ADEQ Water Quality Division (WQD) Program Summary and SFY13 EOY Assessment

The following summary describes ADEQ's WQD implementation of Clean Water Act and Safe Drinking Water Act programs. It also reviews ADEQ's performance for SFY13. The evaluation is based on commitments in the workplan, reports/submittals and considered information gathered during ongoing program conference calls.

Administration

1. **Revenue:** ADEQ Water Quality Division (WQD), hereafter "ADEQ", lost fiscal/general fund support from the state legislature in 2008 and relies heavily on federal funds to operate. Federal funds ($10M+) represent more than 50% of ADEQ's operating budget. ADEQ receives approximately $4.8M annually through several EPA grants to implement water programs, excluding the State Revolving Funds. ADEQ began collecting AZPDES permitting fees and is moving forward with operator certification fees and evaluating fees for design review, pesticide fate reviews and a drinking water administrative fee. However, even where fee collection has been successful, the legislature has swept the fee money from ADEQ to balance other budgets.

   WIFA is a separate state agency charged with implementing the Clean Water and Drinking Water State Revolving Funds. Fees are collected by WIFA as part of the loan process. ADEQ uses Drinking Water State Revolving Fund (DWSRF) setasides ($4.6M) and had used Water Infrastructure Financing Authority (WIFA) fees (up to $5M) to supplement grant funds. Use of WIFA fees to offset general funds was a concern to EPA as it limited WIFA's ability to meet administrative costs and provide technical assistance to water and wastewater systems. Over the last 5 years, we urged and have worked with ADEQ to reduce and eliminate the transfer of WIFA fees.

   Workplan and Grants: The bulk of federal funding is awarded annually through a Performance Partnership Grant (PPG) which combines CWA 106, PWSS and NPS funds. ADEQ also receives a separate monitoring grant and NPS projects grant. ADEQ develops an annual integrated workplan covering all activities and commitments for federally and non-federally funded tasks, and is based on a SFY (July 1- June 30). The lack of a timely federal budget continues to make it extremely challenging for ADEQ to plan and make commitments (in January for the following grant year) based on projected grant funds, thus commitments are often conservative. The draft workplan is reviewed by the relevant program leads and managers (Water and Enforcement), and followed by discussion/negotiations (in some cases, formal meetings). Previous year activities and commitments are considered to determine technical capacity and program successes and priorities. Priority setting amongst core program activities is often the focus of discussions as well as collaboration across programs. The integrated workplan provides a comprehensive look at the work being performed by ADEQ; however, tracking specific activities and expenditures is more difficult for each of the EPA grant project officers. EPA and ADEQ have implemented several changes over the last two years to improve reporting and accountability; but continued discussions are ongoing. As part of a larger effort, EPA has evaluated the tasks funded by the setasides to ensure they are eligible under SDWA§1452(g)(2) and §1452(k).

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2. **Staffing:** The ADEQ WQD currently has 125 staff and is constantly recruiting to fill priority vacancies. Priority is given to filling "uncovered" positions, i.e., those not covered under state merit system which protects tenure, benefits, etc. Attached is the WQD organizational chart.

3. **Rule Making:** All agencies in Arizona have been bound by a legislative rules moratorium since 2009. The Governor may grant an exception if the regulatory change lessens or eases a regulatory burden. ADEQ is thus unable to adopt new/revised drinking water regulations, NPDES pretreatment and Concentrated Animal Feeding Operation (CAFO) regulations, water quality standards and listing criteria. This has hindered implementation, e.g., the lack of approved antidegration procedures to use for the proposed Rosemont project on impacts to Davidson Canyon and Cienga Creek, Outstanding Arizona (Tier 3) waters and EPA retains primary enforcement authority for federal rules that have not been adopted and codified in State law (i.e., Lead and Copper Rule Short Term Revisions). The ADEQ WQD maintains a list of regulatory changes needed and may seek approval of minor water quality standard changes in SFY14.

4. **EPA Oversight**: EPA and ADEQ's partnership is formalized in the Arizona Accord. The Accord is an agreement describing our relationships and joint efforts to protect human health and the environment. This supplements MOAs associated with program approval and delegation. EPA program leads hold monthly or quarterly calls with ADEQ program counterparts as well as an official midyear and end-of-year reviews. EPA Water Division and EPA Enforcement Division work together to oversee program implementation.

   The workplan defines outputs and reporting. Review of outputs is by the program while any comprehensive report is coordinated by the PPG Grant PO to the programs. Separate accountability tools are used as well to assess progress, e.g. monthly ICIS reports on permit issuance, or routine program calls. With multiple funding sources, the various grant projects officers also coordinate efforts. Although the annual SRF grant is awarded to WIFA, the SRF PO coordinates with the ADEQ PPG PO and program leads to ensure effective accountability.

Clean Water Act

Regional Water Quality Management Planning

Water quality management planning for wastewater facilities continues through the CWA Section 208 process. ADEQ provided CWA 604(b) grant funds to the planning agencies, often Council of Governments (COGs). ADEQ provided technical assistance during the approval process for one 208 amendment and for thirty-three 208 Consistency Reviews. One water quality management planning agency completed their draft 208 regional plan update. Growth is still slow, and subsequently fewer 208 reviews were submitted. However, permit applications continue to be submitted for expanding facilities, renewals, and new facilities.

Ambient Monitoring

The Monitoring Section is responsible for collecting water quality data for Arizona's streams, lakes, and groundwater. Monitoring work characterizes baseline water quality conditions, supports the 303(d) and 305(b) assessment process, evaluates compliance with water quality

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standards (WQS) and provides data to support the development of new and revised WQS and TMDLs. All monitoring sites are sampled for a basic group of target analytes to assess whether surface water quality standards are being met. ADEQ also participates in the National Aquatic Resources Survey (NARS) funded by EPA.

ADEQ uses a probabilistic monitoring design and covers the state in a 5-year cycle by monitoring in either the Warm (includes sites below 5000 feet) or Cold (includes sites above 5000 feet) regions each year. In SFY 2013 probabilistic monitoring was in the Warm Region. ADEQ supplements their statewide probabilistic monitoring with targeted monitoring: to address data gaps identified by the 305(b) planning list; to support WQS and TMDL development; to monitor Arizona's Outstanding waters and investigate complaints. In SFY13 ADEQ collected a total of 186 surface water samples and 73 ground water samples.

ADEQ is currently involved in several projects that support development of WQS. In SFY13 ADEQ continued monitoring three effluent dependent waters, to evaluate their impact on wadeable perennial streams. As part of a four year sampling plan, ADEQ continued to collect nutrient data to support development of nutrient standards for rivers and streams. ADEQ also collected data as part of the two year rivers and streams NARS. Contract work was completed for physical integrity to assess relative bed stability as a new standard. Contracts were also used to complete intermittent stream sampling to evaluate the development of intermittent stream biocriteria water quality standards.

In SFY14 EPA looks forward to continued progress in the following areas:

- Entering all surface water quality data in STORET on a quarterly basis
- Refinement of nutrient criteria for lakes and development of nutrient criteria for rivers
- Monitoring in the cold region (>5000 feet) and statewide
- Coordinating with other ADEQ programs on monitoring in priority watersheds

Concern

EPA's monitoring grant requires all state-generated water quality data be entered into a publicly available database, STORET. ADEQ has significant gaps in data entry (since 2005) and has struggled with data transfer from the state system to the federal system due to staff IT shortages. EPA will be working with ADEQ to find a solution and develop a schedule to be included in the integrated workplan and applicable grant condition.

Water Quality Standards

The Surface Water Section (SWS) is responsible for water quality standards (WQS) and policy development. The WQS team is comprised of five staff, including staff from the Director's Office, Permits, Monitoring and TMDL Sections that complete standards work in addition to their primary program responsibilities. Both WQS and implementation procedures offer essential guidance for monitoring and assessing water quality throughout the state, and to implement WQS in NPDES and other CWA permits. Section 303(c)(1) of the Clean Water Act requires that a State shall at least once every 3 years, hold public hearings to review applicable water quality standards and, as appropriate, to modify and adopt standards. Most state WQS actions require approval by EPA. In SFY13 ADEQ committed to completing work on: developing implementation procedures for antidegradation, biocriteria, bottom deposits and fish

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consumption standards; to initiate a WQS triennial review; and to continue work on the lakes narrative nutrient standards.

The biocriteria and bottom deposits implementation procedures were public noticed in September 2012. ADEQ met with commenters on several occasions, made revisions and prepared a response to comments. The documents are in final review. The fish consumption and antidegradation procedures have not gone to public review.

ADEQ submitted a request for rule making exception for SFY13, but did not receive a response from the governor in time to complete the triennial review as planned. In support of the triennial review ADEQ held regular meetings throughout the fall of 2012 to update the status of projects and to discuss appropriate revisions and draft language; conducted research to support new or revised standards on boron, *E. Coli*, and nutrients; and identified latitude and longitude errors for surface waters in Appendix B of the Arizona WQS.

EPA supports ADEQ's efforts to develop nutrient criteria which began with lakes. ADEQ provided data and other support to the contractor re-evaluating the lakes narrative nutrient standards; collected additional data under the Nutrient Monitoring Strategy; reviewed EPA's 2013 criteria document for ammonia; and conducted a literature search on the occurrence of freshwater mussels in Arizona. The presence of mussels would lower the applicable numeric ammonia criteria.

In SFY14 EPA looks forward to continued progress on:

- Arizona's 2014 WQS Triennial Review including some revisions accepted by the governor;
- Working with ADEQ on revisions to their Lakes Narrative Nutrient Standards and continuing work on Rivers and Streams nutrient standards development; and
- Finalizing antidegradation implementation procedures.

Water Quality Assessment and Total Maximum Daily Load (TMDL) Development

The TMDL and Assessment Unit is responsible for assessing statewide water quality data and developing the Arizona 303(d) list of impaired waters and 305(b) Integrated report (IR). The Unit develops and writes TMDLs, coordinating with the Non-Point Source Unit that works with external entities to develop watershed implementation plans, identifies BMPs and conducts effectiveness monitoring to track water quality improvements. In addition, TMDL staff regularly support the ADEQ statewide surface water monitoring program efforts.

ADEQ responded to comments and revised the 2010 IR which was approved by EPA in June 2013. Simultaneously, ADEQ drafted the 2012/2014 IR. As part of the 2012/2014 IR ADEQ developed an organochlorine pesticide delist report for several reaches of the Gila River. In the SFY13 workplan ADEQ added a new deliverable and developed water quality improvement success stories for Alum Gulch, Pinto Creek and Turkey Creek.

ADEQ met its target to finalize four TMDLs, and complete the initial public notice for three TMDLs. The Gila River suspended sediment concentration TMDLs (2) were submitted to EPA and approved in April 2013. The Little Colorado River *E.coli* TMDLs (2) were submitted for

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approval in June, 2013. The Alamo Lake Mercury TMDL (1) and San Pedro River *E.coli* TMDLs (3) completed a first round of public notice. ADEQ also continued to collect and analyze data for TMDLs and Implementation plans in several watersheds including Big Bug Creek, Mule Gulch, Queen Creek and Pinto Creek.

The TMDL Unit spent significant time working in EPA and ADEQ priority watersheds including the Santa Cruz River, Granite Creek/Watson Lake and Boulder Creek. ADEQ modeled data, drafted TMDLs, shared data, participated in public meetings, workgroups, and stakeholder meetings. In addition, ADEQ is participating with Region 9 in an EPA HQ led effort to develop a revised ACS measure for TMDLs (SP10).

In SFY14, EPA looks forward to continued progress on:

- Submittal of the Watson Lake and Granite Creek Nutrient and *E.coli* TMDLs to EPA and for public notice;
- Public notice of the 2012-2014 Integrated report; and
- Increasing coordination with other ADEQ and EPA programs to identify and complete TMDLs and assessments in priority watershed areas.

NPDES Permitting

The principal task of the two permitting units in the Surface Water Section (SWS) is timely issuance of new and reissued permits to facilities subject to the CWA. The universe of permits currently includes 73 individual major permittees, 95 minor permitees, 8 individual Phase I permits to municipal separate storm sewer systems (MS4), and 6 general permits for a variety of discharges (de minimus, construction stormwater, industrial stormwater, Concentrated Animal Feeding Operations (CAFOs), small municipal (Phase II) stormwater and aquatic pesticides). In 2012, ADEQ issued two new general permits for certain wastewater discharges, as discussed below. ADEQ is still working on a general permit for biosolids.

ADEQ nearly met its commitment to maintain 90% of permits current (as defined by EPA). At the time of the SFY13 review, ADEQ was 89% current with 11 permits for majors, 14 permits for minors and 2 general permits expired greater than 180 days. ADEQ's permitting process was revised in 2011 to establish fee-based NPDES permits which may, in a few instances, delay permit issuance while awaiting receipt of permittee's payment.

ADEQ re-issued the Construction General Permit in SFY13. The ADOT stormwater permit renewal has been delayed although ADEQ projects its completion in SFY14. All seven municipal Phase I MS4 permits are current. The Phase II MS4 general permit currently provides coverage for 3 small cities; however based on 2010 census data, seven more communities are expected to enroll. In SFY13, ADEQ met with most of these communities to explain the Phase II program, requirements and expectations. ADEQ has developed a monitoring protocol document to help these communities implement their Phase II stormwater programs.

ADEQ re-issued two separate Multi Sector General Permit (MSGP) for stormwater discharges from mining and non-mining industrial sites permits in 2011. ADEQ, in partnership with City of Phoenix, has successfully enrolled many previous non-filers, to obtain coverage under the non-mining MSGP. This increase in future enrollees is expected to continue in SFY14.

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ADEQ issued two general permits for certain domestic wastewater dischargers in May 2012. Infrequent discharges of wastewater is designed to address any POTW discharging to any receiving water, albeit under short-term conditions. Minor wastewater discharges address the smaller POTWs (<1 MGD) with effluent flowing directly into ephemeral streams. Whereas the goal was to reduce the number of individual permits and to free-up staff resources required for individual permit issuance, so far ADEQ has no enrollees in either of these new general permits. ADEQ's general permit for aquatic pesticides was issued in 2011 and now has 12 enrollees. ADEQ's CAFO permit expired in April 2009, and cannot be reissued until ADEQ's regulations can be revised to be consistent with EPA regulations. To resolve some problems associated with this expired permit, ADEQ issued an individual permit for one CAFO facility in SFY13.

In FY14, EPA looks forward to ADEQ's continued progress on permit renewals and efforts in the following specific areas:

- Quarterly updates on re-issuance of AZPDES permits from AZPDES unit to EPA's WTR-5 and WTR-5 for tracking status (while waiting for completion of software upgrades to connect the State's database and EPA's ICIS database)
- High profile permits, including Nogales IBWC, City of Sierra Vista, Asarco Mission.
- Variances from water quality standards have been requested by six AZPDES facilities
- MS4 Phase II permit development – 7 additional communities/clusters
- ADEQ's audit of 8 Ph II stormwater permits.
- Inclusion of EPA methods 245.7 or 1631 for detecting ultra low levels of mercury for assessment and compliance with effluent limitations
- Inter-office/agency program coordination on Watson Lake/Granite Creek TMDLs

Non Point Source (NPS) Program and Project (CWA 319) Management

The Grants and Outreach Unit in the Surface Water Section has the lead for the Non Point Source Program. The Program is comprised of program implementation and project oversight. Program implementation is based on a State Management Plan (SMP) which establishes objectives and activities to accomplish the objectives. Accomplishments are detailed in an Annual Nonpoint Source Program Report. Project oversight includes the solicitation, award and oversight of projects to improve water quality. Projects can take up to 7 years to complete. The SFY13 workplan reflects the milestones and commitments of the SMP. Beginning in SFY09 and continuing through SFY13, the NPS Program has focused on funding and providing technical support to watersheds prioritized on their Targeted Watersheds list. The key criteria for Targeted Watersheds list are the presence of NPS related impairments, as well as, local stakeholder interest and ability to effectively address impairments.

SFY13 marked the beginning of funding projects identified by local groups in their Watershed Improvement Plans (WIPs). This is a shift from state wide implementation request for proposals to targeting impaired watersheds that have local support and focused planning. WIPs have been completed for the following watersheds: Granite Creek, Oak Creek, San Francisco/Blue Rivers, and the San Pedro River. At the end of SFY13, implementation projects were awarded for Granite Creek, Oak Creek, and San Francisco/Blue River ($1.2 million). Multiple Requests for Grant Assistance (RFGA) were made this year in response to reducing the unliquidated obligations.

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ADEQ continued to work with Arizona Department of Emergency Management on mitigating run off from the catastrophic Wallow fire.

The EPA FFY12 load reduction deadline was met, with reductions of 2,991 lbs N, 1,468 lbs P, and 800 tons of sediment. Load reductions are calculated by the University of Arizona, who developed a load reduction model specifically developed for the arid Southwest. U of A continues to provide support to DEQ on load reductions and DNA markers.

ADEQ provided technical support and conducted nonpoint source education and outreach efforts to watershed stakeholders. ADEQ provided outreach materials for youth education programs and participated in 4 watershed groups or other public meetings to discuss watershed issues on both statewide and local scales.

ADEQ also coordinated the National Water Quality Initiative, which took some time to re-convince the National Resources Conservation Service to switch their priority watershed to ones where projects funded by the Environmental Quality Incentives Program (EQIP) would have the greatest effect. The Unit also worked on multi-agency watersheds, Upper Santa Cruz River and Hillside Mine, which required cross agency coordination.

In addition to projects based on good plans in targeted watershed in the upcoming year, EPA looks forward to being involved in the revision of the NPS Strategic Management Plan.

ADEQ continues to manage, and reduce, NPS pollution adaptively in Arizona.

In FY14 project efforts will include

- Santa Cruz River
    - EPA and DEQ will continue to work together on developing an implementable plan for reducing pollutants in the SCR.
    - We will be meeting in the watershed to discuss reasonable outcomes and expectations with the local groups on January 22nd.
- San Pedro River
    - The WIP is done and proposals will be submitted in the next RFGA round.
    - It's expected that NRCS will work with its local lead on submitting projects.
- Hillside
    - DEQ will work with other State agencies on a completing project without EPA financial support.
    - The NPS grant that was earmarked for this project needs to be extended to 2016. EPA will extend the grant once we receive a written request from DEQ for a no-cost extension.
- NPS Funds
    - Now that the Hillside project is in limbo, EPA is concerned that ADEQ NPS funds will be difficult to obligate ($3.2 million). EPA understands its role in the funding situation and will do everything it can to help the State obligate NPS funds within the year the funds were awarded.

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    - Are all the match possibilities exhausted? State agency FTE (DOA, SLD) can be a match for Hillside, RCD's, or the repayment pot of SRF funds.
- 5-Year Plan Update
    - Draft timeline for finishing the SMP by June 2013 has been agreed to by Vollmer and Osterberg.

Wetlands and 404
ADEQ was directed by the legislature to evaluate 404 program assumption. In FY13, ADEQ held stakeholder meetings to gather input. Additional meetings are expected in FY14.

In SFY13, EPA and ADEQ worked collaboratively on the proposed Rosemont Mine. ADEQ has reviewed and commented on the EIS, has reviewed and issued permits under APP, MSGP and air and will be conducting an antidegradation analysis for the project and CWA 401 assessment for the 404 permit. EPA anticipates the collaborative process will continue in FY14 with ADEQ on the antidegradation analysis and 401. EPA will continue to work with USFS on the EIS and the ACOE on the 404 permit.

Border
ADEQ operates and maintains an Office of Border Environmental Programs (OBEP) located in Tucson, AZ. They are responsible for border region and transboundary issues for all media activities along the US-Mexico Border Region. Specific to the Water Programs, OBEP's border engineer continued to provide high quality engineering reviews, project management and oversight, quality control and reporting in support of and in coordination with EPA's US-Mexico Border Program (PDAP and BEIF) projects. In FY13, OBEP's border engineer stepped up to fill a void created when both EPA and the Border Environment Cooperation Commission (BECC) experienced staffing changes and performed project management tasks above and beyond his scope of work. The OBEP hydrologist has consistently provided exceptional technical support on water quality and storm water issues, oversight and reporting of spills from the International Outfall Interceptor (IOI) and outreach and training for utilities on both sides of the border. Additionally, the border hydrologist has worked tirelessly over the years to develop a sustainable industrial pretreatment program in Nogales, SN in an effort to mitigate the associated impacts to the Nogales International Wastewater Treatment plant and the Santa Cruz River. In SFY13 the pretreatment program achieved a level of functionality and an equilibrium unimaginable just a few years ago. OBEP has been invaluable in support of EPA water program efforts along the Border.

In FY14, OBEP will continue its project management oversight of federally funded construction projects, provide technical support and assist with the oversight of the new pretreatment requirements in the AZPDES permit for Nogales. OBEP bi-weekly reports provide valuable information on efforts and activities along the Border,

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CWA Enforcement and Compliance

Inspections: The Water Quality Compliance Section (WQCS) and the Southern Regional Office Compliance Program Unit (SROCU) are responsible for all field work for the Division. ADEQ set a target of inspecting 50% of the major AZPDES permitted facilities (35 of 71) and 20% of the minor facilities (18 of 89) in SFY13. EPA's Compliance Monitoring Strategy (CMS) requires the inspection of majors once every two years (50%) and all minors inspected once in a 5 year cycle (20%). ADEQ inspected 35 major facilities and 20 minor facilities, thus meeting and exceeding the goals of the CMS for major and minor facilities, respectively. Additionally, ADEQ and SROCU responded to 23 citizen complaints related to the Clean Water Act, resulting in 21 non-routine inspections. ADEQ intends to pursue an Alternative Compliance Monitoring Strategy in response to the Auditor General's Report and non-compliance by minors.

ADEQ exceeded its stormwater inspection targets of 60 industrial and 60 construction (40 Phase 1 and 20 Phase 2) inspections in SFY13 by conducting 89 industrial, 68 Phase 1, and 36 Phase 2 construction inspections. Although EPA's CMS sets goals of 10% of all industrial facilities and 5-10% CMS goals for construction facilities, EPA has agreed to lower commitments instead seeking an inspection strategy. The CMS goals for the stormwater programs also include audits of MS4s. ADEQ did not commit to any Phase I MS4 audits but accompanied EPA and its contractor on 1 Phase I MS4 audit during SFY13. ADEQ did meet its commitments of 2 Phase II MS4 audits but have committed to 8 Phase II MS4 audits in SFY14. Responsibility for MS4 audits moved from the Compliance Section to the Surface Water Section. Coordination on audits and other stormwater inspections will be needed.

AZ has 100 CAFOs statewide covered by AZ APP permits and 2 subject to AZPDES permit. ADEQ exceeded its SFY13 target of 4 CAFO inspections by conducting 9 CAFO inspections of its permitted and unpermitted facilities. ADEQ met its SFY13 inspection targets for the biosolids program (5 POTWs and 6 land application facilities) and exceeded its target of 26 annual report reviews submitted under the biosolids rule by conducting 31 reviews.

In SFY14, EPA looks forward to continued progress in developing stormwater field capacity as ADEQ and EPA have agreed that stormwater inspections and MS4 audits are an area for improvement. Resource limitations, technical capacity and number of inspectors will continue to be an issue in meeting stormwater inspection commitments. ADEQ will continue to accompany EPA during MS4 audits to further develop skills in MS4 inspections. With limited resources, strategically focusing inspections is critical to ADEQ's program success. ADEQ and EPA will continue to communicate regularly on stormwater implementation.

Pretreatment Program: Arizona has delegated authority to implement the federal pretreatment regulations. Core regulatory duties are as follows:

1) Review all annual and semi-annual reports submitted by POTWs with approved pretreatment programs.
2) Conduct pretreatment compliance audits (at least once every five years for each approved POTW pretreatment program).
3) Conduct pretreatment compliance inspections (at least twice every five years for each approved POTW pretreatment program).

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4) Perform annual inspections of POTWs with SIU-oversight-only pretreatment programs.
5) Review and approve pretreatment program submittals and modifications.

Additionally, there is a specific PPG target for ADEQ to support pretreatment work in the Ambos Nogales border region, as industrial wastewater from Mexico has caused or contributed to NPDES permit violations at the Nogales International Wastewater Treatment Plant. During SFY13, ADEQ finalized this permit and included more enforceable pretreatment to help protect the treatment plant and its receiving water, the Santa Cruz River, from industrial pollutant discharges.

During SFY13, Arizona met all of their pretreatment targets. Specifically, ADEQ met its inspection targets (3 compliance inspections and 1 POTW SIU-oversight only inspection), auditing targets (one pretreatment audit of an approved pretreatment program) and report review targets (16 annual /semi-annual reports).

In FY14, EPA looks forward to ADEQ's continued progress in pretreatment commensurate with an increased commitment.

Data Management and Reporting: ADEQ did not meet its commitment to enter discharge monitoring reports and state inspection and enforcement actions into EPA's ICIS-NPDES national database. Due to data programming issues, ADEQ stopped flowing NPDES data into ICIS as of mid-November 2012. In the interim, ADEQ continued to enter permit and monitoring information into its state databases.

Without NPDES data in ICIS, EPA's view of discharger compliance data and state activities is severely limited. In particular, EPA cannot generate the QNCR history of major facilities in Significant Non Compliance (SNC) and the Watchlist (major facilities in SNC for 2 consecutive quarters). As a stop-gap measure, ADEQ did generate a QNVR of majors from its Azurite database. However, without the ICIS QNCR, compiling a list of SNCs and the Watchlist would require significant resource-intensive manual efforts, which neither ADEQ nor EPA could provide. ADEQ did submit its quarterly compliance reviews and reports to EPA on time.

Enforcement: In SFY13, ADEQ issued 2 Consent Orders to the Cities of Buckeye and Flagstaff, tracked the progress of 5 Administrative Orders from previous years, issued 68 Notices of Opportunity to Correct (NOCs) and Notices of Violation (NOVs) and closed 55 NOCs and NOVs. In addition, Prescott Valley agreed to a $657,000 settlement for various wastewater spills, including a discharge of 1.6 M gallons of wastewater into the Agua Fria River in January 2010. ADEQ continues to use informal enforcement tools and anticipates new processes established by the LEAN exercise will improve overall compliance efforts.

Major facilities are flagged as being in SNC if they have acute or chronic effluent limit violations that exceed EPA's criteria for magnitude and duration. Facilities may also be flagged as SNC for late submittal of discharge monitoring reports. Given ADEQ's data management issues discussed above, neither ADEQ nor EPA could generate a list of SNC violations during SFY13. Flagging SNC violations is an important tool for targeting enforcement to the highest priority violations.

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State enforcement response to SNC violations is a critical measure that EPA uses in our oversight of State NPDES enforcement programs

Concerns

ADEQ's inability to flow data into ICIS from mid-November 2012 has compromised EPA's ability to monitor and evaluate ADEQ's Surface Water Compliance and Enforcement program as detailed in Task 1.4.3 of the integrated SFY13 Work Plan. The requirement for NPDES permit, compliance monitoring data and enforcement data entry is required as part of the program approval and described in the MOA. ADEQ has been aware of the need for updated data transfer protocols since 2009 and has been working on it since then. EPA HQs has provided contract help to ADEQ with virtually unlimited expert technical assistance, which the IT Department has used in their efforts to program systems for flowing NPDES data to EPA's ICIS database. Despite this available assistance, project completion deadlines established by the IT Department have not been realistic, as evidenced by extended project completion dates with almost every bi-weekly status report. The initial project completion date of June 30, 2013 is now currently December 23, 2013, with no anticipated actual completion by that date, despite being reportedly 95% complete since the week of August 9.

EPA has not been able to effectively oversee the SFY13 workplan progress, nor is it able to effectively oversee the current SFY14 workplan progress. Additionally in early FFY14, EPA will be conducting the AZ State Review Framework, an enforcement-led multi-media evaluation of compliance, using FFY13 data. Without the necessary data in ICIS, EPA will be unable to effectively conduct the review, which will result in a poor rating for ADEQ.

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Safe Drinking Water Act

ADEQ has primary enforcement authority or primacy for the federal Public Water System Supervision (PWSS) program. The Water Quality Division Drinking Water Section is responsible for implementation of the PWSS program for approximately 1550 public water systems. The Drinking Water Section is comprised of three units: Monitoring & Protection, DW Facilities Review and Programs for a total staff of 20 FTE. The Compliance Section is responsible for conducting the required onsite review of PWSs, sanitary surveys, and for taking appropriate enforcement against noncomplying water systems as appropriate. The Compliance Section has three units: Industrial Field services, Utility Field services and Enforcement with six field staff to perform sanitary surveys and three case developers. ADEQ's Southern Regional Office (SRO) has five inspectors and a total of 2.5 FTE dedicated to perform sanitary surveys.

Both Maricopa and Pima County have received delegation from ADEQ to implement a PWSS program for public water systems in their respective counties. The delegated counties support their program resources through fee (for service) authority with no financial support from ADEQ. Pima County expanded their monitoring and reporting authority in SFY13 and has historically only had authority to enforce plan review violations. ADEQ has in the past few years extended the county delegation agreements every year with an annual end of term instead renewing the agreements for a five year term. ADEQ does not provide regular oversight of the delegated counties. ADEQ should perform an oversight evaluation at least once during the term of the delegation agreement Reviews of the county delegation occurs when the delegation agreements are renewed usually every five years.

Rule Development and Implementation: To retain primacy for the PWSS program, States must adopt all new and revised federal regulations and submit a revised primacy package for EPA approval within two years after promulgation of a new/revised federal regulations [142.12(a)]. States may request an extension for a period not to exceed two years provided it meets certain established criteria [142.12(b)(2)]. The omnibus incorporation-by-reference effort undertaken by ADEQ in 2007 updated the Arizona Administrative Code (AAC R18-4) to include all new/revised federal regulations, National Primary Drinking Water Regulations (NPDWR) found in 40 CFR 141 as of July 1, 2007. This includes all NPDWR except Lead and Copper Rule Short Term Revisions (LCR STR) and the most recent revised Total Coliform Rule. Thus, EPA retains primary enforcement authority for LCR STR implementation until state adoption of the revised rule provisions. ADEQ implements this rule by informing PWS of the Public information language required by the rule. The Governor-imposed rule adoption moratorium has had little impact on the drinking water program, however, may be problematic when the revised Total Coliform Rule (promulgated in February 2013), becomes effective in April 2016. ADEQ submitted three rule packages [Consumer Confidence Report, Public Notification and Lead and Copper Rule (LCR)] to EPA in FY13. Lack of staff resources has delayed the submission of a full primacy revision package to EPA for these three rules. WQ Division has a dedicated attorney to review their primacy revisions packages before sending them to EPA.

For SFY14, EPA looks forward to continued progress including:

- Submission of additional primacy revision packages, to include: Analytical methods sections for 40 CFR Part 141 rules, Stage 1 and Stage 2 Disinfection Byproducts Rules

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(DBP) and Administrative Penalty Authority. The LCR Short Term Revision and the revised Total Coliform Rule will not be adopted until the rule moratorium is lifted.
- Development of a policy to designate PWSs as Outstanding Performers to reduce the required frequency of sanitary surveys.

Data Management: Program delegation requires the State to submit inventory, violations and enforcement action data for PWSs on a quarterly basis to the federal Safe Drinking Water Information System (SDWIS) database. ADEQ uses a version of SDWIS that was developed by EPA for states, SDWIS/State, as their data management system for all data associated with implementation of the delegated drinking water program. ADEQ uses SDWIS/State to develop and issue compliance schedules for PWSs on all rules. Compliance determinations for the older rules including (IOC, SOC and VOC) Phase II and Phase V chemical contaminants, TCR and LCR is done in SDWIS/State. SWTR compliance determination is done manually by rule specialist and violations are entered into SDWIS/State. ADEQ uses standard laboratory reporting forms to allow efficient compliance monitoring recordkeeping. ADEQ continues to submit timely SDWIS uploads every quarter. The last traditional data verification of Arizona's drinking water data was performed in 2007 by CADMUS.

ADEQ has created a website to allow the public to access their SDWIS/State database. WQ Division staff has participated in recent SDWIS/State training webinars and monthly national data management conference calls. These mechanisms, along with participation in the ASDWA SDWIS User Community webspace, provide valuable information exchange and training resources.

For SFY14, EPA looks forward to continued progress including:
- Upgrade to the most current version of the SDWIS/State Version 3.21 and expanded use to manage compliance with the Surface Water Treatment and Stage 2 DBP Rules.
- Use the January 2014 SDWIS Data Quality Report to assess the completeness of reporting required "violation types" under new and existing SDWA rules. Collaborating with EPA, ADEQ will determine high priority data quality improvement areas to be addressed.

Outreach and Training: ADEQ in conjunction with other TA providers, continue to provide training to operators and other members of the regulated community. Training in SFY13 focused on the DBP and CCR rules for water operators and monitoring reports for wastewater operators. Future external training events funded by the 2% DWSRF set-aside will use a third-party contracted events planner.

Laboratory Certification and Quality Assurance: Delegation for the PWSS program requires the establishlment and maintenance of a State program for the certification of laboratories conducting regulatory drinking water analyses. The state drinking water laboratory certification program is currently implemented by the Arizona Department of Health Services (ADHS) under a service contract between the two agencies. As a cost saving measure, the contract will be terminated for SFY14 and new contracts with private labs will be used to meet the lab certification and capacity requirements under 142.10(b)(3)(i) and 142.10(b)(4), respectively for retention of primacy.

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Security and Emergency Response: ADEQ has ongoing coordination with other agencies involved in security and emergency response. Security topics are included ADEQ training events. With the termination of federal water security grant funding, ADEQ relies on other-agency sponsored security events to meet primacy requirements under 40 CFR 142.10(e). These requirements were ambiguous before 9/11 and Hurricane Katrina and remain hard to document with all the national response plans and associated documents. ADEQ has documented what program staff is responsible for during emergencies and how to restore their regulated community's purpose and function in their state plan. Maricopa County holds quarterly Waterborne Disease Taskforce Meetings and provides an important component of emergency response.

Operator Certification: ADEQ held seventeen operator training workshops in SFY13. In FY14 the ADEQ Operator Certification program should address the diminished involvement of stakeholders. The 11 member certification committee did not meet during FY13. EPA Program Guidelines require ongoing stakeholder involvement during the revision and operations of State operator certification programs, so even though it was reported that there were no operator certification rule revisions or operational changes proposed or implemented in FY13, ongoing stakeholder involvement is important to meet the public health objectives of the program.

New and Existing System Capacity Development: The 1996 amendments to the SDWA required states to create and implement a strategy to assess and develop the technical, managerial and financial (TMF) capacity of new and existing small water system (serving a population of 10,000 people or less) and to prevent the proliferation of non-viable water systems. ADEQ's new system capacity development program provides control measures and a permit process to evaluate a system before it is allowed to operate. Success is measured by the number of permits that are approved for new systems.

Existing systems in need of capacity development assistance are identified through the ADEQ Annual Master Prioritization List (MPL). Created by the DW Program Unit, the MPL is a list of all PWSs ranked according to a cumulative point score. Points are assigned based on a variety of criteria (age of system, system type, water source, population served, owner type, having certified operator, ETT Score, MCL Violation, O&M Violation, participation in MAP, ADEQ TA Assistance). Systems high on the list are offered a comprehensive assessment of their system operations/maintenance, System Evaluation, through a third party contractor. Success is measured on a case-by-case basis. ADEQ administered eight Operational Technical assistance evaluations that began in FY13 and oversaw one completed System Evaluation in the first quarter of FY13. The Capacity Development Program has limited ability to provide assistance to small systems with its third party contracts due to delays in the execution of contracts through the ADEQ Procurement office.

Source Water Protection

The Drinking Water Monitoring and Protection Unit manages AZ's efforts to prevent contamination of ground and surface sources of drinking water. The Arizona statewide source water *assessment* (a Safe Drinking Water Act requirement) found the most prevalent and threatening contaminant risks to public water systems include: UST/LUSTs, superfund sites,

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agriculture, septic systems, marinas, and golf courses. Since the SDWA does not require source water *protection*, ADEQ's strategy is to use the assessment results to encourage/inspire public water systems and the communities they serve to formulate and apply protection strategies; ADEQ also provides them with technical assistance to do so. An additional, important component of ADEQ's strategy is education and outreach at schools and other public forums where the program explains the benefits of protection, i.e. prevention cheaper than treatment. They also help inspired/interested communities develop and adopt land use policies such as a wellhead protection ordinance or zoning policy. The Protection Unit works internally within ADEQ to investigate and/or remediate contamination risks. The internal process often leads to external coordination and recommendations for further remediation action by other federal, state, local agencies.

For SFY13 Arizona continued to successfully implement their source water protection priorities: (1) evaluate most-threatening contaminant risks to drinking water sources (2) conduct public outreach/education to promote source water protection; and (3) improve the original source water assessments. In the past year, the Drinking Water Monitoring and Protection Unit continued to work closely with ADEQ's Waste Division to review UST/LUST data to target sites that potentially threaten drinking water sources. For their education tasks, they focused on five schools that own/operate a public water system to complete source water protection plans. ADEQ also worked with several other schools to develop site assessments. For public outreach, ADEQ conducted ten workshops and outreach events to inspire source water protection at the local level. ADEQ helped the City of Holbrook develop a source water protection plan and the City of Wickenburg update their wellhead protection plan. To improve the original statewide assessment, ADEQ continued to update/evaluate well location data and the database of potential contaminating activities. They began querying databases to identify community water systems with a single source of drinking water; these are more vulnerable than systems with multiple sources.

Despite their robust program, ADEQ did not meet their SFY13 target of assisting three community water systems achieve minimized risk to public health by source water protection. ADEQ states, however, that the actual numbers achieved rely on the willingness and ability of public water systems to participate in the voluntary source water protection program. They have accordingly lowered their SFY14 target to one system, reflecting the obstacles to protection. ADEQ expects to continue to fully implement their protection efforts next year to meet and perhaps exceed the SFY14 target.

Water System Compliance Initiative

ADEQ is continuing an ongoing dialogue with EPA Water Division on improving compliance by small water systems. The increase in the number of recalcitrant systems on the ETT list, those with an ETT score of >10 coupled with few state formal enforcement actions, has raised the management attention at both ADEQ and EPA. Following the submittal of ADEQ's approach (flow chart) to the management and provision of assistance to small drinking water systems, EPA and ADEQ discussed opportunities for improving system compliance. The discussion focused on furthering the use of existing tools and resources for development of a systematic approach that includes improved internal/external cross-program integration and coordination between various stakeholder agencies (ADEQ, WIFA, third party technical assistance providers).

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In SFY13, ADEQ evaluated the barriers to water system compliance with SDWA requirements which resulted in a focus on privately owned water systems regulated by the Arizona Corporation Commission (ACC) and improvement districts managed under County Boards. In November 2013, ADEQ held a meeting with ACC and WIFA to share information and identify opportunities to collaborate and assist targeted water systems. A meeting with County Boards that permit the formation of domestic water improvement districts has not been scheduled. ADEQ Water Division Director will have his performance evaluation tied to the success of the Initiative.

Compliance and Enforcement

The Compliance Section along with the Southern Regional Office Compliance Program Unit (SROCU) in Tucson is responsible for sanitary surveys, compliance and enforcement and works closely with the Drinking Water Section. The commitment OECA asks states to make to meet the 2009 Enforcement Response Policy is as follows, "During FY 2013, the primacy agency must address with a formal enforcement action or return to compliance the number of priority systems equal to the number of its PWSs that have a score of 11 or higher on the July 2012 Enforcement Targeting Tool (ETT) report." This system-based approach uses a formula that allows EPA to prioritize public water systems for possible enforcement actions by assigning each violation a weight or number of points based on EPA drinking water regulations and rules. For example, a nitrate standard (acute health-based/ maximum contaminant level) violation is assigned 10 points; 5 points for Total Coliform Rule repeat monitoring violation; etc. Systems with an ETT score of 11 or higher, with unaddressed violations for more than six months, are potential candidates for escalated enforcement actions. A primacy agency's success at addressing violations will be tracked by means of the quarterly ETT reports. Numerical targets may be adjusted at mid-year. While it remains the ERP's goal that all of a priority system's violations will be returned to compliance, a primacy agency has met its commitment under the 2013 SDWA ACS with respect to a priority system if the score for that system has been brought below, and remains below, eleven. Arizona's progress made on addressing the ETT is shown in Table 2 below. Of the systems with an ETT score of 11 or above on the July 2012 ETT list, 34 remain on the Apr 2013 ETT list. No enforcement cases were referred to EPA by ADEQ in SFY13.

The Compliance Section issued a total of 14 administrative orders during FY13. This included an administrative penalty of $10,000 for Q Mountain. The Compliance Section closed 10 administrative orders upon the facilities meeting their compliance schedules. The Utility Field Services Unit issues informal Drinking Water Enforcement Actions including Notices of Opportunity to Correct (NOCs) and/or Notices of Violation (NOVs). The two Field Services units issued a total of 186 informal enforcement notices. These two units closed 156 informal enforcement notices during FY13. Of the PWS from FY13 ETT commitment of systems regulated by ADEQ (not including those by Maricopa and Pima counties), only 14 facilities remain with a score of 11 or greater. ADEQ has delegated field and enforcement unit authority to Maricopa and Pima Counties. Of the remaining 14 facilities:

- Nine of these facilities are under a formal enforcement action;
- Two of the facilities have returned to compliance, but this is not reflected in the current ETT scores;
- One of the facilities has been referred to the EPA and still has an ETT score of 35;
- The remaining two facilities have been issued NOVs to address the violations.

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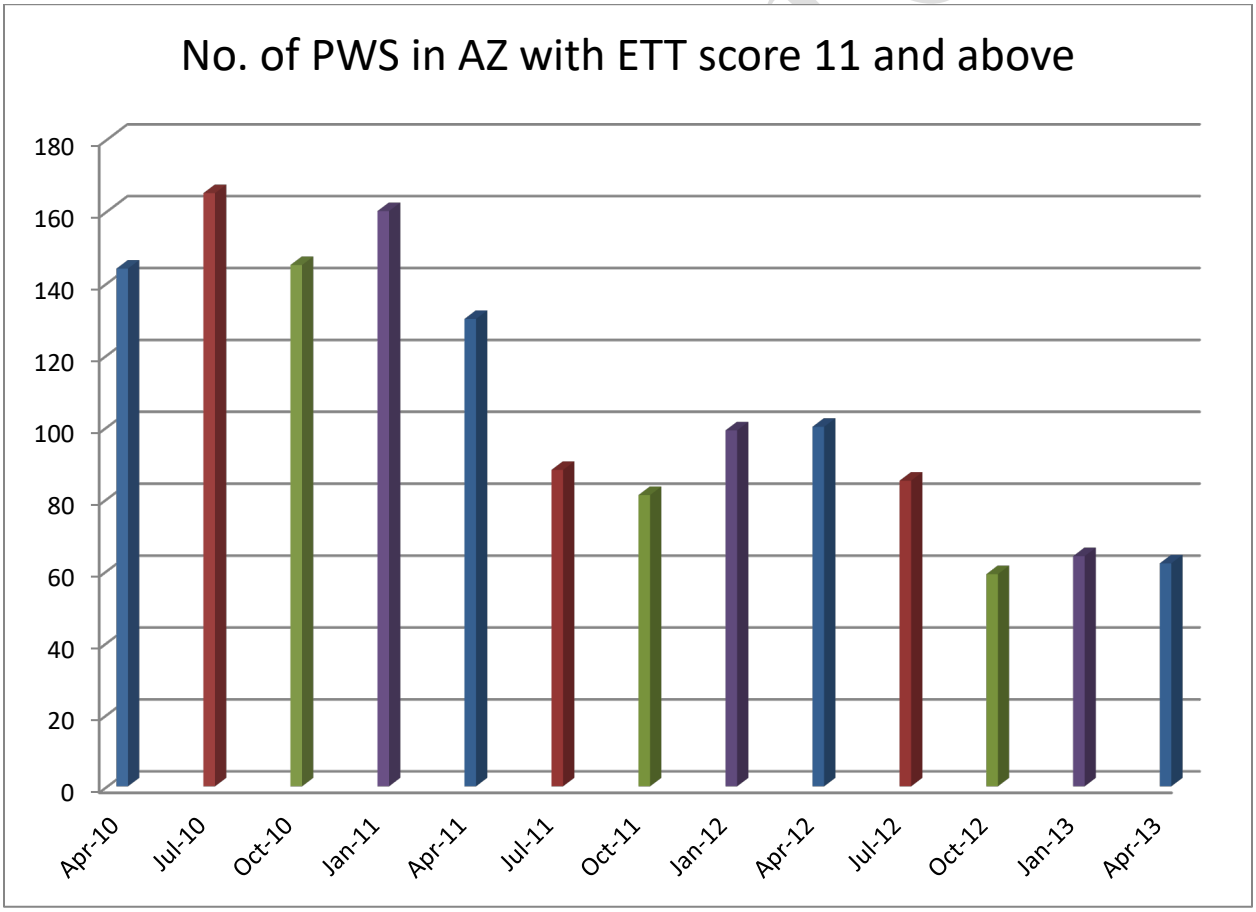
In FY 13, the Compliance Section and SROCU continued their work to ensure that the citizens of Arizona receive safe drinking water and the public water providers meet applicable state and federal standards. In addition, in January 2013, staff from each of ADEQ's Compliance Programs participated in a process improvement-Kaizen to analyze their processes and make recommendations to propose new efficiencies. The goal of the Kaizen is to dramatically reduce time to issue inspection reports and formal enforcement actions. New Enforcement policy changes are to be determined after an internal state review. The Section plans to produce 50% improvements in return to compliance rates and numbers of systems out of compliance over the next 5 years.

Table 2: Enforcement Targeting Tool (ETT) performance

	July2012	October 2012	January 2013	April 2013
Total # of Sys on ETT >=11	85	59	64	62
Total PWS removed from FY13 ETT	-	38	59	68
Remaining PWS on ETT >=11 from FY13 ETT commitment	-	47	33	34

The Chart below shows the number of PWS in AZ with ETT score 11 and above.



Sanitary Surveys

Federal regulations require all community systems to undergo a sanitary survey on a triennial basis whether they have a surface and ground water source. A sanitary survey is comprised of 8 essential components and is a comprehensive onsite evaluation of the system. Table 3 below

shows the sanitary surveys for FY13. ADEQ is meeting EPA targets for the percent of community water systems (CWSs) that have undergone a sanitary survey within the past three years. ADEQ has completed all required sanitary surveys of surface water systems through data reported January 2013 (2012 Q4). They are making progress on complete sanitary surveys for all community water systems including systems with ground water sources.

Table 3: Sanitary Survey completion summary

Source type (Compliance Period)	Total # of Sys	Total Complete Sanitary Surveys	Percent Complete
SW CWS (2010-2012)	42	42	100%
GW CWS (2010-2012)	710	691	97%
GW NCWS (2010-2014)	735	520	71%

Concerns

ADEQ's inability to complete System Evaluations through the Capacity Development program has limited their ability to address the capacity needs of small water systems. The Water System Compliance Initiative seems to address this gap. The DW Section will make progress in working through the authorities of other agencies like WIFA and ACC. The Enforcement Unit has focused on Compliance Assistance and needs to work together more closely with this new Initiative.

ADEQ has reduced the list of priority systems on the ETT with 11 points or above from the commitment of 85 PWS to 34 remaining on the list. In SFY14 Arizona's list has increased the number of priority systems to numbers above 100 PWS. ADEQ has no clear plan on how to address this EPA enforcement priority.

Ground Water Program

The Ground Water Section of ADEQ is responsible for implementation of the Aquifer Protection Permit (APP) Program. This is a state program that regulates discharges of a pollutant either directly to an aquifer or to the land surface or the vadose zone in such a manner that there is a reasonable probability that the pollutant will reach an aquifer. Although this is a state program, staff resources are funded by the federal grants and state fees.

ADEQ does not have an EPA-approved Underground Injection Control (UIC) program; therefore, EPA's Ground Water Office (GWO) works with ADEQ's APP Program to share information for separate underground injection permitting responsibility to regulate injection activities in Arizona. EPA and ADEQ coordinate on injection activities requiring both a federal UIC permit and a state APP which have groundwater related issues and concerns. The permitting application requirements and process of the two programs are similar, but different and differences. Sharing of information and regular updates allows us to work out inconsistencies and coordinate, where appropriate.

ADEQ also works with Arizona Department of Water Resources (ADWR) to evaluate potential for adverse impacts to groundwater quality from recharge injection wells or recharge basins. Recharge is a means of storing excess water supplies underground so that they may be used in the future. ADWR encourages treated wastewater to be reused in this way to replenish groundwater supplies. Both ADWR and ADEQ's APP program have permitting requirements for injection of treated wastewater used for aquifer recharge and recovery. ADEQ's APP program

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evaluates these projects and requires an APP, unless exempted, to protect the receiving aquifer from potential contaminants. EPA's GWO receives information from ADEQ on the reviews of these recharge projects to ensure that the injection of treated wastewater meets our UIC requirements for Class V injection wells.

In SFY13, we worked with ADEQ on the Morton Salt facility and the proposed Florence Copper Production Test Facility (PTF). The proposed PTF is under consideration for a federal UIC permit and a highly opposed project by the Florence community. Working with ADEQ has been very successful during this grant period and useful to help meet our goal to protect underground sources of drinking water (USDW) as defined under the Safe Drinking Water Act.

In addition to coordinating on permitting projects, ADEQ has provided an update of its drywell (Class V injection wells) database for EPA's national UIC database. A person, who owns an existing or proposed drywell in Arizona, must register the drywell with ADEQ. EPA also requires owners/operators of injection wells (i.e., drywells or any other Class V injection well), which are authorized by rule, to submit inventory information. The drywell update from ADEQ ensures that our UIC database is up-to-date for this type of well.

In SFY14, ADEQ an EPA will continue to coordinate on the Florence Copper Project. (anything else?)

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