

US EPA ARCHIVE DOCUMENT

**State Innovation Grant Program:**  
**Arizona Department of Environmental Quality**  
**Grant ID: EI-96988501-0**

**Project Title:** Arizona Environmental Performance Track: Increasing Membership by Lowering Membership Hurdles, Building a Broader Base, and Improving Key Incentives.

**Applicant:** Arizona Department of Environmental Quality (ADEQ)

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**Project Period:** September 29, 2006 to September 28, 2009 (3 years)

**Project Overview**

This project is intended to broaden the range of business sectors involved in Arizona's newly formed Performance Track Program through both existing and new initiatives designed specifically for small business, small communities and agricultural enterprises. Arizona proposes to develop guidance and templates for Small Community Environmental Protection Plans (very similar to EMS's) under a new ADEQ policy that is based on EPA's recently modified Small Community Policy. The project will also create an agricultural performance track. Arizona will partner with air quality departments of Maricopa, Pima, and Pinal Counties who have EPA delegation to implement Title V of the Clean Air Act. The project proposes to significantly reduce one of the burdens of applying for membership in Arizona's program and PT by developing comprehensive EMS guidance and templates (meeting standards set by Performance Track) with plans to make them generally available to the regulated community. The project also proposes to further develop incentives which streamline the permitting process and reduce reporting obligations.

## Section 1 – Summary of Activities

(Narrative text, short summary of grant activities that have taken place during the quarter)

On September 10, 2008, ADEQ hosted the first annual Arizona Environmental Performance Track Member Conference. Prior to the conference, ADEQ developed and distributed the 2008 Arizona Environmental Performance Track Members Survey to its members. The completed surveys captured members' current views on the overall effectiveness and benefit of the Performance Track program. The 2008 member survey addressed the reasons for facilities' membership decisions; the value facilities received from membership in relation to the costs of the program; members' satisfaction with the program's services; and members' priorities for the growth, expansion, and improvement of Performance Track. Member survey comments and questions were addressed during the conference. In addition, ADEQ's presentation celebrated member achievements focusing on their commitments and the positive impact on the environment, as well as *Key Findings* and *Action Items* identified in the member survey. Tom Kelly represented EPA Region IX at the 2008 Arizona Performance Track Member Conference. Henry Darwin, ADEQ Administrative Counsel, and Ian Bingham, Arizona Performance Track Program Administrator, hosted the conference. ADEQ Division Directors and representatives from our participating Air Quality county partners addressed member questions. Going forward, ADEQ is developing an *Arizona Environmental Performance Track Member Directory* to further improve communications between members, and is working with members on scheduling a *2009 Spring Conference* with a focus on Best Management Practices, Member Commitment Challenges on Climate Initiatives, Member Presentations, and invite participation of nonmember companies as part of a Mentoring Program.

The *2008 Arizona Environmental Performance Track Member Conference* PowerPoint presentation is attached to this quarterly report.

The final draft of the *Small Community Environmental Protection Plan (SCEPP)* template has been approved. Several small communities are now participating in the program and are currently conducting a self-assessment of their communities using the questionnaires in [A Guide for Developing and Implementing a Small Community Environmental Protection Plan \(SCEPP\)](#). Small communities continue to explore participation in [Arizona's Small Community Environmental Compliance Assistance Program](#). ADEQ Performance Track support staff is preparing the SCEPP template for distribution and posting to the web page.

ADEQ has developed a communications procedure for notifying members and ADEQ staff via email of webinars and training opportunities. Arizona Performance Track support staff has subscribed to several local, federal and industry related environmental news services to ensure that members receive information in a timely manner so staff can take advantage of webinars and training opportunities.

Early conversations between the Agricultural community and ADEQ Director Steve Owens showed minimal interest by the Agricultural community in pursuing an Arizona Performance Track program. ADEQ will attempt to reestablish communication

with the Agricultural community to see if new found interest exists. A Strategy Meeting has been scheduled during the fourth quarter 2008 to determine interest in developing a Ptrack Agricultural component to Arizona's program. Due to scheduling conflicts ADEQ elected to table this discussion until after the September 10, 2008 Member Conference.

ADEQ continues to work with our Air Quality Permits Section Manager on a memorandum for division approval to grant flexibility in Air Permitting to Performance Track members to provide immediate incentives that will not require changing current state statutes.

As a result of budget cuts and staff reductions, effective in the 4th Quarter 2008, Arizona Performance Track staff will take a more active role in support of our Pollution Prevention Unit (P2) manager in the development and participation in conducting workshops to introduce and train the regulated community on using the four-module EMS template developed by our P2 staff and posted on our web page.

## **Section 2 – Accomplishments/Problems**

(Narrative text, short summary of performance to date, major milestones, problems that have occurred or expected, and steps to resolve problems)

### Accomplishments:

EPA and Arizona have finalized the Performance Track Memorandum of Agreement (MOA) and are working to schedule a formal signing ceremony in Phoenix with Wayne Nastri, EPA Region IX Administrator, and Steve Owens, ADEQ Director.

Arizona Environmental Performance Track welcomed two new members in the third quarter: Freescale Semiconductor, Inc., Chandler, and Freescale Semiconductor, Inc. Tempe. ADEQ successfully negotiated with Maricopa County on a flexible permitting benefit for Freescale Semiconductor, Inc. for their Tempe and Chandler facilities.

On September 10, 2008, ADEQ hosted the first Arizona Environmental Performance Track Member Conference.

The final draft of the *Small Community Environmental Protection Plan* (SCEPP) template has been approved. Several small communities are now participating in the program and are currently conducting a self-assessment of their communities using the questionnaires in [A Guide for Developing and Implementing a Small Community Environmental Protection Plan \(SCEPP\)](#). Small communities continue to explore participation in [Arizona's Small Community Environmental Compliance Assistance Program](#). ADEQ Performance Track support staff is preparing the SCEPP template for distribution and posting to the web page.

ADEQ has developed a communications procedure for notifying members and ADEQ staff via email of webinars and training opportunities.

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Problems:

Because of budget constraints and a hiring freeze, effective in the 4th Quarter 2008, Arizona Performance Track staff will take a more active role in supporting our P2 program which is down to two staff. ADEQ's Program Administrator will be attending EMS Lead Auditor Training in Phoenix, November 3 thru 7, 2008, and will work with P2 staff to develop training materials and will conduct EMS workshops to introduce and train the regulated community on using the four-module EMS template developed by our P2 staff.

**Section 3 – Schedules**

(Compare completed milestones against agreed project schedule, explain discrepancies)

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

**Key Activities, Milestones and Outcomes**

Task - Description	Start	End	Current Status/Outcome
<b>General</b>			
Develop Quality Assurance Project Plan with performance measures (to be modified continuously as additional performance measures are identified)	60 days after project approval		Staff reductions and a hiring freeze have delayed review of our Quality Assurance Project Plan (QAPP). Staff responsible for the management review has been out on extended Sick Leave.  Once the draft is approved, Larry Woods has offered to have EPA's contractor review and comment on the draft QAPP.
Submit Revised Workplan for EPA Approval	60 days after project approval		Unknown

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Task - Description	Start	End	Current Status/Outcome
Finalize MOA between ADEQ, EPA, and the air quality departments of Maricopa, Pima, and Pinal Counties regarding Arizona Environmental Performance Track	03/06 <b>10/06</b>	06/06 <b>01/07</b>	<p><b>3<sup>rd</sup> Quarter 2008:</b></p> <p>EPA and Arizona have finalized the MOA and are working to schedule a formal signing ceremony in Phoenix with Wayne Nastri, EPA Region IX Administrator, and Steve Owens, ADEQ Director.</p> <p>Once the MOA is formally signed, ADEQ can enter into formal discussions on an MOA or MOU with our participating county air quality departments.</p>
Adoption of federal performance track incentives for MACT.	03/06 <b>10/06</b>	04/07 <b>11/07</b>	<p><u>Air Quality Division MACT Rule:</u> In February, 2008, the Ptrack Administrator sent a memorandum to the Air Quality Section Manager requesting a review and comments on the MACT rule and proposed Ptrack incentives and is awaiting approval.</p>
Quarterly review and report to EPA on the project status.	06/06 <b>01/07</b>	04/09 <b>09/09</b>	All Quarterly Reports including Financial are up-to-date and filed with EPA.

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Task - Description	Start	End	Current Status/Outcome
<p>Annual member, partnership and agency staff survey followed by an annual conference with Performance Track members and collaborative partnership agencies and trade associations to evaluate the effectiveness of the program and discuss future incentives designed to benefit existing and future members and to encourage mentoring programs</p>	<p>09/06 10/06</p>	<p>09/08 04/09</p>	<p>On September 10, 2008, ADEQ hosted the first <u>Arizona Environmental Performance Track Member Conference</u>. Prior to the conference, ADEQ developed and distributed the <u>2008 Arizona Environmental Performance Track Members Survey</u> to its members. The completed surveys captured members' current views on the overall effectiveness and benefit of the Performance Track program. The 2008 member survey addressed the reasons for facilities' membership decisions; the value facilities received from membership in relation to the costs of the program; members' satisfaction with the program's services; and members' priorities for the growth, expansion, and improvement of Performance Track. Member survey comments and questions were addressed during the conference.</p> <p>A <i>2009 Spring Conference</i> has been proposed that would include workshops, member presentations, and developing and implementing a Mentoring Program by inviting nonmembers to the conference.</p>
<p>Develop and track quarterly performance measures for Performance Track.</p>	<p>03/06 10/06</p>	<p>04/09 09/09</p>	<p>Staff reductions and a hiring freeze have delayed review of our Quality Assurance Project Plan (QAPP). Staff responsible for the management review has been out on extended Sick Leave.</p> <p>Once the draft QAPP is approved, Larry Woods' has offered to have EPA's contractor review and comment on the draft.</p>

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Task - Description	Start	End	Current Status/Outcome
Review with EPA all National and Arizona Environmental Performance Track applications and current members' annual reports.	03/06 10/06	04/09 09/09	<p><b>Ongoing Commitment:</b></p> <p>We continue to participate in this process.</p>
Participate in EPA Performance Track weekly (monthly) state conference calls and national and regional Performance Track conferences	03/06 10/06	04/09 09/09	<p><b>Ongoing Commitment:</b></p> <p>We continue to participate in the State conference calls and special teleseminars.</p> <p>Effective in the first quarter 2008, ADEQ is now inviting Performance Track members and ADEQ staff to participate in Ptrack teleseminars, webinars, and training opportunities of interest.</p>



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Task - Description	Start	End	Current Status/Outcome
<p>Ongoing public outreach on performance track through speaking engagements at seminars</p>	<p>03/06 10/06</p>	<p>03/09 09/09</p>	<p><b>External Outreach Presentations</b>  <u>September 10, 2008</u> – AZ Ptrack First Member Conference  <u>September 19, 2008</u> – RCRA Seminar at ASU</p> <p>ADEQ has been invited to make a presentation at least four times per year at the RCRA Seminars at ASU.</p> <p><b>Internal Outreach Presentations</b>  <u>August 27, 2008</u> - In-House Ptrack and EMS Training</p> <p><b>Ongoing Internal Outreach:</b>                      Continued communication and program support for ADEQ's Community Liaisons who have the lead on the ADEQ <i>Small Community Compliance Assistance Program</i>. The ADEQ Ptrack program has the lead on development of the SCEPP template. The SCEPP template was approved in the third quarter 2008.</p> <p><b><u>New Expanded Internal/External Outreach:</u></b>                      Effective 4th Quarter 2008, Performance Track staff will take a more active role in support to the Community Liaisons by conducting local workshops for small communities and special districts on developing and implementing a SCEPP (a less "robust" EMS), and with P2 staff to conduct EMS workshops to introduce and train the regulated community on using the four-module EMS template developed by our P2 staff.</p>

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<p>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.</p>	<p>03/06 10/06</p>	<p>03/09 09/09</p>	<p><b>Ahead of schedule.</b>  <u>August 27, 2008</u> - In-House EMS Training</p> <p>Enforcement guidance, including example text to be inserted in a Consent Order, has been posted on ADEQ's INTERNAL Intranet site.</p>
<p>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.</p>	<p>06/06 01/07</p>	<p>10/06 5/08</p>	<p>ADEQ decided to delay the redesign of the Ptrack web page until after the member conference so results of the Ptrack Members Survey, the Q&amp;A session, and member input from the <u>September 10, 2008 Member Conference</u> could be incorporated in the redesign. ADEQ has scheduled to meet with our Communication's Office on a complete redesign of our Ptrack website during the fourth quarter 2008. The AZ Ptrack Brochure will also be revised to list all incentives approved to date.</p> <p>ADEQ is committed to continuous improvement of our webpage at <a href="http://www.azdeq.gov/function/about/track.html">http://www.azdeq.gov/function/about/track.html</a></p> <p><b>Completed in the 4<sup>th</sup> Quarter 2007</b>                      we added links to our new ADEQ <i>Four Module EMS Templates</i> at <a href="http://www.azdeq.gov/enviro/waste/p2/index.html">http://www.azdeq.gov/enviro/waste/p2/index.html</a> and the <i>new Small Community guidance A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP)</i></p>

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Conduct annual site visits of a minimum of 10% of Arizona Performance Track member facilities.	03/06 <b>10/06</b>	03/09 <b>9/09</b>	ADEQ Program Administrator will be attending <u>EMS Lead Auditor Training</u> in Phoenix on November 3 thru 7, 2008, and will then schedule site visits in 2009.
<b>EMS Guidance and Templates</b>			
Review existing ADEQ developed EMS guidance and templates	09/06 <b>10/06</b>	11/06 <b>11/06</b>	<b><u>Project Completed 4<sup>th</sup> Quarter 2007:</u></b> ADEQ's <i>Four Module EMS template</i> is now posted on the ADEQ website at <a href="http://www.azdeq.gov/environ/waste/p2/index.html">http://www.azdeq.gov/environ/waste/p2/index.html</a> with a link from our AZ Ptrack web page.
Develop EMS survey to be distributed to small businesses during inspections	9/06 <b>4/07</b>	11/06 <b>6/07</b>	Budget constraints and a hiring freeze require Arizona Performance Track staff to take a more active role in supporting our P2 program which is down to two staff.  ADEQ's Program Administrator will be attending <u>EMS Lead Auditor Training</u> in Phoenix, November 3 thru 7, 2008, and will work with P2 staff to draft an EMS survey for distribution to small businesses by ADEQ Inspectors.  The Ptrack Administrator and support staff will work with the P2 Manager to develop the survey during the fourth quarter 2008.

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Conduct training of ADEQ inspectors on EMS's and use of the survey	12/06 7/07	01/06 8/07	ADEQ's Program Administrator will be attending <u>EMS Lead Auditor Training</u> in Phoenix, November 3 thru 7, 2008, and will work with P2 staff to draft an EMS survey for distribution to small businesses by ADEQ Inspectors.  ADEQ hopes to begin staff training during the first quarter 2009.
Distribute EMS surveys during inspections	1/06 8/07	12/06 7/08	ADEQ's Program Administrator will be attending <u>EMS Lead Auditor Training</u> in Phoenix, November 3 thru 7, 2008, and will work with P2 staff to draft an EMS survey for distribution to small businesses by ADEQ Inspectors.  ADEQ hopes to complete staff training during the first quarter 2009 so the EMS surveys can be distributed during inspections.

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Task - Description	Start	End	Current Status/Outcome
<p>Hold two meetings with small businesses regarding EMS's to gauge interest in EMS's and discuss ADEQ's EMS guidance development</p>	<p>1/06 9/06</p>	<p>06/06 1/07</p>	<p><b><u>Ongoing Commitment:</u></b></p> <p><b>External Outreach Presentations</b>  <u>September 10, 2008</u> – AZ Ptrack First Member Conference  <u>September 19, 2008</u> – RCRA Seminar at ASU</p> <p>ADEQ has been invited to make a presentation at least four times per year at the RCRA Seminars at ASU.</p> <p><b>Internal Outreach Presentations</b>  <u>August 27, 2008:</u> In-House EMS Training</p> <p><b>Ongoing Internal Outreach:</b>                      Continued communication and program support for ADEQ's Community Liaisons who have the lead on the ADEQ <i>Small Community Compliance Assistance Program</i>. The ADEQ Ptrack program has the lead on development of the SCEPP template. The SCEPP template was approved in the third quarter 2008.</p> <p><b><u>New Expanded Internal/External Outreach:</u></b>                      Effective 4th Quarter 2008, Performance Track staff will take a more active role in support of the Community Liaisons by conducting local workshops for small communities and special districts on developing and implementing a SCEPP (a less "robust" EMS), and with P2 staff to conduct EMS workshops to introduce and train the regulated community on using the four-module EMS template developed by our P2 staff.</p>

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Modify EMS guidance to meet standards set by EPA's National Performance Track program	12/06 <span style="color: blue;">7/07</span>	04/07 <span style="color: blue;">11/07</span>	<p><b><u>Project Completed 4<sup>th</sup> Quarter 2007:</u></b>                      ADEQ's <i>Four Module EMS template</i> is now posted on the ADEQ website at <a href="http://www.azdeq.gov/envIRON/waste/p2/index.html">http://www.azdeq.gov/envIRON/waste/p2/index.html</a> with a link from our AZ Ptrack web page.</p>
Modify EMS templates to meet EPA's standards as needed	04/07 <span style="color: blue;">07/07</span>	06/07 <span style="color: blue;">1/08</span>	<p><b><u>Project Completed in 3<sup>rd</sup> Quarter 2008:</u></b>  <i>Small Community Environmental Protection Plan (SCEPP) template</i> (a less "robust" EMS) was approved.</p> <p><b><u>Project Completed in 2<sup>nd</sup> Quarter 2008:</u></b>                      Final draft of SCEPP template is completed (less "robust" EMS) and is under management review for final approval.</p> <p><b><u>Project Completed in 1<sup>st</sup> Quarter 2008:</u></b>                      The PowerPoint for <a href="http://www.azdeq.gov/function/compliance/download/Final_SCEPP_Presentation-02-20-08.pdf">Arizona's Small Community Environmental Compliance Assistance Program</a> has been completed and posted to our website <a href="http://www.azdeq.gov/function/compliance/download/Final_SCEPP_Presentation-02-20-08.pdf">http://www.azdeq.gov/function/compliance/download/Final_SCEPP_Presentation-02-20-08.pdf</a>.</p> <p><b><u>Two Projects Completed in 4<sup>th</sup> Quarter 2007:</u></b>                      Both have been posted to our ADEQ Ptrack website with links on our AZ Ptrack web page.                      1) <a href="#">ADEQ Four Module EMS Templates</a>                      2) <a href="#">A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP)</a>.</p>

Task - Description	Start	End	Current Status/Outcome
<p>Post revised guidance and templates on ADEQ Performance Track web page</p>	<p>06/07 1/08</p>	<p>09/07 4/08</p>	<p><b><u>Project Completed in 3<sup>rd</sup> Quarter 2008:</u></b>  <i>Small Community Environmental Protection Plan</i> (SCEPP) template (a less “robust” EMS) was approved. Staff working on distribution and posting the template to our web page.</p> <p><b><u>Projects Completed in 2<sup>nd</sup> Quarter 2008:</u></b>                      Awaiting management approval on the final draft of SCEPP template (less “robust” EMS). Should be posted to web page early 3<sup>rd</sup> quarter 2008.</p> <p><b><u>Projects Completed in 1<sup>st</sup> Quarter 2008:</u></b>                      1) The PowerPoint for <a href="#">Arizona’s Small Community Environmental Compliance Assistance Program</a> has been completed and posted to our website at <a href="http://www.azdeq.gov/function/compliance/download/Final_SCEPP_Presentation-02-20-08.pdf">http://www.azdeq.gov/function/compliance/download/Final_SCEPP_Presentation-02-20-08.pdf</a>.</p> <p>2) First draft revisions of the <i>Small Community Environmental Protection Plan</i> (SCEPP) template are nearing completion and should be ready for management review in the 2<sup>nd</sup> quarter of 2008. Upon approval, this too will be posted to our webpage.</p> <p><b><u>Two Projects Completed in 4<sup>th</sup> Quarter 2007:</u></b>                      Both have been posted to our ADEQ Ptrack website with links on our AZ Ptrack web page.                      1) <a href="#">ADEQ Four Module EMS Templates</a>                      2) <a href="#">A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP)</a>.</p>

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<p>Revise Performance Track application and written literature to reflect web availability</p>	<p>09/07 04/08</p>	<p>12/07 07/08</p>	<p>ADEQ decided to delay the redesign of the Ptrack web page and written literature until after the member conference so results of the Ptrack Members Survey, the Q&amp;A session and member input from the September 10, 2008 Member Conference could be incorporated in the redesign. ADEQ has scheduled to meet with our Communication's Office the complete redesign of our Ptrack website during the fourth quarter 2008. The AZ Ptrack Brochure will also be revised to list all incentives approved to date.</p> <p>ADEQ has completed converting the Arizona Ptrack application to MS Word format. Draft revisions to the Ptrack application and to the redesigned Ptrack web page 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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<p>Hold three meetings/training sessions with small businesses to explain EMS guidance and templates</p>	<p>09/07 04/08</p>	<p>12/07 07/08</p>	<p><b><u>Ongoing Commitment:</u></b></p> <p><b>External Outreach Presentations</b>  <u>September 10, 2008</u> – AZ Ptrack First Member Conference  <u>September 19, 2008</u> – RCRA Seminar at ASU</p> <p>ADEQ has been invited to make a presentation at least four times per year at the RCRA Seminars at ASU.</p> <p><b>Internal Outreach Presentations</b>  <u>August 27, 2008</u>: In-House EMS Training</p> <p><b>Ongoing Internal Outreach:</b>                      Continued communication and program support for ADEQ's Community Liaisons who have the lead on the ADEQ <i>Small Community Compliance Assistance Program</i>. The ADEQ Ptrack program has the lead on development of the SCEPP template. The SCEPP template was approved in the third quarter 2008.</p> <p><b><u>New Expanded Internal/External Outreach:</u></b>                      Effective 4th Quarter 2008, Performance Track staff will take a more active role in support to the Community Liaisons by conducting local workshops for small communities and special districts on developing and implementing a SCEPP (a less "robust" EMS), and with P2 staff to conduct EMS workshops to introduce and train the regulated community on using the four-module EMS template developed by our P2 staff. <a href="#">Four Module EMS Template</a> are posted on the ADEQ Ptrack website at <a href="http://www.azdeq.gov/envIRON/waste/p2/index.html">http://www.azdeq.gov/envIRON/waste/p2/index.html</a> with a link from our AZ Ptrack web page.</p>

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<b>Agriculture Performance Track</b>			
Hold three meetings with members of the agricultural community and other state and federal agencies to discuss applicability of the existing Performance Track program to agricultural operations	01/07 8/07	04/07 11/07	Early conversations between the Agricultural community and ADEQ Director Steve Owens showed minimal interest by the Agricultural community in pursuing an Arizona Performance Track program. ADEQ will attempt to reestablish communication with the Agricultural community to see if new found interest exists.  A Strategy Meeting has been scheduled during the fourth quarter to determine interest in developing a Ptrack Agricultural component to Arizona's program. Due to scheduling conflicts ADEQ elected to table this discussion until after the September 10, 2008 Member Conference.
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	Early conversations between the Agricultural community and ADEQ Director Steve Owens showed minimal interest by the Agricultural community in pursuing an Arizona Performance Track program.  A Strategy Meeting has been scheduled during the fourth quarter to determine interest in developing a Ptrack Agricultural component to Arizona's program.

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Develop guidance documents for agricultural program	09/07 4/08	11/07 6/08	If support for a program is received from the Agricultural community, ADEQ will compile the information gathered into guidance documents in support of an Agricultural component to our Arizona Ptrack program.
Post program description/guidance on ADEQ Performance Track web page	12/07 7/08	02/07 9/08	If support for a program is received from the Agricultural community, ADEQ will compile the information gathered into guidance documents in support of an Agricultural component to our Arizona Ptrack program. ADEQ will post all guidance on our Ptrack website.
<b>Improvements to Flexibility in Permits and Reduced Reporting Incentives</b>			
Develop a list of contacts of other state agencies that regulate facilities eligible for Performance Track	07/06 2/07	08/07 3/07	Now that the MOA has been approved by EPA, ADEQ will begin formal discussions with the seven Arizona agencies identified that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the Ptrack program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating counties.

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Task - Description	Start	End	Current Status/Outcome
<p>Review <i>EPA White Paper #3</i> on the <i>Design of Flexible Air Permits</i> to further develop Arizona's flexibility in permits as an incentive</p>	<p>08/07 03/08</p>	<p>09/07 04/08</p>	<p>ADEQ's Air Quality Permits Section Manager is drafting a memorandum for division approval to grant Performance Track member's flexibility in Air Permitting which upon approval should provide immediate incentives that will not require changing current state statutes. These new incentives will be added to our program web page and written literature. ADEQ will work with our participating counties to develop additional incentives.</p>
<p>Meet with state agency representatives to discuss Performance Track, permit flexibility, and reduced reporting incentives</p>	<p>09/07 4/08</p>	<p>10/07 5/08</p>	<p>Now that the MOA has been approved by EPA, ADEQ will begin formal discussions with the seven Arizona agencies identified that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the Ptrack program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating counties.</p> <p>In September 2008, ADEQ did successfully negotiate with Maricopa County on a flexible permitting benefit for Freescale Semiconductor, Inc., for their Tempe and Chandler facilities.</p>
<p>Develop additional requirements needed to receive multi-agency incentives</p>	<p>11/07 6/08</p>	<p>03/08 10/08</p>	<p>Now that the MOA has been approved by EPA, ADEQ will begin formal discussions with the seven Arizona agencies identified that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the Ptrack program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating counties.</p>

EPA Grant EI-96988501-0: 10/01/2006 to 09/30/2009  
 Quarterly Innovation Grant Report for July – September 2008 – Due to EPA October 31, 2008

Task - Description	Start	End	Current Status/Outcome
Post additional agencies offering incentives on ADEQ Performance Track web page	04/08 11/08	06/08 1/09	<p>Now that the MOA has been approved by EPA, ADEQ will begin formal discussions with the seven Arizona agencies identified that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the Ptrack program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating counties.</p> <p>The redesign of the web page and written literature will also encourage members and potential members to suggest additional incentives.</p>
Draft external guidance on permit flexibility and reduced reporting incentives	04/08 11/08	08/08 3/09	<p>Now that the MOA has been approved by EPA, ADEQ will begin formal discussions with the seven Arizona agencies identified that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the Ptrack program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating counties.</p> <p>Upon approval, EPA and AZ Ptrack members will be notified and guidance developed.</p>
Post external guidance on ADEQ Performance Track web page	09/08 4/09	12/08 7/09	Upon approval, guidance will be developed and posted to our web page.

**EPA Grant EI-96988501-0: 10/01/2006 to 09/30/2009**  
**Quarterly Innovation Grant Report for July – September 2008 – Due to EPA October 31, 2008**

Task - Description	Start	End	Current Status/Outcome
Revise application and other written literature to reflect web availability of guidance on permit flexibility and reduced reporting incentives	01/09 <b>8/09</b>	03/09 <b>9/09</b>	Draft revisions to the Ptrack application, the redesigned Ptrack web page and program brochure, will add details on all program incentives. Once completed, we will coordinate with EPA to link our revised application to the National EPA application process.

**Section 4 - Financial Report – July 1, 2008 through September 30, 2008 (ADEQ 1<sup>st</sup> Quarter FY 09):**

(Narrative with chart, funds spent against planned expenditures with noted discrepancies)

	Federal	State	Spent this Quarter	Cumulative to Date
A. Personnel	\$108,000.00	\$186,008.00	\$13,197	\$67,034
B. Fringe Benefits	\$32,100.00	\$38,992.00	\$3,759	\$19,029
C. Contractual Cost				
D. Travel	\$7,500.00		0	\$494
E. Equipment				
F. Supplies	\$7,500.00		0	\$1,479
G. Other				
H. Total Direct Costs	\$155,100.00	\$225,000	\$16,956	\$88,036
I. Total Indirect Costs	\$69,900.00		<b>\$8,447*</b>	\$40,479
J. Total Cost	\$225,000.00	\$225,000	\$25,403	\$128,515

**\*NOTE:** The **\$8,447** spent on Indirect includes **\$6,033** spent from July 1, 2008 to September 30, 2008 (ADEQ 1<sup>st</sup> Quarter FY 09) plus **\$2,414** that posted in the 13<sup>th</sup> month of FY 2008 and was not included in the April to June 2008 quarterly figures.

ADEQ In-Kind Hours	This Quarter	Cumulative to Date
Nina Kondos, AZ Ptrack Support	100	712

## **Section 5 - Estimates**

(Narrative, estimate of time and funds necessary to complete the project compared to time and funds remaining)

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

## **Attachment**

### **Reporting Requirements**

1. ADEQ will submit Quarterly Progress Reports. (The Quarterly Progress Reports will include: a comparison of accomplishments with workplan objectives, identification of cost overruns, reasons for slippage in project schedule (if applicable), and itemized costs for travel and supplies.)
2. Detailed follow-up Case-Study Report that will be prepared and submitted at the end of the grant period. (The case study report will include: a summary of the project, reductions achieved (if applicable), a cost analysis, any problems encountered, successes achieved, and lessons learned.)

### **Environmental Outcomes and Performance Measures**

#### Environmental Management System Development Guidance and Templates

- ADEQ will survey small businesses and small communities during routine inspections to determine their knowledge of, and interest in, EMS's.
- ADEQ will meet with those small businesses and small communities having an interest in EMS's to identify how guidance and templates might increase the likelihood of developing an EMS.
- Further develop the existing EMS guidance and templates.
- ADEQ will make guidance and templates available on ADEQ's web page devoted to Performance Track.
- Increase membership in Arizona Performance
- Measure quantified pollution reductions of members.

#### Agriculture Performance Track

- Invite appropriate members of the agricultural community, along with other state and federal agencies (e.g., Arizona Department of Agriculture and EPA), to participate in an open dialogue about the existing Performance Track program and whether it is applicable to agricultural operations in Arizona.
- Discuss with the group what modifications to the program might increase the likelihood of participation
- Explore a new program better suited to agricultural operations while still meeting the spirit and intent of Performance Track.
- Program description will be available on ADEQ's web page.
- ADEQ will track the number of participants along with the quantifiable environmental improvement projects of its members.

#### Improvements to Permitting Flexibility and Reduced Reporting Incentives

- ADEQ will contact other state agencies which regulate facilities eligible for performance track (e.g., Arizona Department of Water Resources).
- ADEQ will meet with these agencies to discuss the benefits and goals of Environmental Performance Track and explore permit flexibility or reporting incentives that might be offered by the other State agencies.
- Develop additional requirements needed to receive the benefits.
- Incentives will be posted on ADEQ's web page and included in Arizona's Performance Track application and associated literature.
- Development of external guidance on the permit flexibility and reduced reporting incentives
- Engage the assistance of the group which helped ADEQ in the development of the Arizona program.
- Improve the permitting flexibility and reporting reduced reporting incentives
- Asking applicants why they applied, and whether the new guidance on these incentives played a role in their decision.
- Measure results of the quantified environmental improvement project as a success of the incentive improvements.