
Arizona Department of
Environmental Quality

Annual Report 2000



Introduction

The Arizona Department of Environmental Quality (ADEQ) was established under the Environmental Quality Act of 1986 as the state's environmental regulatory agency. Our mission is to preserve, protect, and enhance the environment and public health and to be a leader in the development of public policy to maintain and improve the quality of Arizona's air, land and water resources. During Fiscal Year 2000, our department was subject to a "Sunset Review," which resulted in legislation to continue the agency for an additional five years, to June 30, 2005. During the process of the Sunset Review, the department's director and division directors made presentations to the Legislative Committee of Reference concerning our agency's performance in the two years since the previous Sunset Review, and set out a plan to build the agency of the future on the four pillars of productivity, quality, service and advocacy for Arizona. In conjunction with the legislation to continue the department for five more years, we entered into a stakeholder process to gain consensus on specific measures by which to gauge our future performance in key areas. We continue to make progress on all fronts. This report highlights our significant FY 2000 achievements. The appendices to this report contain additional program-specific information, as required by law. Where appropriate, references to the appendices are provided to guide you to more detailed information.

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ADEQ at a Glance

We had an average of 730 employees working in our Phoenix headquarters and our Flagstaff and Tucson regional offices during FY 2000. Organized into the Director's Office and four divisions (administrative services, air quality, waste programs and water quality), these employees fulfill our mission by performing and supporting several core functions. These include planning and assessing, rule-writing, permitting, inspecting, pursuing compliance and enforcement actions, monitoring and sampling, investigating and remediating contaminated sites, and responding to emergencies. In addition to these regulatory functions, we also develop public education and information programs, and provide technical support and compliance assistance to individuals, local governments and businesses. In an effort to improve customer service and enhance efficiency, we have worked to increase coordination among our various staff members who have similar functional responsibilities in different program divisions affecting common facilities or areas.

Director's Office

During FY 2000, our director implemented a comprehensive management review of that office's functions, and reduced the number of staff offices reporting to the director from seven to three. The resulting staff offices that report to the director/deputy director are the Office of Communications (combining executive communications, media relations, public information, and employee recognition),

the Office of Administrative Counsel (including rule writing, administrative appeals, environmental justice and policy development functions), and the Government and Legislative Office. The General and Laboratory Services section was assigned to the Administrative Services Division and the Office of Strategic Management functions were combined with the Office of Strategic Planning and Budget, which is also in the Administrative Services Division.

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By transferring eight positions to the regional offices, we decentralized the public-service functions of the Compliance Assistance Section to help regulated entities and communities comply with our rules, prepare and process permit applications, and find ways to improve local infrastructure. The primary reason for this decentralization from the director's office was to better serve the needs of the public and the regulated community in the more rural areas of the state.

and find ways to improve local infrastructures. The primary reason for this decentralization from the director's office was to better serve the needs of the public and the regulated community in the more rural areas of the state. We established four community liaison positions and received offers from local governments in Bisbee, Kingman, St. Johns and Yuma to house our staff without having to incur additional facility-related costs.

At the outset, our new deputy director focused primarily on internal processes and internal customers, coordinating the follow-on actions from the 1999 employee survey (including a series of employee teams) and developing departmental training program improvements. During the latter part of the fiscal year, the deputy director also represented the agency on the Governor's Brown Cloud Summit and on the state's Power Plant and Line Siting Committee under the Arizona Corporation Commission. In this latter role he

has moved the committee to require the adoption of enforceable environmental-impact mitigation and reduction measures for proposed merchant power plants and transmission facilities.

Our legislative liaison assisted our department's leadership team through the Sunset Review process and the second regular session of the 44th Legislature during FY 2000 to ensure continuation of the department for an additional five years. In addition, the Senate confirmed the governor's appointment of Jacqueline E. Schafer as our director.

Our newly created communications office coordinated and strengthened media relations, risk communications, Web site and document publication, educational and public information activities, internal communications, and employee recognition. The customer service activities of the office were well represented in FY 2000 with answering 32,240 phone calls received at the switchboard, greeting 11,073 visitors at the front desk, selling 1,275 publications, and assisting 7,040 library customers in person or over the phone.

Our office of administrative counsel assisted significantly on the agency's extensive regulatory agenda. We put 24 rule packages into effect during the year and assisted with five-year rule reviews for three chapters in Title 18. Regulatory development highlights for FY 2000 include the establishment of consumer confidence reporting and capacity development requirements for drinking water systems,

updates to several hazardous and solid waste rules, and necessary adjustments to the vehicle emissions inspection program rules. We also completed the performance audits of our delegated local agencies. Three counties – Mohave, LaPaz and Gila – and four cities – Sierra Vista, Kingman, Prescott and Flagstaff – completed field audits. The audits indicate that, in general, the delegated local agencies are effectively implementing ADEQ delegated powers, functions and duties. The completion of these seven delegated agency audits closes the audit cycle for ADEQ’s 1996-2000 delegation agreements. We processed a total of 144 administrative hearing requests timely in FY 2000; this was a 20 percent decrease in appeals from FY 1999.

Administrative Services Division

We provide our own day-to-day financial and business support services (such as contracting, budgeting, accounting, payroll, information technology, general and laboratory services, and human resources) for our program staff.

Licensing Time Frames System

The Licensing Time Frames (LTF) system is the first agency-wide computer application using our Arizona Unified Repository for Informational Tracking of the Environment (AZURITE). We track the processing of licenses and permits from our receipt to our issuance or denial of the permit. LTF ensures that we comply with legislatively-based requirements for the timely processing of permits and licenses (A.R.S. §41-1072 through §41-1079). Other than a few exempted types, all permits that we issue are subject to the common elements identified in the LTF legislation. Each permit has its application, review period and decision tracked in AZURITE, with common data tables for the milestones and events associated with permitting. This allows the agency to track information across all permitting programs and enables the association of all permits with a common facility. Since August 1999, the agency has received and tracked 4,739 permit and license applications subject to the Licensing Time Frames rule. All but 12 were processed within the time limit.

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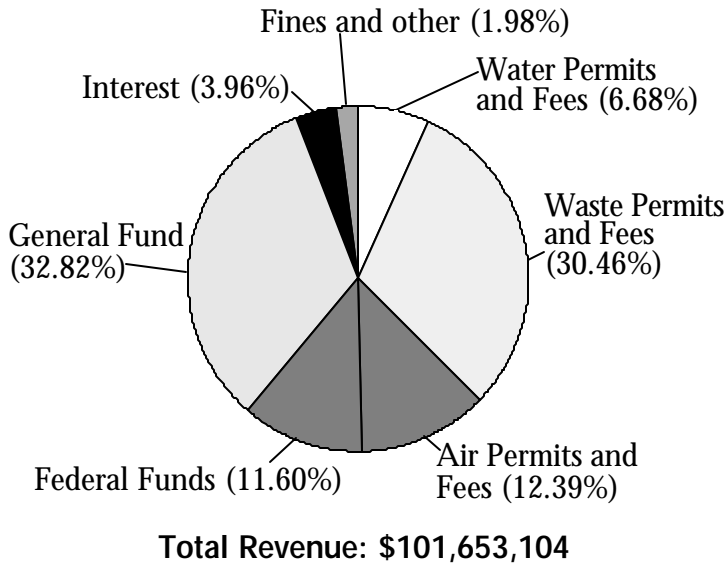
Windows NT

In FY 2000, our technological environment was at a critical juncture as our 16-bit, Windows 3.1 operating system neared obsolescence. As a result, our technical infrastructure strained to support our business needs.

More than half of our desktop computers lacked the processing power to run 32-bit applications, including Oracle, Geographical Information System (GIS) software, Internet browsers and office-suite applications. Additional servers, software and technical expertise were required to develop public-access applications and provide electronic-reporting capabilities to the regulated community.

Funding issues prevented us from upgrading our computer network and desktops earlier. Desktop computers had been funded through individual program budgets,

Chart I. ADEQ FY 2000 Fees, Permits and Fines



and this created a disparity since not all of our programs had the resources, needs or commitments for upgrades.

To develop consistency, we leveraged federal grant funds against appropriated dollars from the Legislature to fund the transition to Windows NT. The necessary expenses included investment in desktop hardware; installation, upgrade and configuration of the hardware; backup and restoration of data on hard drives; conversion of legacy applications not supported by a 32-bit operating system; development of a temporary legacy environment; consolidation of servers; and connectivity upgrades for desktops. Other incurred

costs included training for end users and information-technology staff, reconfiguring the servers in the computer room, and converting noncompliant applications.

To ensure that desktop computers are managed consistently and remain current, we are leasing new equipment, which is a first among state agencies. Leasing also reduces annual expenditures and will move computer costs from a capital to an operating expense. At less than \$600 per year per computer, leasing reduces current annual desktop computer costs drastically. We will now budget desktop costs in terms of monthly charges per computer.

Financial Information
Information on our FY 2000 expenditures, revenues and full-time employees (FTEs) is shown on the adjacent

Chart II. ADEQ FY 2000 Expenditures (by classification)

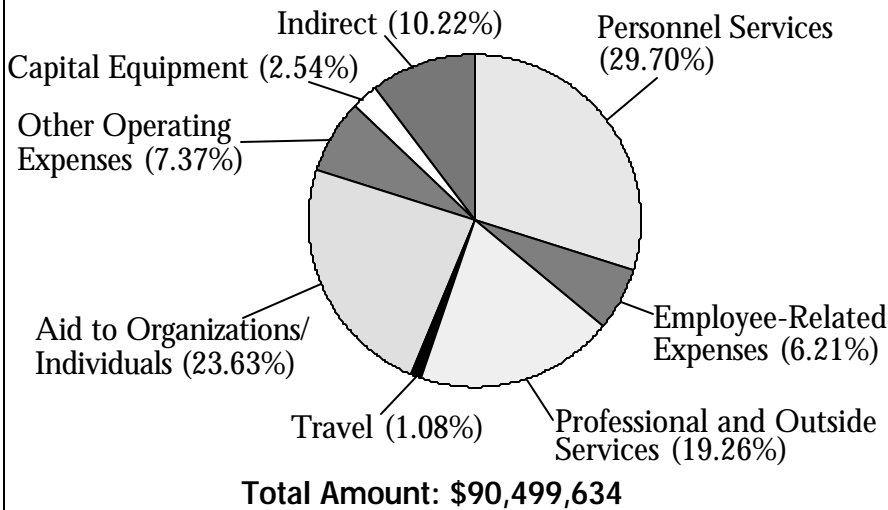
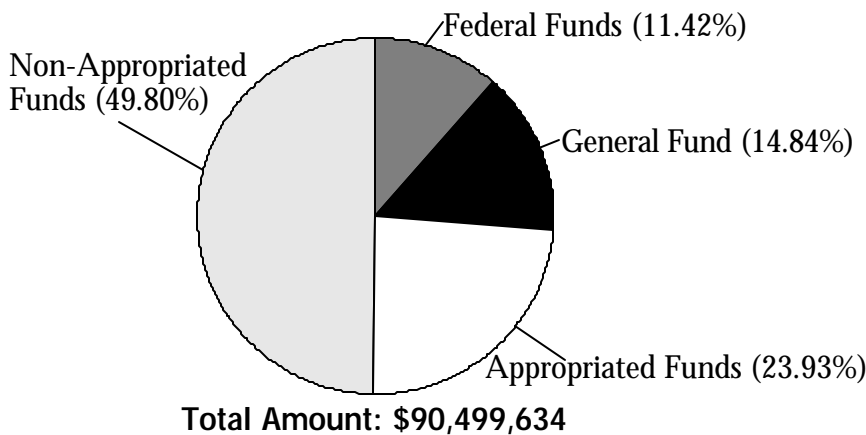
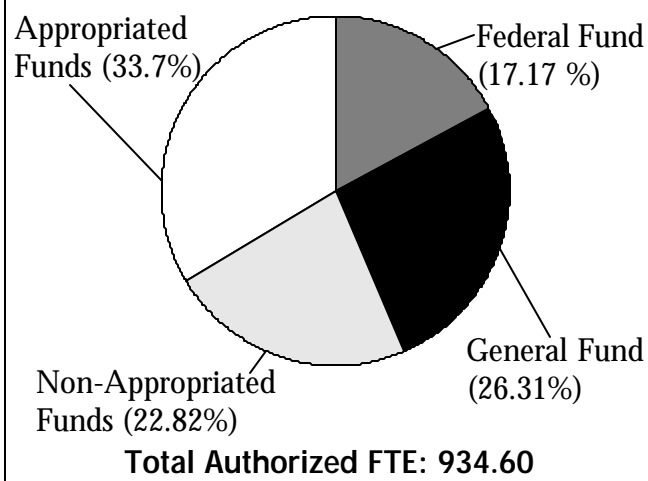


Chart III. ADEQ FY 2000 Expenditures (by funding source)



four charts. Total revenue from general fund appropriations, federal funds, interest, fines, penalties and fees was \$101,653,104. Chart I shows the sources of revenue and the percent contribution from each source. We expended \$90,499,634 in FY 2000. Chart II displays the expenditures broken down by the state's accounting classifications, while Chart III shows the expenditures by the four major funding sources. Information on funding sources for authorized staff is provided in Chart IV.

Chart IV. ADEQ FY 2000 Appropriated and Authorized FTE (by funding source)



Air Quality Division

Our focus is to reduce air pollution and improve ambient air quality. In areas that exceed the federally established health standards, known as the National Ambient Air Quality Standards, we prepare or participate in the development of air pollution control plans, which address control strategies to decrease emissions from industrial sources, area sources or vehicles.

Our core functions that regulate air pollution from industrial stationary and mobile sources include permitting, inspections, enforcement; monitoring ambient air quality; researching air pollution conditions and pollution control techniques, technical assistance, and rule writing. An inspection program regulates emissions of vehicles that operate in Maricopa and Pima counties.

Achieving Healthful Air Quality

The 1990 federal Clean Air Act Amendments established attainment dates for areas not meeting the National Ambient Air Quality Standards for pollutants. The pollutants of concern in the metropolitan Phoenix area are ozone, carbon monoxide and PM₁₀, which can all cause serious health problems.

Ozone is a highly reactive form of oxygen that can significantly reduce lung function and induce respiratory inflammation.

Carbon monoxide is a colorless, odorless gas that forms when fuels such as gasoline do not burn completely. When carbon monoxide is inhaled, it combines with hemoglobin in the red blood cells and blocks the uptake of oxygen. Without adequate oxygen, heart contractions weaken and less blood is delivered throughout the body. Consequently, overall performance declines.

PM₁₀ is the acronym for particulate matter less than 10 microns in diameter. These very small particles of dust are inhaled deep into the lungs where they can remain for long periods. The particles irritate lung tissue, cause respiratory damage and make breathing generally difficult.

The scheduled attainment dates are Nov. 15, 1999, for ozone, Dec. 31, 2000, for carbon monoxide and Dec. 31, 2001 for PM₁₀. The Phoenix area has achieved attainment for ozone and carbon monoxide levels. By the end of 1999, Arizona capped the necessary third straight year of no monitored violations for ozone and the second straight year for carbon monoxide, the first steps in getting an area

redesignated to attainment. We are currently working with the Maricopa County Environmental Services Department and Maricopa Association of Governments to develop maintenance plans to submit to EPA. These plans establish how the area will remain in attainment for the standards and request official redesignation to attainment status.

Though getting better, PM₁₀ is a more difficult pollutant for the Phoenix area. In FY 99, we submitted to EPA an attainment plan containing several control measures to reduce PM₁₀ emissions. The measures include

Maricopa County rules regulating excessive dust from construction and earthmoving activities, paving heavily used unpaved roads, and controlling dust from parking lots and vacant lots. We also included a rule regulating commercial agricultural activities that may create unhealthful levels of dust. Because these measures affect entities previously unaffected by air quality regulations, in FY 2000 both we and the county are developing and implementing widespread educational programs to explain the health effects of PM₁₀ and the localized nature of PM₁₀ emissions. Better understanding of the reasons behind the regulations should lead to better compliance results.

In late 1999, EPA took action on the Tucson carbon monoxide nonattainment area's maintenance plan and proposed to redesignate the area to attainment. EPA redesignated the area in June.

Arizona/Mexico Air Quality Study

Following on the heels of the Ambos Nogales Air Pollution and Risk Assessment study completed in 1999, we established a network of air pollution monitors in Douglas, Arizona, and Agua Prieta, Sonora. We collected gaseous and particulate air pollution data and meteorological data from January 1999 to February 2000. This monitoring exercise is the first phase in a complete risk assessment, which will also include an emissions inventory, atmospheric modeling and

risk estimates from pollutant concentrations. Fine particulate concentrations in Agua Prieta were the highest we ever monitored, with average values three times the proposed National Ambient Air Quality Standard. The site in Douglas closest to the Mexican border also exceeded the annual average standard for PM₁₀. Volatile organic compounds (e.g., solvents and exhaust fuels) were measured at higher concentrations in Agua Prieta than in the Phoenix area.

Air Permitting Program

The federal Clean Air Act Amendments of 1990 require the development of operating permit programs to consolidate all of the Clean Air Act requirements into one federally enforceable document. Air pollution sources must identify all the requirements to which they are subject and certify twice a year that operations are in compliance. Those who knowingly violate the provisions of the act could face criminal penalties.

ADEQ's Web Site Resources

www.adeq.state.az.us

Go to...

Environmental Programs

Air Quality Division

For information on:

- ◆ *Air quality readings*
- ◆ *Air quality in Arizona*
- ◆ *Assessment*
- ◆ *Air pollution monitoring, modeling and research data*
- ◆ *Compliance*
- ◆ *Air quality compliance*
- ◆ *Permits*
- ◆ *Air Quality Division Permits Section*
- ◆ *Planning*
- ◆ *Focal point for division-wide air quality issues*
- ◆ *Vehicle emissions inspection*

We continue efforts toward finalizing the federal mandate to consolidate all air pollution requirements for a given facility into one document with the issuance of permits to three electric utilities and by publically noticing permits for three copper mines. During FY 2001, we expect to take final action on one electric utility permit and four copper mine permits, and continue processing ten applications from copper smelters, cement plants, lime plants, paper plants and ammonium nitrate plants.

We continue to simplify the permitting process for smaller sources through the development of general permits, which cover sources of pollution that are similar in nature, have similar emissions and are subject to similar requirements. A general permit differs from an individual permit in that it can apply to more than one source, is usually more restrictive, but less expensive, and can be issued more quickly than an individual permit. During FY 2000, we completed general permits for crematories and began development of general permits for soil vapor extraction units, gas stations, hot mix asphalt plants and generators.

We issued a total of 111 permits in FY 2000, 37 of which were general permits.

Western Regional Air Partnership

Our membership in the Western Regional Air Partnership is an example of stakeholder participation in the planning process. The Western Regional Air Partnership, composed of 12 western states and tribes, was formed to implement recommendations of the Grand Canyon Visibility Transport Commission, which completed its work in 1996, and to facilitate preparation of state plans for improving visibility for parks and wilderness areas.

The Western Regional Air Partnership conducts its work through stakeholder-based forums and committees, which undertake technical and policy work such as developing the technical and policy tools needed by states and tribes to implement the federal regional haze rule.

Rule Development

Stakeholder participation continues to be an important component in rule development. With a record number of rules – updating source permitting requirements, the vehicle emissions inspection program, and Arizona’s cleaner burning gasoline program – adopted through our cooperative efforts with stakeholders, FY 2000 was particularly productive. In addition to including industry, environmental and public stakeholders in the planning process, we worked closely with local air pollution control agencies and EPA to ensure consistency and effectiveness in rules and programs.

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Vehicle Emissions Inspection Program

In FY 2000, we implemented new test procedures in the Vehicle Emissions Inspection Program in the Phoenix metropolitan area. Beginning Jan. 2, 2000, with the current emissions testing contractor, Gordon-Darby, Inc., we successfully implemented the IM147 emissions test procedure for non-diesel passenger cars and light-duty trucks of 1981 and newer model years. The IM147 test procedure ensures the test vehicle is sufficiently warmed-up, thereby preventing false failures, and will

On April 12, 2000, with Gordon-Darby, Inc., we successfully implemented the SAE J1667 diesel emissions test procedure. The SAE J1667 test procedure is portable and used across the nation as the testing standard for heavy-duty diesel vehicles.

allow us to further define emissions standards to improve the identification of hydrocarbon and oxides of nitrogen emissions failures. On April 12, 2000, with Gordon-Darby, Inc., we successfully implemented the SAE J1667 diesel emissions test procedure. The SAE J1667 test procedure is portable and used across the nation as the testing standard for heavy-duty diesel vehicles.

The current emissions inspection contract expires Dec. 31, 2001. To ensure that the inspection program continues uninterrupted, we are currently conducting a solicitation for the next contract, which will begin Jan. 1, 2002.

During FY 2000, we tested more than 1.1 million vehicles, and over of 15,500 vehicles went through our waiver lanes.

Additional information on air quality programs is contained in Appendix I.

Waste Programs Division

We address problems associated with waste through numerous programs, such as hazardous waste, solid waste, special waste, waste tires, state and federal Superfund, underground storage tanks, emergency response, recycling, and pollution prevention. Through these programs, we seek to prevent environmental contamination by ensuring proper waste disposal, reducing or eliminating waste generation, and overseeing the remediation of contaminated sites.

The regulation of hazardous waste treatment and storage facilities and solid waste landfills and transfer stations involves the core functions of permitting, inspecting, monitoring, enforcing and rule writing. The state and federal Superfund programs and the leaking underground storage tank program focus on environmental monitoring, rule writing, and remediating soil and groundwater. The recycling and pollution prevention programs take a proactive approach to preventing environmental contamination by targeting the elimination, reduction and reuse of waste materials.

Information about the recycling program is in Appendix II. Information about the pollution prevention program is in the Waste Programs Division Report, Appendix III.

Hazardous Waste Facilities

The hazardous waste program seeks to provide cradle-to-grave management of hazardous waste by generators, transporters, and owners and operators of treatment, storage and disposal facilities. We are responsible for permitting treatment, storage and disposal facilities; inspecting generators, transporters, and treatment, storage and disposal (TSD) facilities; and undertaking enforcement actions when a hazardous waste facility is out of compliance. In addition to Arizona's 13 treatment and 21 storage facilities, there are approximately 1,800 hazardous waste generators.

The hazardous waste permitting process is complex and time intensive. To gather more accurate information for the procedure, we developed an extensive public involvement process involving a series of small community meetings for two-way dialogue with community members for hazardous waste treatment, storage and disposal facilities. Such informal meetings allow us to gain a better understanding of community concerns in these areas and draft permit conditions that are more pro-

tective of public health and the environment. During FY 2000, eight permits were at different stages in the process toward completion.

Every hazardous waste generator, transporter and TSD facility needs an EPA identification (ID) number to ship hazardous waste to a treatment, storage or disposal facility. Arizona is currently the only state program within EPA Region IX issuing EPA ID numbers to hazardous waste generators. This allows our customers to receive timely turnaround for these requests. In FY 2000, all requests for EPA ID numbers – a total of 438 – were issued within five working days.

Information about enforcement in the hazardous waste program is contained in the Waste Programs Division Report, Appendix III.

Emergency Response

Our emergency responders provide assistance at the scene of accidental releases or spills of hazardous materials, hazardous wastes or other chemical pollutants. Because scientific and technical advice is frequently required in surface and groundwater hydrology, hazardous-substance chemistry and physics, air monitoring and meteorology, and the engineering and operation of containment and treatment structures, we created an Environmental Emergency Team that has expertise in several environmental disciplines.

During FY 2000, we supervised the disposal of hazardous materials during 194 on-scene responses. We reported on a total of 670 incidents and referred 180 calls to other agencies and offices. The number of reported spills has been increasing since FY 1994.

Two of the major incidents were a diesel fuel spill and a train derailment. The diesel fuel spill occurred in the Billingsley spring, diversion dam and lake; and the fuel was observed as far as two miles down the water course at its confluence with Date Creek. We initiated an enforcement investigation and a water-quality assessment, and we hired a contractor to place absorbent booms and take other emergency actions to remove the diesel from the water.

A 10 car train derailment near the community of Yampai released approximately 10,000 gallons of ethanol and 200 gallons of vinyl acetate from the damaged railcars. To begin spill remediation, we secured the leaks and cross-loaded the materials from the damaged cars. We also ensured the recovery of standing ethanol and the on-site bioremediation of the remaining ethanol-contaminated soils. We arranged for the removal and disposal of all of the released vinyl acetate and the soil it contaminated.

Underground Storage Tanks

We oversee the clean up of releases from leaking underground storage tanks, which commonly contain gasoline, diesel fuel, aviation fuel or waste oil. If a tank leaks, the contents contaminate soil and sometimes groundwater. In FY 2000, we oversaw

Quality Assurance Project Plan

Because environmental monitoring or sampling is essential to many of our waste programs, we worked cooperatively to complete the Quality Assurance Project Plan. The Quality Assurance Project Plan provides consistent sampling procedures and a credible quality assurance and control program. The plan also leads to more accurate data, which improve decision making for remediation and enforcement actions.

ADEQ Emergency Response Unit Activity					
FY	96	97	98	99	00
Spill	355	492	535	521	670
Reports	177	236	217	194	194

the clean up and closure of 763 leaking underground storage tanks. The cumulative closure total is 5,123, which is 63 percent of the 8,098 reported releases throughout the state and higher than the national average of 50 percent.

ADEQ's Web Site Resources

www.adeq.state.az.us

Go to...

Environmental Programs

Waste Programs Division

For information on:

- ◆ *Capacity development*
- ◆ *Hazardous waste*
- ◆ *Solid waste*
- ◆ *Superfund (NPL/WQARF)*
- ◆ *Underground storage tanks*

Methyl tertiary butyl ether (MTBE) is a gasoline additive used to provide for cleaner air by reducing vehicular emissions of carbon monoxide and ozone-forming pollutants. MTBE also has impacted drinking water supplies in various parts of the country. To help evaluate the impact of MTBE on groundwater in Arizona, the Underground Storage Tank program surveyed the approximately 600 leaking underground storage tank sites where fuel releases have affected groundwater quality to determine the existence and nature of any MTBE contamination. The program detected low levels of MTBE in groundwater at or near 75 percent of these sites. ADEQ is striving to limit the potential impact of MTBE and other gasoline constituents on our drinking water supplies through a concerted effort directed at release prevention, early leak detection and source control.

The State Assurance Fund reimburses owners and operators for some of the cost of remediating the releases. In FY 2000, we processed 1,076 applications. The fund paid \$19,032,918. The money in the fund comes from a one-cent-per-gallon excise tax on regulated substances.

Additional information on the fund is contained in the Waste Programs Division Report, Appendix III.

Solid Waste

Under the solid waste program, we have included the used-oil, waste-tire and recycling programs in addition to the regulation of landfills and illegal disposal. We opened and resolved 150 complaints regarding solid waste violations during FY 2000. Of the 41 active municipal solid waste landfills operating in Arizona, 37 operate under approved solid waste facility plans. The remaining four are in the plan approval process. To provide citizens with easy access to facility information, we developed a plan to locate information repositories near solid waste facilities undergoing public comment.

Information on the used oil program can be found in the Recycling Report, Appendix II. Information on waste tires is in Waste Programs Division Report, Appendix III.

Water Quality Assurance Revolving Fund

Through the WQARF program, we identify, assess, and clean up soil and groundwater contaminated with hazardous substances. In consultation with the WQARF Advisory Board, we direct remediation activities using state and federal funds, and we oversee independently-funded cleanup efforts.

The WQARF Registry contains sites that require investigation and cleanup. Cleanup of contamination at WQARF sites, especially those with contaminated groundwater, can take many years. Most of the releases of hazardous substances at WQARF sites occurred before it was widely known that those releases would potentially harm the environment and affect human health.

During FY 2000, 2.3 billion gallons of groundwater were treated under WQARF, and 5,000 pounds of volatile organic compounds and 4.2 million pounds of metals were removed from the environment at Registry sites. At the end of FY 2000, the Registry contained 33 sites. Three source-control, early-response actions were initiated at the following WQARF sites: ALSCO in West Van Buren (soil vapor extraction and groundwater treatment), F&B in West Central Phoenix (soil vapor extraction and soil removal), and Central and Camelback (groundwater pump and treat).

Statutes governing qualified business settlements now allow a person or business to settle all WQARF liability with us. To be eligible, a person or business must have a gross income averaging less than \$2 million per year. Eligible persons or businesses pay 10 percent of their gross income as a settlement amount. If a purchaser has not contributed to the contamination at the site and is eligible, a prospective purchaser agreement may offer liability protection to the purchaser of a contaminated property. At the end of FY 2000, 15 qualified business settlements, two prospective purchaser agreements, 26 access agreements, and four consent decrees/consent orders were finalized; and we had initiated 12 potentially responsible party searches.

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The WQARF community-involvement program keeps citizens informed about site progress and gives them the opportunity assist us in determining the best way to clean up sites. By the end of FY 2000, we had established ten Community Advisory Boards at the following WQARF sites: Payson, Vulture Mill, Miracle Mile, West Van Buren, Tyson Wash, Broadway-Pantano, Estes Landfill, Park-Euclid, Klondyke Tailings and West Central Phoenix.

More information on the Water Quality Assurance Revolving Fund is in Waste Programs Division Report, Appendix III.

Water Quality Division

Water is a precious resource in our desert environment. While we do not regulate the quantity of water used in the state, we do ensure the quality of Arizona's waters. Under Arizona law, groundwater quality is to be protected to drinking-water quality standards; this is one of the highest standards in the nation.

We safeguard drinking water and protect groundwater and surface water quality by regulating point and source discharges from wastewater treatment plants, mines, industry and other sources of potential pollution, and by providing general permitting programs of voluntary best management practices for nonpoint sources of potential discharge. Our control of discharges entails the core functions of permitting, inspection, plan review, compliance and enforcement, technical assistance, and rule writing. Some major achievements of FY 2000 are presented below.

Water Permits

Working with stakeholders during the last legislative session, we secured passage of H.B. 2418, which authorized us to increase the maximum fee for Aquifer Protection Permit program activities from \$16,000 to \$75,000. This change allows us to recover our "reasonable and necessary" costs for permitting.

Permits, Approvals and Certifications

	FY 2000	FY 1999
ADWR recharge permits certified	3	6
Reuse permits issued	40	36
Drywell registrations processed	1,417	1,929
Wastewater approvals to construct issued	413	285
Subdivision approvals issued	178	111
NPDES permits (wastewater) certified	53	29
NPDES permits (stormwater) certified	3	2
401/404 (“dredge-and-fill”) permits certified	43	49

This year, we crafted and published five major rules packages, including the Unified Water Quality Permit, which streamlines and consolidates permitting activities for aquifer protection permits, reclaimed water permits, reclaimed water quality standards, water quality planning rules, and water quality fee fund rules. These rules packages were designed to sim-

plify permitting, strengthen environmental protection and public health considerations, and recover appropriate program costs.

In response to a November 1999 report of the auditor general, we implemented administrative and management initiatives focused on establishing and implementing a formal training program, providing better data management and controls, and preparing work management plans to ensure that statutory deadlines for completing permits are met.

The Water Permits Section also issued 110 permit actions for Aquifer Protection Permit facilities, compared to 104 in FY 99 and 88 in FY 98. The adjacent table lists other permits, approvals and certifications that the section issued.

Safe Drinking Water Capacity Development

This year, we successfully adopted the rules by which Arizona’s capacity-development program operates. Working with our partners, the Water Infrastructure Finance Authority, the Arizona Department of Water Resources and the Arizona Corporation Commission, we ensure that no new water system begins operation in Arizona without meeting minimum standards for technical, managerial and financial competencies. Also this year, we collaborated with stakeholders to craft strategies for existing water systems to develop and maintain technical and managerial competency and adequate financing.

Monitoring Assistance Program Electronic Reporting

Our Monitoring Assistance Program Electronic Reporting (MAPER) project is an electronic reporting application that provides water systems access to our Safe Drinking Water database, allowing real-time access to water system monitoring and reporting data, while ensuring appropriate protection of data systems. MAPER is a first effort in allowing the water systems to report electronically and to review water system compliance with user-friendly capability. We anticipate that all water systems will have access to the system in FY 2001. This project is our prototype for providing public access to a variety of environmental data types.

Water Quality Improvement Grants

The transformation of our key grant program turned what was a bureaucratic and cumbersome contracting process into a customer-friendly grant program, designed to allow for program education and outreach as well as providing funds. We created

new tools and processes as part of the redesigned former 319(h) program to provide federal funds for nonpoint-source projects. The new program includes education and outreach in addition to providing funding for on-the-ground water quality improvement projects. Examples of improvement projects eligible for grant funding include reducing stream turbidity, implementing erosion control, and reducing sediment in runoff. The goal, which was to provide \$1 million of grant funding, was far exceeded by issuance of approximately \$1.9 million in total grants.

Source Water Assessment

In FY 2000, EPA approved our Source Water Assessment Plan, a key water-source protection program. This plan, which we prepared with stakeholders, includes the methodology for assessing risk to a water system's source of supply and offers potential solutions to provide protection. We have combined efforts under the Source Water Assessment Program and the Total Maximum Daily Load Program to identify opportunities to share data and ideas for water quality improvement plans. In addition, we led the nation with our initiative to prepare an interstate Source Water Assessment Plan for the Colorado River, coordinating efforts among Arizona, California, Nevada, New Mexico, Colorado and Utah.

Additional information on the water programs is contained in the Ground Water Quality Report, Appendix IV and the Water Quality Report in Appendix V.

Regional Offices

Our regional offices continued to demonstrate the great value of our moving toward a more decentralized operating mode.

Leading this effort was the director's management review of our compliance-assistance program, previously based in Phoenix. Service to rural Arizona and advocacy on behalf of outlying customers had been reported as weaknesses to the director during her statewide visits during the summer of 1999. The solution was to disperse eight positions from the Ombudsman and Compliance Assistance Section, which was established as part of the director's staff, to the two regional offices. Of these positions, four were reclassified as executive consultants and established as community liaisons for the northwest (Mojave County), northeast (Navajo and Apache counties), southeast (Cochise, Graham, Greenlee and Santa Cruz counties), and southwest (Yuma and LaPaz counties) parts of the state. The primary role of these ADEQ ambassadors is to help local residents, businesses and governments understand and comply with environmental requirements. They provide professional resources to help develop compliance strategies and infrastructure improvements for increased environmental quality in the rural areas of the state. The other four positions were based, two each, in the regional offices to provide community outreach services, multiprogram technical coordination, inquiry response and follow-up, compliance assistance, and associated administrative support to our delegated

ADEQ's Web Site Resources

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*Environmental Programs
Water Quality Division*

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authorities and outlying customers. Through these new positions, we expect to increase productivity in the regions by identifying local needs better and responding to them faster.

In Flagstaff and the northern region construction permitting for drinking water and waste water systems continues to dominate the work efforts. Unexpected requests for construction reviews have diverted resources normally involved in proactive inspections of facilities which already have valid environmental permits. Even with these unanticipated tasks, during FY 2000, we fulfilled all of our regional workplan commitments – exceeding some productivity requirements substantially – all within constrained budget parameters.

In Tucson and the southern region, we also met or substantially exceeded all proactive water-quality workplan goals for FY 2000. With this productivity came an excellent measure of service under the Licensing Time Frames program by achieving a 100 percent success record for completion of water and wastewater system construction approvals within allowable time frames. We also provided two-way advocacy in conjunction with the development of the draft Unified Water Quality

Permit rules by advocating for the rule to regional stakeholders and by advocating for regional needs to the Water Quality Division. Regional engineers also actively participated with stakeholders as they developed the rules through our On-Site Wastewater Advisory Committee and Sewer Collection Subcommittee.

The Sister City mayors of San Luis/San Luis Rio Colorado and Ambos Nogales signed the first two binational cross-border emergency-response plans in U.S. EPA Region IX. The plans allow local authorities to assist the neighboring country with assets and personnel, if requested, without committing other mutual aid resources or state and federal resources.

Our Superfund program continued its growth and influence in the Tucson area as it poised itself to begin improving aquifer quality by cleaning up historically contaminated sites under the state's WQARF program. Regional Superfund staff grew to 11, up from four two years ago, by adding a fifth project manager and a second community-involvement coordinator. During the course of the year, we added a new Tucson site to the WQARF Registry and successfully advocated to EPA for continued state-lead at a site identified for potential National Priorities List designation. We constituted and facilitated three

Community Advisory Boards into very positive and productive neighborhood partnership groups. Now with responsibility for ten state and federal superfund sites in the Tucson area, we have continued to make substantial gains in investigating and remediating the region's contaminated aquifers.

We continued to develop our border program's reputation as a model among the southwestern states for advancing transboundary environmental quality. We have served as strong advocates and technical leaders for the resolution of the challenging environmental problems in the Arizona-Mexico border region. We completed a landmark binational air quality study for Nogales and began a public outreach initiative to address the area's issues. We also designed and implemented the highly acclaimed AMIGO program which promotes pollution prevention among Mexican maquiladora industries. By providing technical and advocacy support to Arizona's border communities in their pursuit of federal funding and approvals for environmental infrastructure projects, we helped obtain a multimillion dollar grant package for Nogales' binational wastewater management infrastructure. We also coordinated

two new binational emergency-response plans signed ceremoniously in San Luis and Nogales – both historic events within their respective communities and the first in EPA’s Region IX. Additionally, we produced 80 Emergency Response Notification System reports and 52 on-scene visits by deploying a regional emergency responder during the year. We were also honored for the second year in a row by being assigned the leadership role in the Border Governors’ Conference Environment Table, which resulted in joint declarations by the 10 border governors.

Conclusion

FY 2000 was a productive year for us. We worked hard for the citizens of Arizona to provide excellent customer service, to attain environmental quality, and to advocate for state interests. We have endeavored to streamline operations, clarify roles, be responsive and be accountable in an effort to provide what our external customers want and need, knowing that their judgment ultimately determines our success.

For FY 2001, we will continue to build departmental successes on the pillars of advocacy, quality, service and productivity; and we will continue to share a common vision where public health is our mission, public service is our method and professionalism is our means. We are preparing for the 2001 legislative session to be crucial to our ability to meet the performance goals we set for ourselves during the most recent Sunset Review. The ADEQ continuation bill adopted by the Legislature and approved by Governor Hull during the last session provides a clear planning horizon for our department through the next five years. We intend to take full advantage of this vote of confidence in the future of our department by securing the authorities and fiscal resources we need to build a stronger department to better serve the citizens of Arizona and enhance the quality of our state’s natural environment.

