

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 December 11, 2008 ADEQ became the 14th State to sign a Memorandum of Agreement with EPA to implement the Performance Track Program. A signing ceremony was held at ADEQ in which Wayne Nastri, Regional Administrator, EPA Region IX; Charles Kent, U.S. EPA Office of Policy, Economics and Innovation; Steve Owens, Director, ADEQ; and Maricopa County Air Quality Director Lawrence Odle were all present to sign the agreement. As part of the ceremony, ADEQ and EPA acknowledged the seven Charter Members of Arizona's Program. A copy of the Press Release issued following the ceremony is attached.

The tangible results from Arizona Performance Track's charter members include the following:

- **Ping Inc.** reduced its energy use by 24% percent from its 2004 baseline, the equivalent of 5,000 metric tons of CO₂, over its 3-year term of membership. Ping also cut their annual use of mineral spirits, a smog-forming compound, by 44 percent, 700 pounds.
- **Intel - Ocotillo Campus** avoided 4000 pounds of excess Volatile Organic Compound emissions that would have otherwise been expected with its increasing production. The facility also saved 244 million gallons of water by improving an already highly efficient water management system.
- **The City of Scottsdale** has conserved 615 acres of habitat, during its current term of membership and 3485 acres in their prior term. Past efforts by Scottsdale bring their total conservation to more than 14,416 acres to the McDowell-Sonoran Preserve. Scottsdale has also recharged more than 4 billion gallons of water to its underground aquifer since 2004.
- **Xanterra South Rim, LLC**, reduced its greenhouse gas emissions by 6 percent, the equivalent of 855 metric tons of CO₂, and cut water use by 2.7 million gallons, on a per visitor basis. The focus on water conservation has continued from its first term of membership, when Xanterra reduced 14 million gallons per year from its 2002 baseline.

Three new Arizona Performance Track members have not yet reported data to ADEQ but have a proven track record through participation in EPA's program:

- **Freescale Semiconductor, Inc. – Chandler**, reduced their use of several acidic and corrosive hazardous chemicals, such as hydrogen peroxide, hydrofluoric acid, phosphoric acid, nitric acid, sulfuric acid, and ammonium hydroxide. The use of these compounds has been reduced by 84 tons or nearly 40 percent.
- **Freescale Semiconductor, Inc. – Tempe**, has reduced their generation of solid waste by 153 tons, or 17 percent, and has also increased their diversion of waste from landfills by placing 70 new recycling centers at their facility.

- **Mormon Lake Lodge**, in their first year of membership, has reduced energy by 3 percent, equivalent to nearly 15 tons of CO2 emissions, through employee training and the installation of energy efficient lighting and equipment.

ADEQ is currently working with our Performance Track members in planning a one-day 2009 Spring Conference to be held in late March or early April. Conference presentations will focus on program benefits; incentives; commitments, alternative commitments and challenges; best management practices; and mentoring. The Spring Conference will also serve as a Performance Track membership recruiting opportunity with invitations extended to non-members.

Progress has been made in regards to initiating discussions with the Agricultural Community about the potential of developing a Performance Track Program for that community. Ptrack staff met with agency staff that routinely works with the Agricultural community. As a result of those conversations, the Performance Track Administrator has begun setting up speaking engagements, starting as early as January, 2009.

ADEQ has received an Arizona Performance Track Member Application from Forever Resorts at Grand Canyon Lodge North Rim and is currently conducting a compliance enforcement review in anticipation of membership approval.

During the first week on November, 2008, the Performance Track Administrator successfully completed a RABSOSA Certified ISO 14001 (EMS) Lead Auditor Training course.

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:

On November 11, 2008 the [Appendix B Template](#), which is a part of [A Guide for Developing and Implementing a Small Community Environmental Protection Plan \(SCEPP\)](#) Manual, was completed and posted online. The SCEPP template provides instructions on developing procedures, includes completed examples, flow diagrams and corresponding blank forms, to aid in the development and implementation of a Small Community Environmental Protection Plan (SCEPP). The SCEPP is a “less robust” Environmental Management System developed specifically for small communities and special districts. Six Arizona Small communities are currently participating in the [Arizona’s Small Community Environmental Compliance Assistance Program](#).

On December 11, 2008 ADEQ became the 14th State to sign a Memorandum of Agreement (MOA) with EPA to implement the Performance Track Program. The Directors of three Participating Counties also signed the MOA: Maricopa, Pinal and Pima.

Arizona Environmental Performance Track received a new member application from Forever Resorts at Grand Canyon Lodge North Rim. ADEQ expects to grant formal membership approval in the first quarter 2009. This will be Arizona's eighth Performance Track member.

During the first week on November, 2008, the Performance Track Administrator successfully completed a RABSQSA Certified ISO 14001 (EMS) Lead Auditor Training course.

ADEQ continues to expand its communications procedures for notifying members and ADEQ staff via email of webinars and training opportunities. A member directory is currently under development.

Problems:

Budget constraints and staff reductions have delayed completion of some Workplan projects. Arizona Performance Track staff is working with our Pollution Prevention Unit and our Liaisons for the Small Community Compliance Assistance Project to schedule a series of workshops to assist the regulated community in developing and an EMS or a SCEPP.

Section 3 – Schedules

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

NOTE: Dates in the *Key Activities, Milestones and Outcomes* 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

Workplan: Task - Description	Start	End	Status	Comments/Outcome
General				
Develop Quality Assurance Project Plan (QAPP) with performance measures (to be modified continuously as additional performance measures are identified)	10/01/06	12/01/06	In Process	A Draft QAPP was sent to Tom Kelly, EPA Region IX while we await ADEQ internal review. 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.
Submit Revised Workplan for EPA Approval	10/01/06	12/01/06	Completed	Resolved
Finalize MOA between ADEQ, EPA, and the air quality departments of Maricopa, Pima, and Pinal Counties regarding Arizona Environmental Performance Track	10/2006	01/2007	In Process MOA Signed 12/11/2008 In Phoenix	MOA signed by EPA and ADEQ on 12/11/2008. ADEQ will begin discussions about entering into an MOA or MOU with our participating county air quality departments and other AZ regulatory agencies.

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 Quarterly Innovation Grant Report for October through December 2008 – Due to EPA January 31, 2009

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Adoption of federal performance track incentives for MACT.	10/2006	11/2007	In Process	First Quarter 2009: ADEQ will be revising existing guidance on benefits and incentives including recent approval received from our Air Quality Division on MACT Rule Ptrack incentives.
NEW Report Format 4th Quarter 2008: Quarterly review and report to EPA on the project status.	01/2007	09/2009	Quarterly Report Format Revised 12/31/08	November 19, 2008 Teleconference Call with Tom Kelly, EPA Region IX Reporting format changed to add a <u>GRANT WORKPLAN GOALS SECTION</u> to provide a section that tracks all grant accomplishments to date. A <u>STATUS COLUMN</u> was added to track progress of Grant Workplan Goals. All Quarterly Reports including Financial Reports are up-to-date and filed with EPA.

Workplan: Task - Description	Start	End	Status	Comments/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>10/2006</p>	<p>04/2009</p>	<p>Completed Member Conference 09/10/08</p>	<p>2009 Spring Conference is being planned for late March or Early April. Conference presentations will focus on program benefits; incentives; commitments, alternative commitments and challenges; best management practices; and mentoring. The Conference will also serve as a Performance Track membership recruiting opportunity with invitations extended to non-members.</p> <p>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 to its members</u>. The completed surveys captured members' current views on the overall effectiveness and benefit of the Performance Track program.</p> <p>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>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Develop and track quarterly performance measures for Performance Track. ADEQ Quality Assurance Project Plan (QAPP)	10/2006	09/2009	In Process	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 QAPP is approved, Larry Woods' has offered to have EPA's contractor review and comment on the draft.
Grant Workplan Goals	10/2006	09/2009	12/31/08	NEW REPORTING SECTION 4th Quarter 2008
EPA/ADEQ Innovation Grant Cooperative Agreement	10/2006	11/06/06	Completed 11/06/2006	The MOA <i>Cooperative Agreement</i> between EPA and ADEQ was finalized November 6, 2006.
AZ PERFORMANCE TRACK MEMBERS:	10/2006	09/2009	As of 12/31/2008 Ongoing	AZ Performance Track Member Documents: Welcome Letter from ADEQ Director; Certificate of Membership; and List of Commitment & Benefits
1) PING, Inc.	05/11/06			
2) City of Scottsdale	05/11/06			
3) Intel – Ocotillo Campus	05/11/06			
4) Xanterra South Rim, LLC	02/06/07			
5) Mormon Lake Lodge	06/10/08			
6) Freescale Semiconductor, Inc. - Chandler	08/08/08			
7) Freescale Semiconductor, Inc. - Tempe	08/09/08			
8) Forever Resorts at Grand Canyon Lodge, North Rim	Pending			Application Approved 01/20/2009

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AZ Small Community Compliance Assistance Project – Participating Communities:	01/2008	09/2009	As of 12/31/2009 Ongoing Project	Project officially began November 2005. Once accepted into the program, ADEQ issues a Certificate to the community.
1) City of Willcox	04/14/08			Formal Certificate Issued
2) City of Safford	04/18/08			Formal Certificate Issued
3) Town of Pima	04/18/08			Formal Certificate Issued
4) Town of Springerville	06/18/08			Formal Certificate Issued
5) City of Winslow	08/18/08			Formal Certificate Issued
6) Town of Miami	08/25/08			Formal Certificate Pending
NEW Guidance & Training Materials:	10/2006	09/2009	As of 12/31/2008	Created by ADEQ Ptrack support staff.
See <i>attached</i> PowerPoint Presentations: Environmental Management Systems (EMS), and EMS and Enforcement		Training Dates 09/2005 08/27/08	Annual Internal Staff Training	Two PowerPoint Presentations were created for ADEQ staff training. The training focuses on the elements of an EMS; ADEQ guidance documents, templates and checklists for development of an EMS; and how to effectively incorporate EMS language into administrative and civil consent orders.
Click on the Link to view the EMS Modules/Template: ADEQ Environmental Management System (EMS) Modules - Module One: Launching an EMS - Module Two: Developing an EMS - Module Three: EMS Implementation - Module Four: EMS Feedback		Module Completion Dates 07/26/05 07/26/05 12/28/06 04/03/07	All Completed & Posted to Website 4 th Quarter 2007	All four modules are now completed and posted to ADEQ website. The END dates listed are the completion dates for each module. AZ Performance Track staff completed a review of the EMS templates to ensure compliance with EPA program requirements.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
<p>See attached ADEQ Performance Track and EMS Internal Training PPT:</p> <p>What Is Arizona Environmental Performance Track?</p>		<p>Training Dates 05/16/07 08/27/08</p>	<p>Annual Internal Staff Training</p>	<p>Developed to introduce ADEQ staff to the EPA and AZ Environmental Performance Track Program and an Environmental Management System.</p>
<p>Click on the Link to view the SCEPP:</p> <p>A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP)</p> <p>A SCEPP is a "less robust" EMS.</p>		<p>12/2007</p>	<p>Completed & Posted To Website 12/12/2007</p>	<p>The manual is being used by ADEQ staff and the regulated community in general since it covers all ADEQ regulatory authority.</p> <p>This manual was originally written to be used by small communities and special districts in identifying, prioritizing, correcting, and preventing future environmental compliance problems by addressing all levels of infrastructure.</p>
<p>Click on the Link to view the PPT:</p> <p>SCEPP Presentation</p>		<p>02/20/08</p>	<p>Completed & Posted To Website 02/20/2008</p>	<p>A <i>Quick Reference</i> to the SCEPP as part of the AZ Small Community Policy to promote the development of management tools to be used to identify, prioritize, correct and prevent future environmental problems.</p>
<p>See attached ADEQ Training PPT:</p> <p>Arizona's Small Community Environmental Compliance Assistance Project – SCEPP Template</p>		<p>06/23/08</p>	<p>Specialized Training Completed 06/24/2008</p>	<p>Specialized Training for ADEQ's Community Liaisons and Director Office staff only on the SCEPP Appendix B Template to be released in the 4th Quarter 2008.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
<p>See attached ADEQ Performance Track Member Survey:</p> <p>2008 Members Survey</p>	06/24/08	07/31/08	Completed 07/31/2008	The results of this survey were used to improve the benefits and services for our members and assist us to identify new benefits. The results of this survey were presented at the upcoming <u>2008 Arizona Environmental Performance Track Annual Members Conference</u> on September 10, 2008.
<p>See attached ADEQ Performance Track Member Conference PPT:</p> <p><u>First Annual</u> Arizona Environmental Performance Track Member Conference</p>		09/10/08	Completed 09/10/2008	ADEQ hosted the first annual member conference. Tom Kelly, Region IX represented EPA at the conference.
<p>Click on the Link to view the template:</p> <p>Appendix B Template Small Community Environmental Protection Plan Instructions, Examples, & Forms</p>		11/11/08	Completed & Posted To Website 11/11/2008	The Appendix B Template is a part of A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) Manual. The template provides instructions on developing procedures, and includes completed examples, flow diagrams and corresponding blank forms, to aid in the development and implementation of a Small Community Environmental Protection Plan (SCEPP).
<p>OUTREACH: Internal & External Outreach All Outreach To Date</p>	10/2006	09/2009	09/30/2008	<p>All Outreach To Date</p> <p>NOTE: ADEQ did not hire an AZ Performance Track Program Administrator until April 3, 2007. All ongoing projects were directed by Henry Darwin, ADEQ Administrative Counsel and assigned to support staff.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
INTERNAL OUTREACH:	10/2006	09/2009	12/31/2008	Ongoing
See two attached PowerPoint (PPT) Presentations: Environmental Management Systems (EMS), and EMS and Enforcement	09/2005	Training Dates 09/2005 08/27/08	Annual Internal Staff Training	Two PPTs were created and updated for ADEQ staff training. The training focuses on the elements of an EMS; ADEQ guidance documents, templates and checklists for development of an EMS; and how to effectively incorporate EMS language into administrative and civil orders.
EPA Performance Track Site Visit Training	10/24/06	10/26/06	Completed	October 24, 25, & 26, 2006 ADEQ hosted EPA Site Visit Staff Training
EPA/ADEQ Joint Site Visit to PING, Inc.	10/26/06	10/26/06	Completed	Official Site Visit & ADEQ Staff Training
See attached ADEQ Performance Track and EMS Internal Training PPT: What Is Arizona Environmental Performance Track?	05/16/07	Training Dates 05/16/07 08/27/08	Annual Internal Staff Training	Developed to introduce ADEQ staff to the EPA and AZ Environmental Performance Track Program and an Environmental Management System.
Flexible Air Permitting Teleconference	11/12/07	11/12/07	Completed 11/12/2007	AZ Ptrack hosted the Teleconference for ADEQ Air Permits Section Manager and staff. AZ Ptrack provided copies of the White Papers and other training materials. Working with our Air Permits staff to develop flexible air permitting as a Ptrack member incentive.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Small Community Compliance Assistance Project – P2 Webinar Presentation AZ Performance Track Support	11/29/07	11/29/07	Completed 11/29/2007	Byron James, ADEQ Community Liaison, P2 webinar presentation on A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) which was completed and posted to our website 12/12/07. ADEQ hosted the live webinar for ADEQ staff.
AZ Performance Track Program EMS Requirement for ADEQ Community Liaisons	12/13/07	12/13/07	Completed 12/13/2007	Presentation to ADEQ's Community Liaisons who have the lead on the ADEQ Small Community Compliance Assistance program.
<i>See attached ADEQ Training PPT:</i> Arizona's Small Community Environmental Compliance Assistance Project – SCEPP Template		06/23/08	Specialized Training Completed 06/24/2008	Specialized Training for ADEQ's Community Liaisons and Director's Office staff only on the <i>final draft</i> of the <i>SCEPP Appendix B Template</i> to be released in the 4 th Quarter 2008.
<i>Requested by Brian Davidson, Ombudsman:</i> ADEQ Community Liaison Meeting SCEPP Appendix B Template		Pending 1 st Quarter 2009	Pending 1 st Quarter 2009	Address questions from the Community Liaisons on the 11/11/08 release of the SCEPP Appendix B Template Small Community Environmental Protection Plan Instructions, Examples, & Forms The Liaisons have the lead on working with their communities on this project.
<i>Strategy Session</i> Developing an Agricultural Component To AZ Performance Track Program	12/16/08	12/16/08		Meeting with ADEQ staff who work with the Agricultural Community to discuss contacts and strategies to determine if an Ag component can be developed. To date ADEQ has received a mixed response from the AZ Ag community.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
EXTERNAL OUTREACH:				
<i>EPA Site Visit –</i> Motorola, Ocotillo Campus (David Guest & Larry Woods)	10/04/05	10/04/05	Completed 10/04/2005	Henry Darwin, ADEQ Administrative Counsel and Nina Kondos, AZ Ptrack Support invited to accompany EPA on Site Visit to National EPA Ptrack Member Facilities.
<i>EPA Site Visit –</i> Xanterra South Rim, L.L.C. (David Guest & Larry Woods)	10/05/05	10/05/05	Completed 10/05/2005	Henry Darwin, ADEQ Administrative Counsel and Nina Kondos, AZ Ptrack Support invited to accompany EPA on Site Visit to National EPA Ptrack Member Facilities.
<i>EPA Site Visit –</i> Vankamps, Inc. (David Guest & Larry Woods)	10/05/05	10/05/05	Completed 10/05/2005	Nina Kondos, AZ Ptrack Support invited to accompany EPA on Site Visit to National EPA Ptrack Member Facilities.
<i>EPA Site Visit –</i> Grand Canyon National Park – South Rim (David Guest & Larry Woods)	10/06/05	10/06/05	Completed 10/06/2005	Nina Kondos, AZ Ptrack Support invited to accompany EPA on Site Visit to National EPA Ptrack Member Facilities.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
AZ Performance Track Program: FREE EMS Seminar & Luncheon	04/03/07	04/03/07	Completed 04/03/2007	Presented jointly by AZ Ptrack and AZ Strategic Alliance. Ptrack member City of Scottsdale hosted the seminar. Free Seminar and Luncheon promoting EPA and AZ Performance Track. Guest speakers: Wayne Nastri from EPA and Stephen Owens, ADEQ Director. Focus to inform Small Businesses on Performance Track and of benefits and the value of an EMS and to gain information on development hurdles.
Kitchell Construction - One-on-One Presentation	08/16/07	08/16/07	Completed	Discuss possible Ptrack membership.
AZ Environmental Performance Track Seminar for City and County Staff	08/23/07	08/23/07	Completed 08/23/2007	ADEQ hosted representatives from approximately 15 municipalities. Each representative expressed a strong desire to pursue membership. Since most did not have a formal EMS in place, ADEQ will set up workshops to assist the municipalities in developing and implementing an EMS. ADEQ's P2 program staff has agreed to assist those interested city and county departments in developing their individual EMSs through a series of quarterly workshops.
Calculating Emissions Reductions Seminar	08/30/07	08/30/07	Completed	Networking: attended this educational seminar.
U-Haul - One-on-One Presentation	09/05/07	09/05/07	Completed	Discuss possible Ptrack membership.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Pima County AZ Wastewater One-on-One Presentations	09/11/07	09/11/07	Completed	Discuss possible Ptrack membership.
Brown & Caldwell Consulting - One-on-One Presentation	11/07/07	11/07/07	Completed	Discuss possible Ptrack membership.
Negotiated AQ Permit Flexibility with Maricopa County AQ Department	06/2008	09/2008	Completed 09/2008	In the absence of a formal MOA with Maricopa County AQ Department, ADEQ successfully negotiated AQ Permit Flexibility for new AZ Ptrack members Freescale Semiconductor, Inc. for their Chandler and Tempe facilities. Maricopa County agreed to review AQ Permit Flexibility on a case-by-case basis.
EMS Webcast for Local Governments	09/20/08	09/20/08	Completed	Co-hosted an EMS Webcast for local governments at ADEQ.
City of Tucson - One-on-One Presentation	09/25/08	09/25/08	Completed	Discuss possible Ptrack membership.
AZ Performance Track Presentation For Arizona State University (ASU) Tempe RCRA Seminars	11/21/07 09/19/08	11/21/07 09/19/08	Ongoing	Invited to regularly scheduled RCRA Seminars to give a presentation on EPA and AZ Ptrack Programs and the importance of developing an EMS.
Town of Buckeye – EMS Cabinet meeting One-on-One Presentation	10/01/08	10/01/08	Completed	Discuss possible Ptrack Membership
Arlington Valley Energy Facility One-on-One Presentation	10/22/08	10/22/08	Completed	Discuss possible Ptrack Membership

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Coe & Van Loo Engineering Consultants One-on-One Presentation – Firm was at the Town of Buckeye Presentation on 10/01/2008 and requested a presentation For their staff.	11/11/08	11/11/08	Completed	Discuss possible Ptrack Membership
Maricopa County Air Quality Director Meeting with new Lawrence Odle, Director	12/08/08	12/08/08	Completed	Henry Darwin, ADEQ Administrative Counsel and Ian Bingham, AZ Ptrack Program Administrator with Lawrence Odle, the new Director effective September 2008. Meeting: to meet & greet and discuss the AZ Ptrack program.
EPA/ADEQ Performance Track MOA Signing Ceremony	12/11/08	12/11/07	Completed 12/11/2008	MOA Approved – Signing Ceremony held at ADEQ on December 11, 2008. Press Advisory issued. ADEQ Director Steve Owens and Wayne Nastri, Director, EPA Region IX, Lawrence Odle, Maricopa AQ Director. <i>Invitees:</i> AZ Ptrack Members and AZ Environmental Strategic Alliance Members. Also a photo opportunity for members and guests. Press release issued following the signing ceremony. <i>Charter Member</i> Certificates given to each AZ Ptrack Member.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
<u>EMS Survey</u> For distribution by ADEQ Inspectors	04/2007	06/2007	In Process Survey Card Completed 4 th Quarter 2008	<u>EMS Survey Completed.</u> Training for ADEQ inspectors scheduled for 1 st Quarter 2009. Inspectors will distribute the Survey during facility inspections.
CAFO Education Meeting	01/14/09	01/14/09	Pending Jan. 14, 2009	Invitation to speak at the January 14, 2009 meeting with CAFO Education Group to begin discussions on the Agricultural community's interest in an AG component to AZ Performance Track Program.
<i>INTERNAL/EXTERNAL OUTREACH</i> Training and Workshops for the Regulated Community as part of the Small Community Compliance Assistance Project (SCEPP) and the Performance Track Program	10/01/08	09/31/09	Ongoing Commitment	<u>Effective 4th Quarter 2008:</u> Performance Track staff has partnered with ADEQ P2 staff to conduct workshops for small communities and special districts on developing and implementing a SCEPP (a less "robust" EMS), and will conduct EMS workshops to introduce and train the regulated community on using the four-module EMS templates developed by ADEQ.
Review with EPA all National and Arizona Environmental Performance Track applications and current members' annual reports.	10/2006	09/2006	Ongoing	Ongoing Commitment: We continue to participate in this process.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Participate in EPA Performance Track weekly and monthly state conference calls and national and regional Performance Track conferences	10/2006	09/2006	Ongoing	<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>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
<p>Ongoing public outreach on performance track through speaking engagements at seminars</p>	<p>10/2006</p>	<p>09/2006</p>	<p>Ongoing</p>	<p>External Outreach Presentations <u>October 1, 2008</u> – Town of Buckeye – EMS Cabinet meeting <u>October 22, 2008</u> – Arlington Valley Energy Facility <u>November 11, 2008</u> – Coe & Van Loo</p> <p>Internal Outreach Presentations ADEQ has been invited to make a presentation at least four times per year at the RCRA Seminars at Arizona State University (ASU).</p> <p>Ongoing Internal Outreach: 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 completed the SCEPP manual and template.</p> <p>Internal/External Outreach: Arizona Performance Track staff is working with our Pollution Prevention Unit and our Liaisons for the Small Community Compliance Assistance Project to schedule a series of workshops to assist the regulated community in developing and an EMS or a SCEPP.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
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.	10/2006	09/2009	Annual Training 09/2005 08/27/2008	Enforcement guidance, including example text to be inserted in a Consent Order, has been posted on ADEQ's INTERNAL Intranet site.
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.	01/2007	05/2008	In Process	Ptrack staff is in the process of revising all guidance materials and is drafting a redesign of our web site. ADEQ Ptrack Website: http://www.azdeq.gov/function/about/track.html
Conduct annual site visits of a minimum of 10% of Arizona Performance Track member facilities.	10/2006	09/2009	Ongoing	With EPA approval, ADEQ Program Administrator attended <u>EMS Lead Auditor Training</u> in Phoenix on November 3 thru 7, 2008 in lieu of EPA Site Visit Training. Will be scheduling site visits in 2009.
EMS Guidance and Templates				
Review existing ADEQ developed EMS guidance and templates	10/2006	11/2006	Completed 4 th Quarter 2007	ADEQ's <i>Four Module EMS template</i> is now posted on the ADEQ website at http://www.azdeq.gov/environ/waste/p2/index.html with a link from our AZ Ptrack web page.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
See attached EMS Survey Mailer: Develop EMS survey to be distributed to small businesses during inspections	04/2007	06/2007	Completed 4 th Quarter 2007	<u>EMS Survey Completed.</u> Training for ADEQ inspectors scheduled for 1 st Quarter 2009. Inspectors will distribute the Survey during facility inspections.
Conduct training of ADEQ inspectors on EMS's and use of the survey	07/2007	08/2007	In Process	First Quarter 2009 Training has been scheduled for ADEQ inspectors on the EMS Survey.
Distribute EMS surveys during inspections	08/2007	07/2008	In Process	First Quarter 2009 Training has been scheduled for ADEQ inspectors on the EMS Survey.
Hold two meetings with small businesses regarding EMS's to gauge interest in EMS's and discuss ADEQ's EMS guidance development	09/2006	01/2007	Ongoing Commitment	<p><u>October 1, 2008</u> – Town of Buckeye, EMS Cabinet meeting</p> <p><u>October 22, 2008</u> – Arlington Valley Energy Facility</p> <p><u>November 11, 2008</u> – Coe & Van Loo</p> <p>Internal Outreach Presentations ADEQ has been invited to make a presentation at least four times per year at the RCRA Seminars at ASU.</p> <p>Ongoing Internal Outreach: 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 completed the SCEPP manual and template.</p> <p>Internal/External Outreach: Arizona Performance Track staff is working with our Pollution Prevention Unit and our Liaisons for the Small</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
				Community Compliance Assistance Project to schedule a series of workshops to assist the regulated community in developing and an EMS or a SCEPP. Unit and our Liaisons for the Small Community Compliance Assistance Project to schedule a series of workshops to assist the regulated community in developing and an EMS or a SCEPP.
Modify EMS guidance to meet standards set by EPA's National Performance Track program	07/2007	11/2007	Completed 4 th Quarter 2007	ADEQ's <i>Four Module EMS template</i> is now posted on the ADEQ website at http://www.azdeq.gov/environ/waste/p2/index.html with a link from our AZ Ptrack web page.
Modify EMS templates to meet EPA's standards as needed	07/2007	01/2008	Completed 4 th Quarter 2007	ADEQ's <i>Four Module EMS template</i> is now posted on the ADEQ website at http://www.azdeq.gov/environ/waste/p2/index.html with a link from our AZ Ptrack web page.
Post revised guidance and templates on ADEQ Performance Track web page	01/2008	04/2008	In Process	<p><u>EMS Templates</u> posted to website 4th Quarter 2007.</p> <p><u>SCEPP Manual</u> posted to our website in December 2007. The</p> <p><u>SCEPP Template</u> posted to website November 2008.</p> <p><u>Pending - First Quarter 2009:</u> 4th Quarter ADEQ met with our Communication's Office on a complete redesign of our Ptrack website. ADEQ is in the process of</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
				<p>drafting a new web page design to be completed in the first quarter 2009. All guidance materials will also be updated.</p> <p>ADEQ Ptrack Website: http://www.azdeq.gov/function/about/track.html</p>
Revise Performance Track application and written literature to reflect web availability	04/2008	07/2008	In Process	ADEQ has completed converting the AZ Ptrack application to MS Word format and will be posted to our redesigned Ptrack web page. During the 1 st Quarter 2009 we will coordinate with EPA to link our revised application to the National EPA application process as part of our Ptrack web page redesign.
Hold three meetings/training sessions with small businesses to explain EMS guidance and templates	10/2008	12/2008	Ongoing Commitment	<p>External Outreach Presentations</p> <p><u>October 1, 2008</u> – Town of Buckeye, EMS Cabinet meeting <u>October 22, 2008</u> – Arlington Valley Energy Facility <u>November 11, 2008</u> – Coe & Van Loo Engineering Consultants</p>
Agriculture Performance Track				
<p><i>Strategy Session</i> Developing an Agricultural Component To AZ Performance Track Program</p>	12/16/08	12/16/08		Meeting with ADEQ staff who work with the Agricultural Community to discuss contacts and strategies to determine if an Ag component can be developed. To date ADEQ has received a mixed response from the AZ Ag community.

Workplan: Task - Description	Start	End	Status	Comments/Outcome
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	08/2007	11/2007	In Process	<p>November 19, 2008 Teleconference Call with Tom Kelly, EPA Region IX</p> <p>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.</p>
Modify existing program or explore options for new comparable program based on input received in open meeting	09/2007	04/2008	In Process	<p>November 19, 2008 Teleconference Call with Tom Kelly, EPA Region IX</p> <p>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.</p>
Develop guidance documents for agricultural program	04/2008	06/2008	In Process	<p>November 19, 2008 Teleconference Call with Tom Kelly, EPA Region IX</p> <p>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.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Post program description/guidance on ADEQ Performance Track web page	07/2008	09/2008	In Process	<p>November 19, 2008 Teleconference Call with Tom Kelly, EPA Region IX</p> <p>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.</p>
Improvements to Flexibility in Permits and Reduced Reporting Incentives				
Develop a list of contacts of other state agencies that regulate facilities eligible for Performance Track	02/2007	03/2007	In Process	<p><u>December 11, 2008 Ptrack MOA Signed by EPA and ADEQ.</u></p> <p>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>

Workplan: Task - Description	Start	End	Status	Comments/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>03/2008</p>	<p>04/2008</p>	<p>In Process</p>	<p>ADEQ continues to negotiate AQ permit flexibility incentives on a case-by-case basis as members request an incentive specific to their need.</p> <p>Awaiting ADEQ's Air Quality Permits Section Manager's draft of 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>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
<p>Meet with state agency representatives to discuss Performance Track, permit flexibility, and reduced reporting incentives</p>	<p>04/2008</p>	<p>05/2008</p>	<p>In Process</p>	<p><u>December 11, 2008 Ptrack MOA Signed by EPA , ADEQ and the participating counties: Maricopa, Pinal and Pima County AQ Directors.</u></p> <p>ADEQ has begun formal discussions with our three participating AQ counties and other regulatory agencies to discuss the Ptrack program and attempt to gain a commitment for developing incentives.</p> <p>ADEQ is developing AQ permit flexibility incentives on a case-by-case basis as members request an incentive specific to their need.</p> <p>EXAMPLE: September 2008, ADEQ successfully negotiated 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>06/2008</p>	<p>10/2008</p>	<p>In Process</p>	<p><u>December 11, 2008 Ptrack MOA Signed by EPA , ADEQ and the participating counties: Maricopa, Pinal and Pima County AQ Directors.</u></p> <p>ADEQ has begun formal discussions with our three participating AQ counties and other regulatory agencies to discuss the Ptrack program and attempt to gain a commitment for developing incentives.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Post additional agencies offering incentives on ADEQ Performance Track web page	11/2008	01/2009	On Schedule	<p><u>December 11, 2008 Ptrack MOA Signed by EPA , ADEQ and the participating counties: Maricopa, Pinal and Pima County AQ Directors.</u></p> <p>ADEQ has begun formal discussions with our three participating AQ counties and other regulatory agencies to discuss the Ptrack program and attempt to gain a commitment for developing incentives.</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	11/2008	03/2009	On Schedule	<p><u>December 11, 2008 Ptrack MOA Signed by EPA , ADEQ and the participating counties: Maricopa, Pinal and Pima County AQ Directors.</u></p> <p>ADEQ has begun formal discussions with our three participating AQ counties and other regulatory agencies to discuss the Ptrack program and attempt to gain a commitment for developing incentives. Upon approval, EPA and AZ Ptrack members will be notified and guidance developed.</p>

Workplan: Task - Description	Start	End	Status	Comments/Outcome
Post external guidance on ADEQ Performance Track web page	04/2009	07/2009	Ongoing	Upon approval, guidance will be developed and posted to our web page.
Revise application and other written literature to reflect web availability of guidance on permit flexibility and reduced reporting incentives	08/2009	09/2009	On Schedule	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 – October 1, 2008 through December 31, 2008 (ADEQ 2nd 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	\$80,231
B. Fringe Benefits	\$32,100.00	\$38,992.00	\$3,769	\$22,798
C. Contractual Cost				
D. Travel	\$7,500.00		0	\$494
E. Equipment				
F. Supplies	\$7,500.00		\$2,123	\$3,602
G. Other				
H. Total Direct Costs	\$155,100.00	\$225,000	\$19,089	\$107,125
I. Total Indirect Costs	\$69,900.00		\$7,240	\$47,719
J. Total Cost	\$225,000.00	\$225,000	\$26,329	\$154,844

Financial Report Continuum:

Removal of additional confidential financial information deleted by EPA.

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.