



# CAPACITY DEVELOPMENT PROGRAM ANNUAL REPORT FY2015

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# FY15 CAPACITY DEVELOPMENT ANNUAL REPORT

## 1. INTRODUCTION

The Arizona Department of Environmental Quality's (ADEQ) Capacity Development Program works to ensure that new public water systems (PWS) and existing small and medium water systems possess technical, managerial, and financial capabilities to operate in accordance with all federal and state drinking water rules and regulations. In accordance with Title 18, Chapter 4, Article 6 of the Arizona Administrative Code (A.A.C.), new community and non-transient, non-community water systems must submit an elementary business plan for review and approval prior to commencing operations. However, the Capacity Development Program also targets existing PWSs (community and non-transient, non-community) in Arizona serving 10,000 or fewer people for technical assistance.

As of the date of this report, there were 1,533 PWSs currently in operation in Arizona. Of these water systems, 960 are classified as community or non-transient, non-community with 93% of those serving 10,000 or fewer persons. Historically, these small-and medium-sized public water systems have accrued the vast majority of Arizona's reported drinking water violations (e.g., missed distribution compliance monitoring and contaminant exceedance violations).

This report describes the tasks completed by ADEQ, Drinking Water Section (DWS), from July 1, 2014 through June 30, 2015, in the administration of the Capacity Development Program. In developing and implementing this program, the DWS accomplished tasks in the following areas:

- New Systems Program Annual Reporting Criteria
- Existing System Strategy
- Program Objectives Summary

## 2. NEW SYSTEMS PROGRAM ANNUAL REPORTING CRITERIA

The U.S. Environmental Protection Agency (EPA) developed the following list of questions to ensure that all new community water systems (CWSs) and non-transient, non-community water systems (NTNCWSs) demonstrate technical, managerial, and financial (TMF) capacity with respect to each national primary drinking water regulation in effect or likely to be in effect, on the date of commencement of operations.

- 2.1 *Has the state's legal authority to implement the new systems Program changed within the previous reporting year? If so, please explain and identify how this has affected or impacted the implementation of the New Systems Program. If not, no additional information on legal authority is necessary.*

The legal authority to implement ADEQ's Capacity Development Program has not changed since the inception of the capacity development rule in 1999 (applicable to new

CWSs and NTNCWSs that begin operation on, or after, Oct. 1, 1999). Primacy for this program resides with ADEQ and the state rule citation is as follows: Arizona Administrative Code, Title 18, Chapter 4, Article 6 – Capacity Development Requirements for a New Public Drinking Water System.

2.2 *Have there been any modifications to the state's control points? If so, describe the modifications and any impacts these modifications have had on implementation of the new systems program. If not, no additional information on control points is necessary.*

No, the control points used to ensure the demonstration of a new PWS's capacity have not changed since the inception of the capacity development rule in 1999.

2.3 *List new systems (PWSID & Name) in the state within the past three years, and indicate whether those systems have been on any of the annual Significant Noncompliers (SNC) list (as generated annually by EPA's Office of Enforcement and Compliance Assurance).*

Please see Table 1 for a compilation of PWSs that have been approved for capacity development from July 1, 2012 through June 30, 2015. None of the PWSs approved for capacity development during this period are currently on EPA's Enforcement Targeting Tool (ETT) list with a score of 11 points or higher.

**Table 1. List of PWSs approved for Capacity Development from July 1, 2012 through June 30, 2015**

<b>PWS NAME</b>	<b>PWS NUMBER</b>	<b>CLASSIFICATION</b>	<b>COUNTY</b>	<b>DATE</b>
Avalon Garden Water System	AZ0412044	CWS	Santa Cruz	09/24/13
Star School	AZ0403101	NTNC	Coconino	12/24/13
Florence Copper	AZ0411145	CWS	Pinal	08/09/13
Banner Health	AZ0407913	NTNC	Maricopa	01/30/14
Mesa Hills Estates	Not assigned	NTNC	Navajo	06/11/14
Canyon Water Improvement	AZ0404112	CWS	Gila	12/22/14
Hickman Egg Ranch	AZ0407547	NTNC	Maricopa	02/09/15
Desert Living Estates	Not assigned	NTNC	Pinal	06/10/15
Tangerine Business Park	AZ0410150	CWS	Pima	06/25/15

### **3. EXISTING SYSTEM STRATEGY**

EPA developed the following list of questions to determine how states are implementing strategies to assist PWSs in acquiring and maintaining TMF capacity.

- 3.1 *In referencing the state's approved existing systems strategy, which programs, tools, and/or activities were used, and how did each assist existing PWS's in acquiring and maintaining TMF capacity? Discuss the target audience these activities have been directed towards.*

ADEQ conducts technical workshops statewide, both independently and in partnership with other government regulators and nonprofit organizations, to improve the technical, managerial, and financial capacity of existing PWSs. Topics include (but are not limited to): arsenic treatment, operator certification, emergency response, workplace safety, chemistry, pumps and motors, disinfection, drinking water rule updates, Source Water Protection Program, Wellhead Protection Program, Capacity Development, and ADEQ's Monitoring Assistance Program. A total of 16 outreach events were conducted statewide during FY15. Although the workshops are primarily attended by certified operators and facility managers, ADEQ also targets and encourages PWS owners, PWS staff and PWS Board members to attend. In FY 2014, ADEQ began providing workshops via webinar as an additional option especially for remote operators. In FY 15 an increasing number of operators attended the workshops via webinar. During FY15 688 attended these workshops in person and approximately 187 people attended these workshops events via webinar.

All community and non-transient, non-community public water systems, which are not federally or state-owned, and that serve 10,000 or less people are enrolled in ADEQ's Monitoring Assistance Program (MAP). For a modest base fee of \$250 per year and an additional \$2.57 charge per meter or service connection, MAP conducts all baseline monitoring for regulated volatile organic (VOC), synthetic organic (SOC), and inorganic (IOC) chemicals in addition to nitrate, nitrite, asbestos, and radionuclides. This program has dramatically reduced the number of PWSs that would otherwise be in noncompliance with monitoring and reporting requirements for these rules.

- 3.2 *Based on the existing system strategy, how has the state continued to identify systems in need of capacity development assistance?*

Public water systems are identified for assistance on the basis of the Master Priority List (MPL). The criteria used to determine PWS need are the same criteria used in determining existing PWS capacity. These criteria include components such as EPA's Enforcement Targeting Tool (ETT) score, system classification type, population served, and violation history. The MPL is updated annually in March so that prioritization can be based on the most recently available data. In addition, the Water Infrastructure Financing Authority (WIFA) uses the MPL to identify possible candidates for additional technical assistance and/or financial assistance (e.g., low interest loans, grants, etc.). During WIFA's evaluation, a recommendation is often times made for ADEQ to conduct a system evaluation and/or operations and maintenance evaluation.

- 3.3 *During the reporting period, if statewide PWS capacity concerns or capacity development needs (TMF) have been identified, what was the state's approach in offering and/or providing assistance?*

Drinking Water Program Unit (DWPU) staff developed a PWS System Evaluation (SE) questionnaire-type form, for use by third-party contractors, to evaluate PWSs assigned from the MPL. The SE form is a compilation of technical questions derived from the Drinking Water Section's existing baseline sanitary survey and capacity assessment checklists, in addition to other general questions developed by ADEQ field engineers and program staff covering technical, managerial, financial, and security operations of a PWS. Additional details on the SE can also be obtained in the Capacity Development Program, Governor's Report FY 2012 – 2014 located on ADEQ's internet page under the Capacity Development Program.

In FY 2015 a total of seven tasks were completed including five system evaluations. The system evaluation is a summary report with prioritized recommendations for the operator and owner, facility schematic, facility photos, and an Arizona System Evaluation Questionnaire Form containing supporting information.

Other tasks completed in FY15 included one (1) Nitrate Treatment Evaluations, and Two (2) Operation and Maintenance Documents

The Treatment Evaluations consist of an examination of feasible treatment options for the PWSs, as well as estimated initial and long-term operational and maintenance costs associated with each treatment option.

The O&M document tasks include the following tools for Arizona facilities:

- Facility Schematic and Description
- Site Sampling Plan
- Organization Chart
- List of Operator Tasks
- Operations and Maintenance Plan
- Emergency Operation Plan
- Vulnerability Assessment/Emergency Response Plan
- Backflow Prevention and Cross-Connection Control Program Plan.

PWSs selected to undergo an O&M review will receive both electronic and hard copies of the above documents for immediate use and updating as needed.

At the end of FY15 tasks were in progress at four (4) systems including three (3) System Evaluations, and one (1) Disinfection By-Product (DBP) treatment evaluation.

An Operations and Maintenance Manual Template was made available online in FY14 for operators, managers and system employees to create site-specific baseline operating documents for regulated systems.

3.4 *If the state performed a review of implementation of the existing systems strategy during the previous year, discuss the review and how findings have been or may be addressed.*

ADEQ reviews the “existing systems strategy” on a continual/routine basis including but not limited to:

- A review of work plans and accomplishments on a quarterly and annual basis,
- An ongoing evaluation of staff and third-party contractor performance goals regarding the capacity development program, and
- An ongoing analysis of the technical and managerial options including recommendations for management action and program implementation.

3.5 *Did the state make any modifications to the existing system strategy? If so, describe.*

No modifications were made during this reporting period. The current existing system strategy is applied with the assumption that flexibility is required to adapt to potential drinking water regulatory changes.