

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)

ADEQ's [Four EMS Templates](#) are now posted on the ADEQ website. ADEQ staff has scheduled EMS workshops to assist the regulated community in developing an EMS using the new ADEQ templates. [A Guide for Developing and Implementing a Small Community Environmental Protection Plan \(SCEPP\)](#) is completed. ADEQ's Community Liaisons have taken the lead in working directly with small Arizona communities and special taxing districts to encourage them to develop a SCEPP under our Small Community Policy. A draft PowerPoint presentation on Arizona's Small Community Policy has been developed and is awaiting management approval and will be used by our Community Liaisons in their outreach program. The draft SCEPP template is nearing completion and should be ready for management review in the second quarter of 2008. ADEQ's Ptrack website has been revised to include links to the EMS templates, EMS workshops schedule and Small Community SCEPP guidance. We are working with our Air Quality Permits Section Manager on developing flexible air permits as an incentive. We are working with our Ptrack partners in developing an 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.

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:

Two complex guidance documents were completed and posted to our ADEQ website: [Four EMS Templates](#) and [A Guide for Developing and Implementing a Small Community Environmental Protection Plan \(SCEPP\)](#).

ADEQ has approved three (3) new AZ Ptrack members: Freescale Semiconductor, Inc., Chandler; Freescale Semiconductor, Inc, Tempe; and Morman Lake Lodge.

ADEQ gave a presentation on Performance Track at a RCRA seminar at Arizona State University and met with Brown & Cardwell Consulting firm to discuss their own membership in the Performance Track program as well as clients they represent.

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

Problems:

ADEQ is awaiting receipt of the signed MOA by EPA so we can contact and meet with other county and state agency representatives to discuss Performance Track, permit flexibility, reduced reporting incentives, and to develop additional requirements needed to receive multi-agency incentives. Additionally, we are awaiting EPA notice of accreditation of their Ptrack Site Visit training and subsequent release of the next training dates and locations.

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
General			
Develop Quality Assurance Project Plan with performance measures (to be modified continuously as additional performance measures are identified)		60 days after project approval	ADEQ has developed performance measures within the context of the <u>Quality Assurance Project Plan</u> (QAPP) for this grant. The Draft QAPP has been submitted to management for approval. Once approval is received, ADEQ intends to make use of Larry Woods' offer for EPA's contractor to review and comment on the draft QAPP.
Submit Revised Workplan for EPA Approval		60 days after project approval	Unknown
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	ADEQ is awaiting receipt of the signed MOA by EPA. EPA/AZ MOA finalized in January 2007 and forwarded by Tom Kelly, EPA Region 9, to EPA administration for review and approval. ADEQ has not yet finalized an MOA with the county air quality departments primarily because of the delay in finalizing the Cooperative Agreement

Task - Description	Start	End	Current Status/Outcome
Adoption of federal performance track incentives for MACT.	03/06 10/06	04/07 11/07	Air Quality Division MACT Rule: ADEQ remains on track to meet this task. The AZ Ptrack Administrator still needs to verify that all provisions of the MACT Rule have been successfully adopted by ADEQ.
Quarterly review and report to EPA on the project status.	06/06 01/07	04/09 09/09	All Quarterly Reports October 2006 thru December 2007 have been submitted. Each quarterly report includes all activities conducted during the preceding calendar quarter. <u>Financial Report</u> for October through December 2007 is included in this report.
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	09/06 10/06	09/08 04/09	ADEQ is in the process of developing survey questions for existing members based on EPA's survey of National members. Once the survey is developed and distributed, and completed surveys returned, ADEQ will hold its annual conference.
Develop and track quarterly performance measures for Performance Track.	03/06 10/06	04/09 09/09	ADEQ has developed performance measures within the context of the <u>Quality Assurance Project Plan (QAPP)</u> for this grant. The Draft QAPP has been submitted to management for approval. Once approval is received, ADEQ intends to make use of Larry Woods' offer for EPA's contractor to review and comment on the draft QAPP.
Review with EPA all National and Arizona Environmental Performance Track applications and current members' annual reports.	03/06 10/06	04/09 09/09	We continue to participate in this process. AZ Ptrack has approved 3 new members: Freescale Semiconductor, Inc., Chandler, AZ; Freescale Semiconductor, Inc., Tempe, AZ; and Morman Lake Lodge. ADEQ is in the process of drafting member commitment and benefit documents.
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	We continue to participate in the State conference calls and special teleseminars.

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>External Outreach Presentations <u>November 21, 2007</u>: Ptrack presentation at a RCRA Seminar at AZ State University, Tempe, AZ. One on One Outreach <u>November 7, 2007</u>: Brown & Caldwell Consulting to discuss their membership as well as clients they represent. Internal Outreach Presentations <u>November 29, 2007</u>: PTrack supported Byron James, ADEQ Community Liaison with his P2 webinar on A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) which was recently completed as part of this grant workplan. <u>December 13, 2007</u>: Presentation to ADEQ's Community Liaisons who have the lead on the ADEQ Small Community Compliance Assistance program.</p>
<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>Ahead of schedule. <u>December 13, 2007</u>: PowerPoint Presentation to ADEQ's Community Liaisons on EPA/AZ Environmental Performance Track Program <u>August 27, 2008</u>: ADEQ in-house staff training scheduled on EMSs and EPA/AZ Ptrack programs including a presentation on legal language to be inserted in consent orders requiring the development and implementation of an EMS as part of a Compliance Schedule. New Guidance Posted to AZ Ptrack Website http://www.azdeq.gov/function/about/track.html Links to ADEQ developed EMS Templates and Ptrack staff developed A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) guidance now posted for easy access by staff and the regulated community.</p>

Task - Description	Start	End	Current Status/Outcome
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 5/08	ADEQ continues to improve our webpage at http://www.azdeq.gov/function/about/track.html We recently added links to our new ADEQ <i>Four Module EMS Templates</i> at http://www.azdeq.gov/environ/waste/p2/index.html and the <i>new Small Community guidance A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP)</i> . The SCEPP guidance was developed by our Ptrack support staff as part of our Small Community Policy. A SCEPP template is currently under development and is a "less robust" EMS designed to help small communities and special districts to develop an environmental management system for their growing communities with the goal of expanding Ptrack membership. We are working on a complete redesign of our Ptrack website which should be unveiled in the 3 rd quarter 2008.
Conduct annual site visits of a minimum of 10% of Arizona Performance Track member facilities.	03/06 10/06	03/09 9/09	ADEQ's new Ptrack Administrator has not yet attended Site Visit training. We are awaiting EPA notice of accreditation of their Ptrack Site Visit training and subsequent release of the next training dates and locations.
EMS Guidance and Templates			
Review existing ADEQ developed EMS guidance and templates	09/06 10/06	11/06 11/06	Project Completed 4th Quarter 2007: ADEQ's Four Module EMS template 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.
Develop EMS survey to be distributed to small businesses during inspections	9/06 4/07	11/06 6/07	The Ptrack Administrator is working with our ADEQ P2 staff to develop this survey. We should have the survey completed by the second quarter 2008 and begin training shortly thereafter.

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Task - Description	Start	End	Current Status/Outcome
Conduct training of ADEQ inspectors on EMS's and use of the survey	12/06 7/07	01/06 8/07	The Ptrack Administrator is working with our ADEQ P2 staff to develop this survey. We should have the survey completed by the second quarter 2008 and begin training shortly thereafter.
Distribute EMS surveys during inspections	1/06 8/07	12/06 7/08	The Ptrack Administrator is working with our ADEQ P2 staff to develop this survey. We should have the survey completed by the second quarter 2008 and ready for distribution by ADEQ inspectors following the training session(s).
Hold two meetings with small businesses regarding EMS's to gauge interest in EMS's and discuss ADEQ's EMS guidance development	1/06 9/06	06/06 1/07	Ongoing Commitment: External Outreach Presentations <u>November 21, 2007</u> : Ptrack presentation at a RCRA Seminar at AZ State University, Tempe, AZ. One on One Outreach <u>November 7, 2007</u> : Brown & Caldwell Consulting to discuss their membership as well as clients they represent. Internal Outreach Presentations <u>November 29, 2007</u> : PTrack supported Byron James, ADEQ Community Liaison with his P2 webinar on A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) which was recently completed as part of this grant workplan. <u>December 13, 2007</u> : Presentation to ADEQ's Community Liaisons who have the lead on the ADEQ Small Community Compliance Assistance program.
Modify EMS guidance to meet standards set by EPA's National Performance Track program	12/06 7/07	04/07 11/07	ADEQ staff is conducting workshops to assist the regulated community in developing an EMS using ADEQ's Four Module EMS Template which is now posted on the ADEQ Ptrack website at http://www.azdeq.gov/environ/waste/p2/index.html with a link from our AZ Ptrack web page.

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Task - Description	Start	End	Current Status/Outcome
Modify EMS templates to meet EPA's standards as needed	04/07 07/07	06/07 1/08	<p>Project Completed 4th Quarter 2007: ADEQ's Four Module EMS Template 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.</p> <p>The new Small Community guidance at A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) or at http://www.azdeq.gov/function/compliance/download/ecoss.pdf.</p> <p><u>SCEPP Template:</u> A draft SCEPP template is under development and should be ready for management review in the second quarter of 2008.</p>
Post revised guidance and templates on ADEQ Performance Track web page	06/07 1/08	09/07 4/08	<p>Two Projects Completed in 4th Quarter 2007: Both have been posted to our ADEQ Ptrack website with links on our AZ Ptrack web page. 1) ADEQ Four Module EMS Templates 2) A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP). The <i>SCEPP Template</i> is under development.</p>
Revise Performance Track application and written literature to reflect web availability	09/07 04/08	12/07 07/08	<p>Ahead of schedule. ADEQ has converted our Ptrack application to MS Word format. Further revisions will add more details on program incentives. Once completed, we will coordinate with EPA to link our revised application to the National EPA application process.</p>

Task - Description	Start	End	Current Status/Outcome
<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>Ongoing Commitment:</p> <p>External Outreach Presentations <u>November 21, 2007</u>: Ptrack presentation at a RCRA Seminar at AZ State University, Tempe, AZ.</p> <p>One on One Outreach <u>November 7, 2007</u>: Brown & Caldwell Consulting to discuss their membership as well as clients they represent.</p> <p>Internal Outreach Presentations <u>November 29, 2007</u>: PTrack supported Byron James, ADEQ Community Liaison with his P2 webinar on A Guide for Developing and Implementing a Small Community Environmental Protection Plan (SCEPP) which was recently completed as part of this grant workplan.</p> <p><u>December 13, 2007</u>: Presentation to ADEQ's Community Liaisons who have the lead on the ADEQ Small Community Compliance Assistance program.</p>
Agriculture Performance Track			
<p>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</p>	<p>01/07 8/07</p>	<p>04/07 11/07</p>	<p>Early conversations between the Agricultural community and ADEQ Director Steve Owens showed minimal interest by the Agricultural community in pursuing a Performance Track program. ADEQ will attempt to reestablish communication with the Agricultural community to see if new found interest exists.</p> <p>ADEQ is working with our P2 staff on other incentive programs to promote environmental stewardship.</p>

Task - Description	Start	End	Current Status/Outcome
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	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. ADEQ is working with our P2 staff on other incentive programs to promote environmental stewardship.
Develop guidance documents for agricultural program	09/07 4/08	11/07 6/08	Once support for such a program is received from the Agricultural community and/or P2, ADEQ will compile the information gathered into guidance documents.
Post program description/guidance on ADEQ Performance Track web page	12/07 7/08	02/07 9/08	Once support for such a program is received from the Agricultural community and/or P2, ADEQ will compile the information gathered into guidance documents. ADEQ will post all guidance on our Ptrack website.
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 2/07	08/07 3/07	ADEQ has identified seven Arizona agencies that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the PT Program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating Counties.
Review EPA White Paper #3 on the Design of Flexible Air Permits to further develop Arizona's flexibility in permits as an incentive	08/07 03/08	09/07 04/08	We attended the November 12, 2007 Teleconference on <i>Flexible Air Permitting</i> and invited the ADEQ Air Permits Section Manager and provided copies of the training materials. We are working with our Air Permits staff to develop flexible air permitting as a Ptrack member incentive.

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Task - Description	Start	End	Current Status/Outcome
Meet with state agency representatives to discuss Performance Track, permit flexibility, and reduced reporting incentives	09/07 4/08	10/07 5/08	ADEQ has identified seven Arizona agencies that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the PT Program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating Counties.
Develop additional requirements needed to receive multi-agency incentives	11/07 6/08	03/08 10/08	ADEQ has identified seven Arizona agencies that regulate facilities eligible for Performance Track. ADEQ will meet with each agency to discuss the PT Program and attempt to gain a commitment for developing incentives and on partnering with ADEQ and the participating Counties.
Post additional agencies offering incentives on ADEQ Performance Track web page	04/08 11/08	06/08 1/09	
Draft external guidance on permit flexibility and reduced reporting incentives	04/08 11/08	08/08 3/09	
Post external guidance on ADEQ Performance Track web page	09/08 4/09	12/08 7/09	
Revise application and other written literature to reflect web availability of guidance on permit flexibility and reduced reporting incentives	01/09 8/09	03/09 9/09	

Section 4 - Financial Report – October 1, 2007 through December 31, 2007

Financial Information removed by EPA as confidential business information.

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.