

US EPA ARCHIVE DOCUMENT

EPA Grant EI-96988501-0 – 10/01/2006 to 09/30/2009
Project Title: Environmental Policy and State Innovation Grants –
Arizona Environmental Performance Track
QUARTERLY REPORT for October 1, 2006 – March 31, 2007

a. Section 1 - Summary of Activities

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

ADEQ is on track with the grant Workplan/Project schedule. Staff continued to work on AZ Environmental Performance Track projects that were planned prior to the awarding of an Innovation Grant to ADEQ. In addition to expanding our AZ Performance Track program under the grant, these planned projects were expanded and incorporated into the grant Workplan/Project Schedule. These include development of an EMS template to help the regulated community develop an EMS without the expense of hiring a consultant, and development of staff training on EMSs and legal training on including an EMS, when appropriate, in negotiating enforcement order compliance schedules. The grant has allowed ADEQ to begin the process to hire a fulltime administrator to manage and promote the National and AZ Performance Track programs; plan our first major business seminar promoting EMSs and Performance Track membership; and prepare for the possible development of an optional Agricultural membership component. In addition, ADEQ and EPA conducted our first AZ facility member site visit as part of staff training by EPA at ADEQ.

b. Section 2 - Accomplishments/Problems

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

Accomplishments:

ADEQ has finalized the MOA and is awaiting approval by EPA; received approval to hire a fulltime AZ Performance Track Administrator; completed three of the four modules of our AZ EMS template; developed two distinct staff training programs on EMSs and on incorporating an EMS, when appropriate, into an administrative or civil enforcement compliance schedule; worked with our business partners to organize and promote a free seminar to be held in early April 2007 on EMSs and the benefits of National and AZ Performance Track membership; participated in national Performance Track monthly state conference calls, national conferences, teleseminars and continues to work with EPA to review new member applications, annual reports and renewal applications.

Problems:

The *Cooperative Agreement* between EPA and ADEQ was not finalized until November 6, 2006. It was not clear when the first quarterly report was due. This report covers two quarters: October to December 2006 and January to March 2007. In the future, we will report every calendar quarter. The language in the *Cooperative Agreement* states, "The reporting period starts the date the assistance agreement is signed." The delay prevented ADEQ from completing the paperwork required to develop, post and conduct interviews to fill the fulltime position of Arizona Environmental Performance Track Administrator to manage our program. After all administrative requirements were met; we received approval in late February 2007 to offer the position to one of the candidates' interviews. Fortunately, we were able to keep our workplan commitments on track.

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Once the *Cooperative Agreement* was signed, we also revised the Start/End dates for the Tasks on the Workplan/Project Schedule to conform to the Grant dates.

Another problem identified by the delay in finalizing the *Cooperative Agreement* was that we did not fully capture the *State Contribution* as it relates to tracking the hours ADEQ staff has worked on Performance Track projects back to the start date of October 1, 2006. Staff continued to follow the commitments outlined in the Workplan/Project Schedule and some staff was unaware of the need to track their hours under the grant so the work will be credited as *State Contribution*.

c. Section 3 - Schedules

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

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

Task	Start	End	Outcome	Status
Generally				
Finalize MOA between ADEQ, EPA, and the air quality departments of Maricopa, Pima, and Pinal Counties regarding Arizona Environmental Performance Track	03/06 10/06	06/06 01/07	Finalized MOA	EPA/AZ MOA finalized in January 2007 and forwarded by Tom Kelly, EPA Region 9, to EPA administration for review and approval. ADEQ has not yet finalized an MOA with the county air quality departments primarily because of the delay in finalizing the <i>Cooperative Agreement</i> . We hope to report progress on this in our next quarterly report.
Adoption of federal performance track incentives for MACT.	03/06 10/06	04/07 11/07	Adopted MACT rule	ADEQ remains on track to meet this task.
Quarterly review and report to EPA on the project status.	06/06 01/07	04/09 09/09	Completed review and report	As noted in b. Section 2 above, we were unsure when the first quarterly report was due. This report covers 2 quarters. The next quarterly report will be submitted in July 2007 for the months of April, May and June 2007.

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Generally				
Develop and track quarterly performance measures for Performance Track.	03/06 10/06	04/09 09/09	Completed quarterly performance reports.	ADEQ is in the process of developing these measures.
Review with EPA all National and Arizona Environmental Performance Track applications and current members' annual reports.	03/06 10/06	04/09 09/09	New Arizona Performance Track Members	We continue to participate in this process. Effective January 2007, <u>Xanterra South Rim L.L.C.</u> , became our newest Arizona Performance Track member.
Participate in EPA Performance Track state conference calls and national and regional Performance Track conferences	03/06 10/06	04/09 09/09	Better knowledge of nation-wide issues	We continue to participate in the State conference calls. On November 15, 2006, ADEQ hosted the live Teleconference presentation from Williamsburg on Performance Track for ADEQ and delegated county staff. Henry Darwin attended the conference and was a presenter on the live teleconference. On 02/20/2007 we participated in the <i>Challenge Commitments</i> Teleseminar and on 03/13/2007 we participated in the <i>Incentives Hold Values for Members</i> teleseminar.

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Generally				
Ongoing public outreach on performance track through speaking engagements at seminars	03/06 10/06	03/09 09/09	More informed regulated community	Our ongoing participation as a member of the <u>Arizona Environmental Strategic Alliance</u> has allowed us to continue to work with our business partners to further promote the benefits of National and AZ Environmental Performance Track membership. We are planning an April 3, 2007 seminar and luncheon open to state businesses to promote the use of an EMS and the benefits of EPA and AZ Performance Track membership.
Conduct training for all agency enforcement staff on requiring the development of an EMS as part of a Compliance Schedule when negotiating Consent Orders and Judgments when appropriate including sample text utilizing the four EMS templates as a guidance resource.	03/06 10/06	03/09 09/09	More informed staff on EMS's resulting in increase use of EMS's by non-complaint companies	Ahead of Schedule. We have developed two PowerPoint presentations which will be scheduled periodically as part of our monthly staff training program. The presentations are: 1) An Overview of EMSs; and 2) Legal text to be inserted into the Compliance Schedule of orders, when appropriate, for the development of an EMS. <u>Note:</u> The Overview on EMSs will be further adapted for presentations to businesses as part of our outreach program to promote Performance Track membership.

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Generally				
Enhance the ADEQ Performance Track Web Page by providing "one-stop" access to the National and Arizona Environmental Performance Track programs and incentives; recognize and profile members and their continuous improvement projects; provide direct links to current members; guidance documents and resources to encourage and promote Performance Track membership supplemented by ongoing public education and outreach.	06/06 01/07	10/06 05/07	Enhanced web page to educate public on the benefits of Performance Track	We are currently working with our staff to redesign our AZ Performance Track webpage. We continually make improvements to our webpage and recently added a link to the <i>EPA Performance Track Newsletter</i> and added information on our AZ Performance Track members.
Conduct annual site visits of a minimum of 10% of Arizona Performance Track member facilities.	03/06 10/06	03/09 09/09	Completed site visits for integrity of program	Ahead of Schedule. October 24, 25, and 26, 2006, ADEQ hosted EPA Performance Track Site Visiting training which included an official site visit to National and AZ Performance Track member PING (Karsten Manufacturing) in Phoenix. Andy Teplitzky, from EPA and Henry Darwin, from ADEQ conducted the site visit accompanied by ADEQ staff enrolled in the training.
EMS Guidance and Templates				
Review existing ADEQ developed EMS guidance and templates	09/06 04/07	11/06 06/07	Understanding of what changes required	Ahead of Schedule. We continue to work with staff in the development of an EMS template including further development of general guidance documents and developing a mechanism to ensure the guidance stays up-to-date.

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Generally				
Hold two meetings with small businesses regarding EMS's to gauge interest in EMS's and discuss ADEQ's EMS guidance development	01/06 09/06	06/06 01/07	Inform Small Businesses of Benefits of EMS and Gain Information on Development Hurdles	We participated in several monthly meetings with our business partners in the <u>AZ Environmental Strategic Alliance</u> to plan an April 3, 2007 Free Seminar and Luncheon promoting EPA and AZ Performance Track. Guest speakers: Wayne Nastri from EPA and Stephen Owens, ADEQ Director. Staff designed a quarter-page ad for placement in the widely read <i>AZ/Phoenix Business Journal</i> .
Modify EMS guidance to meet standards set by EPA's National Performance Track program	12/06 07/07	04/07 11/07	Revised guidance that meets EPA standards	Ahead of Schedule. Staff continues development of an EMS template. Three of the four modules are completed and approved. We are also in the process of finalizing a Small Community Compliance Assistance Manual and Template (a less robust EMS) as a project commitment by ADEQ as a follow-up to an ECOS grant project that was completed in 2006.
Modify EMS templates to meet EPA's standards as needed	04/07 11/07	06/07 01/08	Revised templates that meet EPA standards	As noted above, staff continues development of an EMS template. Three of the four modules are completed and approved. The fourth and final module is under development. Once completed, it will be posted for use on our AZ website. We will then develop training and schedule presentations on how to use the templates.

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Generally				
Revise Performance Track application and written literature to reflect web availability	09/07 04/08	12/07 07/08	Revised application and literature	We have met with staff and discussed revisions to our application which will include more details on incentives. Once completed, we will coordinate with EPA to link our revised Application to the National EPA application process.
Agriculture Performance Track				
Modify existing program or explore options for new comparable program based on input received in open meeting	02/07 09/07	09/07 04/08	Revised PT program description or draft of comparable program	Ahead of Schedule. Staff continues to investigate and compile information needed to develop an optional Agricultural program in anticipation of conducting an open meeting with interested members of the AG community.
Improvements to Flexibility in Permits and Reduced Reporting Incentives				
Develop list of contacts of other state agencies that regulate facilities eligible for Performance Track	07/06 02/07	08/07 03/07	List of agency contacts	ADEQ is working with existing members of Ptrack to identify other agencies which may provide incentives of interest to Ptrack members.

d. Section 4 – Funds

Financial Information removed by EPA as confidential business information

e. Section 5 - Estimates

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

ADEQ spent \$1,412.00 total during this reporting period for a March 7, 2007 Business Journal advertising our Performance Track EMS Free Seminar scheduled for April 3, 2007. No other funds were spent during this reporting period.