF) Registry (State Superfund)

The WQARF is the State’s Superfund program, which cleans up the most polluted hazardous waste sites in Arizona. This program provides Arizona businesses with a more equitable approach than the Federal Superfund program, which can hold one entity accountable for all cleanup costs regardless of their small contribution to the site. Since the last sunset review, ADEQ has removed **four sites** from the WQARF Registry.

Groundwater Treated & Mass Removed by WQARF Since FY2014:

14.9 BILLION
Gallons of contaminated groundwater treated

25,000 pounds of volatile organic compounds
11.5 MILLION pounds of metals and other hazardous wastes

Drinking Water

ADEQ regulates more than **1,500 public** water systems statewide that provide Arizonans with essential drinking water. Greater than **99%** of the population continues to receive drinking water that meets state and federal requirements.



ADEQ has assisted more than

1.4 million

additional people with receiving healthy drinking water through helping



245 public water systems

to return to compliance with safe drinking water regulations since FY16.

“SRP supports the leadership of Governor Ducey and Director Cabrera in advocating for full funding of Arizona’s WQARF Program. Full funding will help ADEQ accelerate efforts to clean up legacy contaminants.”

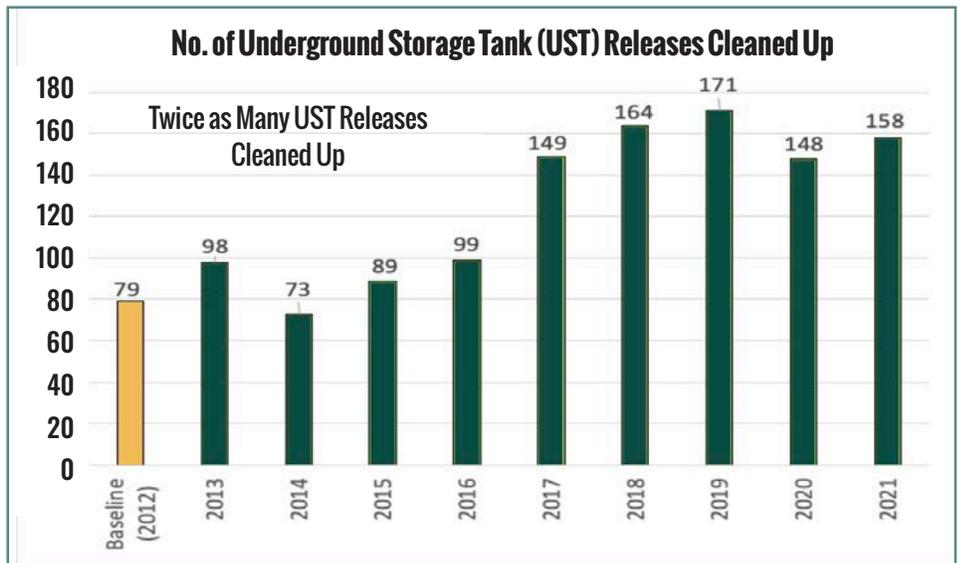
Kelly Barr, SRP Associate General Manager
and Chief Strategy, Corporate Services and Sustainability Executive

Dramatically Increased the Number of Underground Storage Tank (UST) Cleanups

Implemented a new UST Program that has accelerated the discovery and mitigation of releases, increased the number of UST cleanups from **79** to **158** and resulted in the lowest number of open sites since the 1980s.

"I only wish there were more we could do to show just how much you've done for my family in removing these fuel tanks from our property."

Joe & Edie DeSoto, Owners, Kaibab Repair, Ashfork, AZ

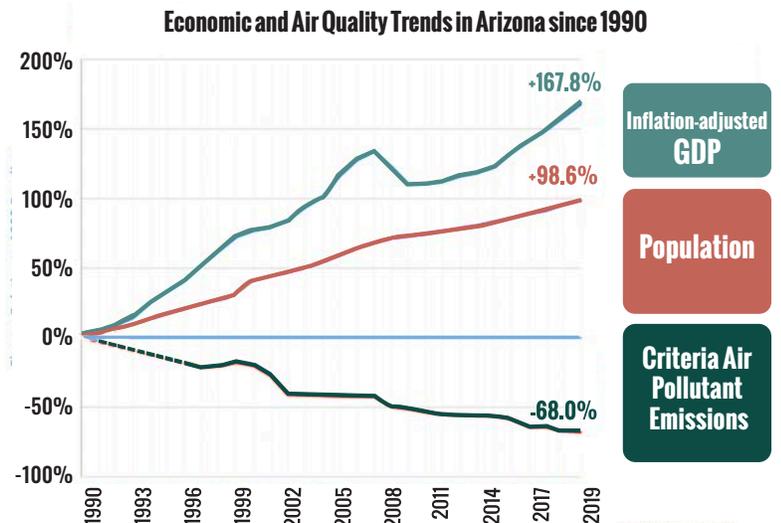


Arizona Has Seen a 68% Reduction of Emissions, Even as Our Economy and Population Have Grown

Although there is more to do, ADEQ has partnered with counties and facilities to design and implement State Implementation Plans that improve our air quality and avoid Federal Implementation Plans and sanctions.

In the context of a growing economy and population, Arizona has succeeded in improving air quality all across the state.

In addition, and although ADEQ does not regulate greenhouse gases (GHGs), Arizona is a leader in actual CO₂ emissions reductions in the West. Today, roughly a third of Arizona's energy production comes from non-fossil fuel alternative sources: Palo Verde Nuclear Generating Station (a zero emissions source), solar plants and hydroelectric plants. In addition, Arizona is ahead of schedule for the now defunct Federal Clean Power Plan goals for CO₂ emissions reductions.



Comparison of CO₂ Emissions Reductions by State (2008-2018*)

State	CO ₂ Emissions	Population Growth	Per Capita CO ₂ Emissions
Arizona	-11.89%	15.90%	-22.69%
Oregon	-7.48%	11.91%	-17.24%
California	-4.77%	7.94%	-11.67%
Washington	4.50%	16.04%	-8.85%

* 2018 is the most current published data

Data Sources:

Energy Information Administration Data (Energy-Related Carbon Dioxide Emissions by State 2005-2018): [eia.gov/environment/emissions/state/analysis/](https://www.eia.gov/environment/emissions/state/analysis/)

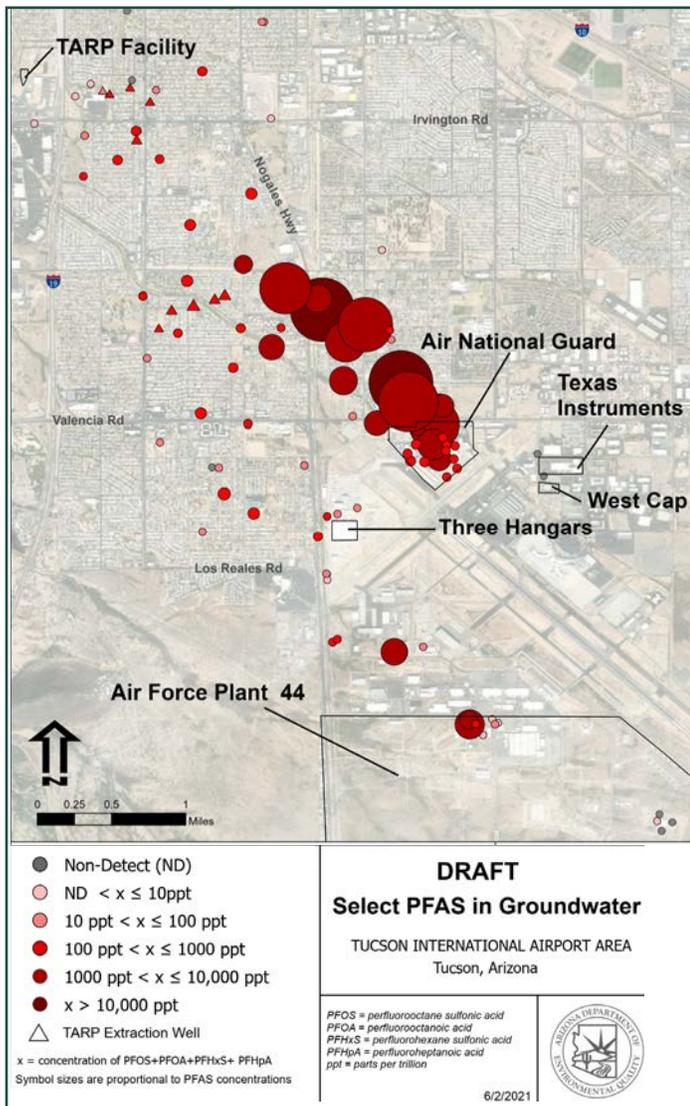
Population:

[census.gov/programs-surveys/popest/datasets/2000-2010/intercensal/state/](https://www.census.gov/programs-surveys/popest/datasets/2000-2010/intercensal/state/) and [census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage](https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-total.html#par_textimage)

Addressing Forever Chemicals When The Federal Government is Slow To Act

ADEQ is addressing the threat of PFAS in groundwater, preventing PFAS contamination and keeping the public and stakeholders informed.

- Dedicated **\$3.3 million** to stop a PFAS plume from reaching the City of Tucson's central wellfield. In less than one year we have characterized the extent of contamination, designed a pilot plant and begun remedial construction.
- Screening high-risk public drinking water systems statewide.
- Established the Arizona PFAS Resources Information Clearinghouse: azdeq.gov/pfas-resources.
- Advised fire departments, local emergency planning committees and relevant industries about adverse impacts to public health and the environment.
- Worked with the Governor's office to grant **\$2 million** to Tucson Water so they could re-start the Tucson Area Remediation Project Treatment (TARP).



ADEQ is There When You Need Us

- ADEQ's **Emergency Response Unit** is on call 24/7 and worked with first responders and local emergency response authorities to respond to **104** incidents since FY2018. These include the 2021 Friedmans' six-alarm recycling fire – the largest in City of Phoenix history – and the Union Pacific Railroad rail car derailment at Tempe Town Lake in 2020.



- We lead the **Arizona Water Emergency Team (WET)** and have responded to **82** water emergencies since inception. Established in 2016, the WET helps improve the state's response to water emergencies. WET consists of representatives from state government and the water industry and is designed to facilitate immediate relief to water providers and their customers in cases where a water emergency poses an imminent threat to public health and safety. WET also provides guidance and support to all engaged organizations involved in a water emergency.
- ADEQ developed and deployed a state **Wildfire Smoke Forecast** in 2020 – the first of its kind in the country – to provide Arizona communities with early and ongoing information about potential air quality impacts and help individuals make informed decisions for their health. The tool provides an hourly (not just daily) Air Quality Indicator forecast. ADEQ issued **72** forecasts in 2020 and **52** in 2021 thus far.



Assessed Arizona's School Facilities Statewide



Screening for Lead in Drinking Water and Flooring Evaluation for Mercury Vapor

Collaborated with the Arizona Department of Health Services and the Arizona School Facilities Board (AZSFB):

— Led by ADEQ, Arizona was the first state in the nation to complete a comprehensive statewide screening program for lead in public school district drinking water. **Over 16,000** drinking water samples collected at more than **1,400 schools** confirmed that Arizona's public school district facilities are not a common source of lead in Arizona within **six month's time**. Where problems were found, ADEQ worked with the AZSFB and school districts to address the localized issue.

— ADEQ served a key role in the multi-agency task force to conduct a statewide assessment for potential health effects to children, school staff and the public associated with possible exposure to mercury vapor from rubberized flooring in school buildings. This first-of-its-kind statewide assessment of **220 Arizona school districts** produced a comprehensive database of school floors, including current condition, potential concern and recommended actions to mitigate potential exposure risk.

Tough When We Have To Be



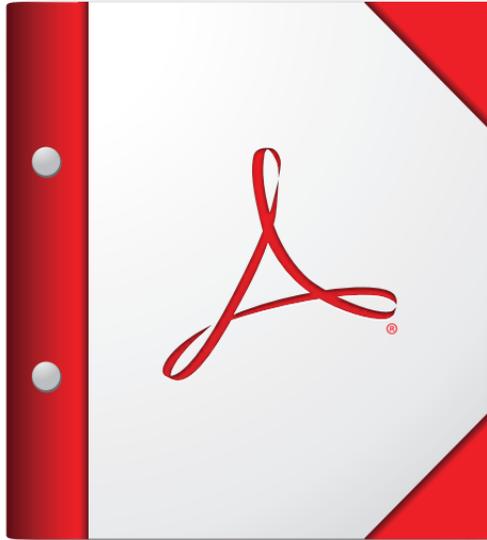
When polluters do not work within ADEQ's collaborative approach to resolve non-compliance, ADEQ escalates. In the last five years, in cooperation with the Attorney General's Office, ADEQ has settled over **\$50 million** in enforcement cases and has supported criminal cases that resulted in jail time for two criminals.

ADEQ has collaborated with our stakeholders and customers and engaged our employees to achieve amazing results for Arizona as shown at: azdeq.gov/ams



And We Respect You

Our goal is to implement the laws that you pass effectively, steward the budget you provide diligently, and respond to all legislative inquiries within 24 hours or less to help you serve your constituents.



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January 3, 2022

The Honorable Gail Griffin
Chairwoman – Natural Resources, Energy and Water Committee
Arizona State Legislature
1700 West Washington St.
Phoenix, Arizona 85007

RE: Continuation of Arizona Department of Environmental Quality

Dear Chairwoman Griffin:

On behalf of the Arizona Mining Association (AMA) and Arizona Rock Products Association (ARPA), I write to express our support for the continuation of the Arizona Department of Environmental Quality for 8 or more years.

As you are aware, in fiscal year 2021, the Arizona Department of Environmental Quality has issued more than 6,400 permits, conducted more than 4,300 site inspections, and performed more than 1.7 million vehicle emissions tests, and done so much more to protect and enhance the environment.

AMA and ARPA are truly grateful to ADEQ for the work they have done on behalf of the state and their stakeholders with limited resources and staff, and we look forward to our continued working relationship with this critical Agency. The AMA and ARPA hope you will work with your colleagues in the legislature to ensure the continuation of ADEQ so that their vital work can continue.

Respectfully,

A handwritten signature in black ink that reads "Steve Trussell".

Steve Trussell
Executive Director
Arizona Mining Association & Arizona Rock Products Association

CC: Vice-Chairwoman Representative Judy Burgess
Misael Cabrera, Director, Arizona Department of Environmental Quality