

EPA Grant EI-96988501-0 – 10/01/2006 to 09/30/2009
Project Title: Environmental Policy and State Innovation Grants –
Arizona Environmental Performance Track
QUARTERLY REPORT for July 1, 2007 – September 30, 2007

a. Section 1 - Summary of Activities

This section will provide a short summary of the grant activities that have taken place during the reporting period.

A publication number has been assigned to the EMS templates and staff has initiated the process to get the templates posted to ADEQ's website. On August 23, 2007, ADEQ hosted a Performance Track seminar for Cities and Municipalities. Representatives from approximately 15 municipalities attended the seminar, with each expressing a strong desire to pursue membership. Since most did not have a formal EMS in place, ADEQ will set up workshops to assist the municipalities in developing and implementing an EMS. ADEQ gave a presentation on Performance Track at a RCRA seminar and traveled to four individual facilities for personalized discussions on EMS's and the Performance Track program. ADEQ PT staff also attended a seminar on Calculating Emissions Reductions and co-hosted an EMS Webcast for local Governments.

b. Section 2 - Accomplishments/Problems

This section will discuss the performance to date, including the major milestones that have been met. This section will also discuss any problems that have occurred or are expected and what steps are planned to resolve those problems.

Accomplishments:

On August 23, 2007, ADEQ hosted a Performance Track seminar for Cities and Municipalities. Representatives from approximately 15 municipalities attended the seminar, with each expressing a strong desire to pursue membership. Since most did not have a formal EMS in place, ADEQ will set up workshops to assist the municipalities in developing and implementing an EMS.

Mormon Lake Lodge submitted a Performance Track Application. Luke Air Force Base (LAFB) withdrew their Performance Track Application to resolve some outstanding issues with the intention of resubmitting in the future.

ADEQ gave a presentation on Performance Track at a RCRA seminar and traveled to four individual facilities for personalized discussions on EMS's and the Performance Track program.

ADEQ continues to participate in EPA monthly State Conference Calls and continues to work with EPA to review new member applications, annual reports and renewal applications.

Problems:

On September 20, 2007, ADEQ co-hosted an EMS Webcast for local governments. Representatives from three major cities commented that they are watching to see what happens with Performance Track noting that EPA has introduced many environmental programs and designations that have come and gone (i.e. Project XL). They stated that they want to get "the most bang for their buck" when it comes to directing limited resources to obtain yet another environmental designation.

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c. Section 3 - Schedules

This section will compare the completed milestones against the agreed upon project schedule and provide an explanation of any discrepancies.

NOTE: The **Blue** font reflects revised dates in the Workplan/Project Schedule to meet the three-year Grant dates beginning October 1, 2006 and ending September 30, 2009.

| Task | Start | End | Outcome | Status |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generally | | | | |
| Finalize MOA between ADEQ, EPA, and the air quality departments of Maricopa, Pima, and Pinal Counties regarding Arizona Environmental Performance Track | 03/06 10/06 | 06/06 01/07 | Finalized MOA | ADEQ is awaiting receipt of the signed MOA by EPA. EPA/AZ MOA finalized in January 2007 and forwarded by Tom Kelly, EPA Region 9, to EPA administration for review and approval. ADEQ has not yet finalized an MOA with the county air quality departments primarily because of the delay in finalizing the Cooperative Agreement. |
| Adoption of federal performance track incentives for MACT. | 03/06 10/06 | 04/07 11/07 | Adopted MACT rule | ADEQ remains on track to meet this task. |
| Quarterly review and report to EPA on the project status. | 06/06 01/07 | 04/09 09/09 | Completed review and report | ADEQ's quarterly reports will report on all activities conducted during the preceding calendar quarter. |
| Develop and track quarterly performance measures for Performance Track. | 03/06 10/06 | 04/09 09/09 | Completed quarterly performance reports. | ADEQ has developed performance measures within the context of the <u>Quality Assurance Project Plan</u> (QAPP) for this grant. The Draft QAPP has been submitted to management for approval. |

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|----------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generally | | | | |
| Review with EPA all National and Arizona Environmental Performance Track applications and current members' annual reports. | 03/06 10/06 | 04/09 09/09 | New Arizona Performance Track Members | We continue to participate in this process. Luke Air Force Base has withdrawn their application to resolve outstanding issues. They plan on resubmitting in the future. Mormon Lake Lodge has submitted an application. |
| Participate in EPA Performance Track state conference calls and national and regional Performance Track conferences | 03/06 10/06 | 04/09 09/09 | Better knowledge of nation-wide issues | We continue to participate in the State conference calls. |
| Ongoing public outreach on performance track through speaking engagements at seminars | 03/06 10/06 | 03/09 09/09 | More informed regulated community | External Outreach Presentations: * August 23, 2007 PTrack seminar for municipalities Cities and Municipalities; representatives from approximately 15 municipalities attended the seminar. * September 20, 2007 Ptrack presentation at a RCRA Seminar at ASU. One-on-One Outreach Activities and Presentations: * August 16, 2007 at Kitchell. * September 5, 2007 at U-haul. * September 11, 2007 Pima County Wastewater. * September 25, 2007 at the City of Tucson. Conferences/Seminars Attended: * August 30, 2007 Calculating Emissions Reductions * September 20, 2007 Co-hosted EMS for local governments Webcast at ADEQ. |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generally | | | | |
| Conduct training for all agency enforcement staff on requiring the development of an EMS as part of a Compliance Schedule when negotiating Consent Orders and Judgments when appropriate including sample text utilizing the four EMS templates as a guidance resource. | 03/06 10/06 | 03/09 09/09 | More informed staff on EMS's resulting in increase use of EMS's by non-complaint companies | Ahead of Schedule. We developed two PowerPoint presentations which will be scheduled periodically as part of our monthly staff training program. <u>The presentations are:</u> 1) An Overview of EMSs; and 2) Legal text to be inserted into the Compliance Schedule of orders, when appropriate, for the development of an EMS. ADEQ will be scheduling additional staff training on Performance Track and EMS's in early 2008. ADEQ has also developed a PowerPoint presentation on the EPA and AZ Ptrack Programs and the benefits of an EMS and Ptrack membership. |
| Enhance the ADEQ Performance Track Web Page by providing "one-stop" access to the National and Arizona Environmental Performance Track programs and incentives; recognize and profile members and their continuous improvement projects; provide direct links to current members; guidance documents and resources to encourage and promote Performance Track membership supplemented by ongoing public education and outreach. | 06/06 01/07 | 10/06 05/07 | Enhanced web page to educate public on the benefits of Performance Track | A publication number has been assigned to the EMS templates developed by ADEQ and staff has initiated the process to get the templates posted to ADEQ's website. |

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| Generally | | | | |
| Conduct annual site visits of a minimum of 10% of Arizona Performance Track member facilities. | 03/06 10/06 | 03/09 09/09 | Completed site visits for integrity of program | ADEQ's new Ptrack Administrator has not yet attended Site Visit training. We are awaiting EPA notice of accreditation of their Ptrack Site Visit training and subsequent release of the next training dates and locations. |
| EMS Guidance and Templates | | | | |
| Review existing ADEQ developed EMS guidance and templates | 09/06 04/07 | 11/06 06/07 | Understanding of what changes are required | A publication number has been assigned to the EMS templates and staff has initiated the process to get the templates posted to ADEQ's website. |
| Hold two meetings with small businesses regarding EMS's to gauge interest in EMS's and discuss ADEQ's EMS guidance development | 01/06 09/06 | 06/06 01/07 | Inform Small Businesses of Benefits of EMS and Gain Information on Development Hurdles | ADEQ traveled to four individual facilities for personalized discussions on EMS's and the Performance Track program. *Aug. 16, 2007 Kitchell. * Sept. 5, 2007 U-Haul. * Sept. 11, 2007 Pima County Wastewater. * Sept. 25, 2007 City of Tucson. |

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| Modify EMS guidance to meet standards set by EPA's National Performance Track program | 12/06 07/07 | 04/07 11/07 | Revised guidance that meets EPA standards | <p>A final DRAFT of our Small Community Compliance Assistance Manual has been submitted to the ADEQ Director for approval. This is part of a project commitment by ADEQ as a follow-up to an ECOS grant project that was completed in 2006.</p> <p>The DRAFT Small Community Environmental Protection Plan (SCEPP) template (a less robust EMS) is nearing completion.</p> <p>A publication number has been assigned to the EMS templates and staff has initiated the process to get the templates posted to ADEQ's website.</p> |
| Modify EMS templates to meet EPA's standards as needed | 04/07 11/07 | 06/07 01/08 | Revised templates that meet EPA standards | <p>A publication number has been assigned to the EMS templates and staff has initiated the process to get the templates posted to ADEQ's website.</p> |
| Revise Performance Track application and written literature to reflect web availability | 09/07 04/08 | 12/07 07/08 | Revised application and literature | <p>ADEQ has converted our Ptrack application to MS Word format. Further revisions will add more details on program incentives. Once completed, we will coordinate with EPA to link our revised application to the National EPA application process.</p> |

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| Agriculture Performance Track | | | | |
| Modify existing program or explore options for new comparable program based on input received in open meeting | 02/07 09/07 | 09/07 04/08 | Revised PT program description or draft of comparable program | Ahead of Schedule. Staff continues to investigate and compile information needed to develop an optional Agricultural program in anticipation of conducting an open meeting with interested members of the AG community. |
| Improvements to Flexibility in Permits and Reduced Reporting Incentives | | | | |
| Develop list of contacts of other state agencies that regulate facilities eligible for Performance Track | 07/06 02/07 | 08/07 03/07 | List of agency contacts | Awaiting EPA approval of AZ Ptrack MOA. ADEQ has identified seven Arizona agencies that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the PT Program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating Counties. |

d. Section 4 – Funds - July 1, 2007 through September 30, 2007

Financial Information removed by EPA as confidential business information.

e. Section 5 - Estimates

This section will provide estimates of the time and funds necessary to complete the project and compare these to the time and funds remaining. The difference between Sections 3, 4, and 5 is that Section 3 and 4 mainly reflect the previous reporting period, while Section 5 focuses on the remaining grant period.

ADEQ continues to work within the approved annual funding plan for this grant.