



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460**

EXTERNAL CIVIL RIGHT COMPLIANCE OFFICE
OFFICE OF GENERAL COUNSEL

June 7, 2017

Return Receipt Requested

Certified Mail# 70153010000112675911

Philip McNeely
Director
Maricopa County Air Quality Department
1001 N Central Avenue, Suite 125
Phoenix, Arizona 85004

Re: Closure of Administrative Complaint Nos. 03R-07-R9, 10R-07-R9, and 01R-11-R9

Dear Director McNeely:

This letter is to advise you that the U.S. Environmental Protection Agency's (EPA) External Civil Rights Compliance Office (ECRCO) is resolving and closing, as of the date of this letter, administrative complaints 03R-07-R9, 10R-07-R9, and 01R-11-R9 against the Maricopa County Air Quality Department (MCAQD). The complaints generally alleged that MCAQD violated Title VI of the Civil Rights Act of 1964, as amended, 42 United States Code 2000d et seq. (Title VI) and the EPA's nondiscrimination regulation found at 40 Code of Federal Regulations (C.F.R.) Part 7.

EPA ECRCO is responsible for enforcing several federal civil rights laws that prohibit discrimination on the bases of race, color, national origin (including limited-English proficiency), disability, sex and age in programs or activities that receive federal financial assistance from the EPA.

Closure of Administrative Complaint, EPA File Number 03R-07-R9

The complaint in EPA File Number 03R-07-R9 was filed on March 28, 2007, by Don't Waste Arizona and Concerned Residents of South Phoenix under Title VI and EPA's implementing regulation at 40 C.F.R. Part 7. The complaint alleged MCAQD and the Arizona Department of

Environmental Quality (ADEQ)¹ discriminated against Hispanic and African American residents of South Phoenix through the operation of their Clean Air Act permitting programs.

The complaint alleged that the MACQD's operation of its permit program for "sand and gravel outfits (aggregate mining), cement batch plants, and asphalt batch plants" in South Phoenix disproportionately subjected the predominantly Hispanic and African American populations living near these facilities to "documented high levels of particulate matter pollution," and that it resulted in "severe environmental and public health consequences."²

On May 27, 2008, ECRCO accepted the following for investigation: Whether MCAQD subjected Hispanic and African American populations living near the facilities to discrimination in violation of Title VI and EPA's implementing regulation by failing to respond properly to citizen complaints and/or by failing to inspect properly certain permitted facilities. As discussed below, ECRCO finds insufficient evidence of current noncompliance with Title VI and EPA's implementing regulation. Accordingly, EPA File Number 03R-07-R9 is closed as of the date of this letter.

During its investigation, ECRCO gathered and reviewed information relevant to the complaint. This information included the complaint submitted to ECRCO and information submitted by MCAQD on March 9 and 25, 2009, February 18, 2010, and September 3, 2015, in response to EPA requests. In addition, ECRCO considered EPA's periodic State Review Framework³ ("SRF"), which examined MCAQD's Fiscal Year 2007 environmental compliance and enforcement program and which coincided with the time period during which this Title VI complaint was submitted. The SRF is an EPA program designed to ensure that state compliance and enforcement programs are conducted properly. The SRF found that MCAQD's environmental enforcement practices and procedures met or exceeded EPA's requirements and performance. Specifically, the SRF found that inspection reports clearly identified violations, and where enforcement actions had been taken, violations had been corrected.⁴

Regarding MCAQD's response to citizen complaints of environmental concerns, EPA also reviewed MCAQD's recent practices (years 2010 – 2015) with respect to complaint response. This information documented that, regardless of facility type or location of a particular facility, MCAQD performed environmental complaint response inspections within one to two days of receiving a complaint.⁵

¹ The allegations against ADEQ are addressed separately and not within this letter.

² Complaint letter received by EPA on March 28, 2007, EPA File No. 03R-07-R9, p. 2 & 6; December 6, 2007 Complainants Response to EPA Request for Clarification, p.6.

³ U.S. EPA State Review Framework Final Report for Maricopa County Air Quality Department Fiscal Year 2007, report dated September 28, 2009.

⁴ U.S. EPA SRF for Maricopa County AQD for 2007, Element 4 (Completion of Commitments), Element 6 (Quality of Inspection Reports), Element 7 (Identification of Alleged Violations, and Element 9 (Enforcement Actions Promote Return to Compliance).

⁵ Letter from Philip A. McNeely to Lilian Dorka, dated September 21, 2016.

ECRCO also examined the concern identified in the complaint regarding inspection of ADEQ-permitted portable equipment located within MCAQD's jurisdiction.⁶ ECRCO found that MCAQD has jurisdiction over portable equipment operated solely in that county.⁷ ECRCO also found that ADEQ has jurisdiction over portable sources that operate in multiple counties or in a county without a local air pollution control program.⁸ However, despite the recognized jurisdictions of MCAQD and ADEQ, ECRCO found that there was no written agreement between the two as to how complaint response and enforcement was coordinated (*e.g.*, for portable sources under ADEQ jurisdiction but operating within MCAQD). During the course of ECRCO's investigation, and to address this concern, MCAQD, in coordination with ADEQ, developed the Air Quality Complaint Inspection Referral Procedure, with both agencies as signatories. The Procedure clearly describes each agency's authority and responsibilities in dealing with portable equipment inspections when there are jurisdictional issues involved. Notably, for example, the Procedure provides step-by-step instructions for field staff to follow when they come upon a possible portable source violation that is not under their agency's jurisdiction. The Procedure covers jurisdictional determination, the process of conducting visible emissions observations, referral procedures, and how to follow up with the other agency involved.

To further support effective enforcement communication between MCAQD and ADEQ, ADEQ has implemented an electronic permitting system (MyDEQ) in response to EPA's Cross-Media Electronic Reporting Rule (CROMERR).⁹ In July 2016, ADEQ began using MyDEQ to address the types of portable sources identified in the complaint, thereby replacing the previous paper permitting and tracking system for all portable source permittees.¹⁰ In implementing this system, ADEQ provided access to MCAQD and other local government agencies. The MyDEQ system uses a series of questions designed to ensure that MCAQD and ADEQ get accurate and timely information about location and equipment from permittees. It also ensures that the facility receives a permit from the correct agency. For instance, if the permittee is moving, a compliance certification is required to ensure that the source is meeting its permit terms. The permit is then issued electronically and ADEQ permit and compliance staff are electronically notified. ADEQ is also electronically notified regarding annual compliance certifications and permit terminations. If a particular portable source is to remain in Maricopa County for 5 years, it must obtain a permit from ADEQ. State-issued permits for sources located in Maricopa County need to meet the air quality requirements established by Maricopa County (which are more stringent than elsewhere in the State).

Therefore, with regard to this allegation, ECRCO has determined that MCAQD's actions taken during the course of this investigation to ensure coordination for portable sources under ADEQ jurisdiction, but operating within MCAQD, have resulted in significant changes to the overall

⁶ Complaint letter received by EPA on March 28, 2007, EPA File No. 03R-07-R9.

⁷ Maricopa County Air Pollution Control Regulation II, Section 410.1.

⁸ Arizona Revised Statutes, Title 49, Chapter 1, Article 1, Sections 49-107; 40-401.01; 49-402. Also see ADEQ website at: <http://legacy.azdeq.gov/environ/air/permits/assist.html>.

⁹ CROMERR is an EPA rule that establishes standards for information systems that receive reports and other documents electronically under EPA-authorized programs. More detail on the CROMERR program can be found at <https://www.epa.gov/cromerr>.

¹⁰ Additional information about MyDEQ can be found at: <http://www.azdeq.gov/mydeq/home>.

circumstances since the filing of this complaint. Accordingly, ECRCO finds insufficient evidence of current non-compliance with Title VI and EPA's implementing regulation.

MCAQD's Non-Discrimination Program

During the course of this investigation, as is ECRCO's current practice, ECRCO reviewed MCAQD's compliance with the requirements of EPA's non-discrimination regulation,¹¹ which sets forth the foundational elements of a recipient's non-discrimination program. These include: continuing notice of non-discrimination under 40 C.F.R. § 7.95; adoption of grievance procedures that assure the prompt and fair resolution of complaints alleging civil rights violations under 40 C.F.R. § 7.90; and the designation of at least one person to coordinate its efforts to comply with its non-discrimination obligations under 40 C.F.R. § 7.85(g).

ECRCO also reviewed the programs, policies, and guidance MCAQD is implementing to ensure it provides meaningful access for persons with limited English proficiency¹² and persons with disabilities¹³ to all its programs and activities that receive federal financial assistance from EPA, including its public participation process.¹⁴

As a result of discussions with EPA over the last several months, MCAQD developed a foundational non-discrimination program. Information regarding MCAQD's program can be found by accessing a link in English and Spanish on its main web page.¹⁵ Specifically, MCAQD has implemented the following:

- a. Notice of Nondiscrimination: EPA's nondiscrimination regulation requires initial and continuing notice that the recipient does not discriminate on the basis of race, color national origin, or handicap in a program or activity receiving EPA assistance or, in programs covered by Section 13 of the Education Amendments, on the basis of sex.¹⁶ MCAQD's main Website page contains a prominent "Nondiscrimination Program" link to its Notice of

¹¹ 40 C.F.R. Part 7, Subpart D.

¹² On June 25, 2004, EPA issued *Guidance to Environmental Protection Agency Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (LEP Guidance). The LEP guidance clarifies recipient's existing legal obligations to provide meaningful access to limited English proficient persons in all programs and activities that receive federal financial assistance from EPA. The LEP guidance also provides a description of the factors recipients should consider in fulfilling their responsibilities to limited English proficient persons to ensure meaningful access to recipients' programs and activities and the criteria EPA uses to evaluate whether recipients are in compliance with Title VI and the Title VI implementing regulation. <https://www.federalregister.gov/documents/2004/06/25/04-14464/guidance-to-environmental-protection-agency-financial-assistance-recipients-regarding-title-vi>.

¹³ See 40 C.F.R. §§ 7.45 – 7.55, 7.65

¹⁴ On March 21, 2006, EPA published its *Title VI Public Involvement Guidance for EPA Assistance Recipients Administering Environmental Permitting Programs* (Public Involvement Guidance) which was developed for recipients of EPA assistance implementing environmental permitting programs. It discusses various approaches, and suggests tools that recipients may use to enhance the public involvement aspects of their current permitting programs. It also addresses potential issues related to Title VI and EPA's regulation implementing Title VI. https://www.epa.gov/sites/production/files/2013-09/documents/title6_public_involvement_guidance.3.13.13.pdf.

¹⁵ EPA reviewed the information found at <http://www.maricopa.gov/1244/Air-Quality>.

¹⁶ 40 C.F.R. § 7.95.

Nondiscrimination in both English and Spanish.¹⁷ In addition, MCAQD reports that this Notice is prominently displayed in MCAQD's offices.¹⁸ The Notice describes the procedures to file a discrimination complaint with MCAQD and how to contact the MCAQD Nondiscrimination Program Coordinator for assistance.

- b. Grievance Procedures - EPA's nondiscrimination regulation requires that each recipient adopt grievance procedures that assure the prompt and fair resolution of complaints which allege violations of the nondiscrimination regulation.¹⁹ MCAQD's website contains a Nondiscrimination Program Policy and Grievance Procedures in English and Spanish that can be readily found by accessing the Nondiscrimination Program link in MCAQD's main web page.²⁰ The Grievance Procedures, which have been revised effective February 28, 2017, describe the process for individuals to file a complaint of discrimination with MCAQD. To initiate the grievance process, MCAQD has developed a complaint form in English and Spanish, which is accessible on its website. MCAQD's Grievance Procedures assure that it promptly and impartially resolves complaints utilizing a preponderance of the evidence standard.
- c. Nondiscrimination Coordinator - EPA recipients are required to have a nondiscrimination coordinator to oversee their nondiscrimination program.²¹ On its website, MCAQD has identified Talia Offord as its Nondiscrimination Coordinator and has provided a contact number and email address for her.²² Within its Nondiscrimination Program Plan, MCAQD has confirmed that its Nondiscrimination Coordinator is charged with ensuring MCAQD's compliance with federal non-discrimination laws and ensures information regarding MCAQD's Nondiscrimination Program is internally and externally available; maintains public notice of, and procedures for receipt and processing of complaints; tracks and reviews complaints received; trains department staff on MCAQD's Nondiscrimination Program and procedures; provides written updates to complainants on the progress of investigations; and periodically reviews the efficacy of MCAQD's Nondiscrimination Program.²³
- d. Limited English Proficiency (LEP) - MCAQD has developed an LEP policy referencing EPA's LEP Guidance. MCAQD's Policy is contained within MCAQD's Nondiscrimination Program Plan, which is available on its website.²⁴ The LEP Policy outlines MCAQD's commitment to provide meaningful access to LEP individuals to its programs and activities. In doing so, MCAQD undertook an analysis of its LEP population within its service area.

¹⁷ MCAQD Nondiscrimination Program Plan, Attachment A, at <http://www.maricopa.gov/DocumentCenter/View/3319>

¹⁸ MCAQD Nondiscrimination Program Policy, at 2, at <http://www.maricopa.gov/DocumentCenter/View/3320>

¹⁹ 40 C.F.R. § 7.90 (each recipient with 15 or more employees shall adopt grievance procedures that assure the prompt and fair resolution of complaints).

²⁰ MCAQD Grievance Procedures, at 3-4, at <http://www.maricopa.gov/DocumentCenter/View/3320>

²¹ 40 CFR § 7.85(g) (if a recipient employs 15 or more employees, it must designate at least one nondiscrimination coordinator).

²² <https://www.maricopa.gov/1514/NondiscriminationNo-Discriminacin-Progra>

²³ MCAQD Nondiscrimination Program Plan, at 5, at <http://www.maricopa.gov/DocumentCenter/View/3319>

²⁴ *Id.* at 5-7, 8-10.

Since MCAQD has identified Spanish speakers as the major LEP language group in Maricopa County, MCAQD's efforts primarily focus on ensuring key materials and services are available in both English and Spanish.²⁵ MCAQD's Policy also states that it will accommodate the needs of other LEP (non-Spanish speaking) persons through contracts for LEP services.²⁶

- e. Individuals with Disabilities – In MCAQD's Nondiscrimination Program Plan, MCAQD describes the analysis it has undertaken of its population who have identified as individuals with disabilities. MCAQD has committed to providing meaningful access to individuals with disabilities to department programs and activities.²⁷ MCAQD states that it provides appropriate auxiliary aids and services to individuals with disabilities, such as those who are deaf or hard of hearing and other individuals as necessary, and interpretation and translation to individuals with LEP, at no cost, to ensure effective communication in decision-making processes and meaningful access MCAQD programs and activities.²⁸
- f. Public Participation – MCAQD has developed a public participation policy, which is set forth in its Nondiscrimination Program Plan.²⁹ MCAQD states that it strives to provide for meaningful public involvement in all of its programs, no matter the location of the program in the county or the community potentially impacted. MCAQD explains that when developing public participation plans, it considers the following factors: community demographics and history; past and present community concerns; need for language assistance services for LEP persons; access to media sources (considering community culture and linguistic needs); need for and location of public meetings; location of the information repository; identification of the department expert(s) and their contact information.³⁰

MCAQD also undertook a demographic analysis, a process to identify community concerns, and a process to provide for contingency planning for unexpected events.³¹ MCAQD provides notice of language assistance services in public meeting notices (including the option mentioned in public notices to request information by calling a telephone number for information in Spanish), and has ensured that it will provide the availability of key materials and services in both English and Spanish, including compliance and enforcement brochures, compliance training schedule information, TV and radio announcements, FAQs, and newspaper articles and press releases among other materials.

Based on the foregoing, ECRCO has determined that MCAQD's actions taken during the pendency of this complaint regarding its environmental enforcement program, its response to environmental complaints and its nondiscrimination program, as described above, have resulted

²⁵ *Id.* at 7, 9.

²⁶ *Id.* at 9.

²⁷ *Id.* at 5, 7-8.

²⁸ *Id.* at 9.

²⁹ *Id.* at 7-10.

³⁰ *Id.* at 8.

³¹ See http://www.maricopa.gov/aq/about/docs/pdf/Title_VI_Plan.pdf.

in significant changes to the overall circumstances since the filing of this complaint. Accordingly, ECRCO finds insufficient evidence of current non-compliance with Title VI or EPA's implementing regulation. Therefore, ECRCO is closing complaint number 03-07-R9 as of the date of this letter.

Closure of Administrative Complaint, EPA File Number 10R-07-R9

The complaint in EPA File Number 10R-07-R9 was filed on September 21, 2007, by Don't Waste Arizona and Concerned Residents of South Phoenix under Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d to 2000d-7 (Title VI), and EPA's implementing regulation at 40 C.F.R. Part 7. The complaint alleged discrimination against Hispanics and African Americans by MCAQD based on race and national origin in violation of Title VI in the administration of MCAQD's hazardous air pollutant program, as applied to Phoenix Brickyard (PBY) in Phoenix, Arizona.³²

On July 30, 2009, ECRCO accepted the complaint and began an investigation of MCAQD's compliance with Title VI and EPA regulation. During the course of its investigation, ECRCO learned that PBY shut down its manufacturing operations in 2012 (see enclosed Attachment A - MCAQD Air Permit Cancellation/Close Out Request dated April 25, 2012), and is currently a wholesale distributor only. The manufacturing operations have completely ceased and the equipment has been removed. The hydrogen fluoride, the subject contaminant, is no longer being emitted. ECRCO further verified the shutdown of the manufacturing operations by reviewing Maricopa County Air Quality Department's 2014 emissions inventory and found that MCAQD designated PBY as a facility that has permanently closed.³³ In light of the above information, ECRCO has determined that there are no allegations appropriate for further investigation and resolution. Accordingly, ECRCO is administratively closing File Number 10R-07-R9 as of the date of this letter.

Closure of Administrative Complaint, EPA File Number 01R-11-R9

The complaint in EPA File Number 01R-11-R9 was filed on January 26, 2011, by Don't Waste Arizona under Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d to 2000d-7 (Title VI), and EPA's implementing regulations at 40 C.F.R. Part 7. The complaint alleged that MCAQD's failure "to properly administer its Title V air pollution program . . . has had severe environmental and public health consequences" on the predominantly Latino residents who live adjacent to Fisher Sand and Gravel.³⁴ On August 14, 2013, EPA accepted for investigation whether MCAQD's penalty against Fisher Sand and Gravel in settling air quality violations

³² On July 30, 2009, ECRCO consolidated its investigation of complaint file numbers 15R-05-R9 and 10R-07-R9. On July 17, 2012, ECRCO closed complaint file number 15R-05-R9. However, ECRCO's letter closing complaint file number 15R-05-R9 at footnote 1 noted that ECRCO would continue processing complaint file number 10R-07-R9.

³⁴ Complaint, at 5 (Jan. 26, 2011).

discriminated against the predominantly Latino community in violation of Title VI and EPA's implementing regulation.

The complaint focused on the discrepancy between a proposed \$6.7 million preliminary penalty and the ultimate penalty levied against Fisher Sand and Gravel in the amount of \$1 million. Complainant alleged that the penalty "ignores the methodology of penalty calculation set forth in MCAQD's published penalty policy. . . at the expense of an entirely ethnic minority community adjacent to the facility."³⁵

In analyzing the issue of whether MCAQD discriminated against the Latino community by ignoring its methodology of penalty calculation, ECRCO looked at whether this action constituted intentional discrimination. Intentional discrimination requires a showing that a "challenged action was motivated by an intent to discriminate."³⁶ In analyzing an intentional discrimination claim, EPA will consider both direct and circumstantial evidence of discriminatory intent. Evidence to be considered may include, among other things, a departure from standard procedure (e.g., failure to consider factors normally considered).

EPA conducted a review of the MCAQD's Violation Penalty Policy and its environmental enforcement case against Fisher Sand and Gravel, including the penalty calculations. As part of the investigation, EPA requested and received information from MCAQD in submissions dated October 2, 2013, and September 3, 2015. EPA determined that MCAQD's penalty calculations against Fisher Sand and Gravel were generally consistent with MCAQD's Violation Penalty Policy³⁷ and EPA guidance.³⁸ In addition, ECRCO found that MCAQD's policy contains provisions to weigh the risk to populations in a consistent manner throughout all communities within its jurisdiction.³⁹

Based on ECRCO's review of all available evidence, ECRCO found that MCAQD acted consistent with its Violation Penalty Policy. Moreover, ECRCO found no direct or circumstantial evidence of discriminatory intent with regard to MCAQD's penalty calculations and the penalty imposed against Fisher Sand and Gravel.⁴⁰ Accordingly, ECRCO finds insufficient evidence of a violation of Title VI and EPA's implementing regulation. EPA File Number 01R-11-R9 is closed as of the date of this letter.

This letter sets forth EPA's disposition of the three referenced complaints. This letter is not a formal statement of EPA policy and should not be relied upon, cited, or construed as such.

³⁵ *Id.* at 3.

³⁶ *Elston v. Talladega Cty. Bd. of Educ.*, 997 F.2d 1394, 1406 (11th Cir. 1993).

³⁷ Maricopa County Air Quality Department Violation Penalty Policy (Jan. 16, 2008), at <http://www.maricopa.gov/DocumentCenter/View/7531>

³⁸ U. S. Environmental Protection Agency Clean Air Act Stationary Source Civil Penalty Policy, October 25, 1991.

³⁹ *Id.* at 2-3.

⁴⁰ From a historical perspective, EPA, in the Fiscal Year 2007 State Review Framework ("SRF") examined MCAQD's application of its penalty policy. At that time, EPA concluded that MCAQD's penalty calculations were generally consistent with EPA's guidance and that MCAQD routinely performed penalty calculations consistent with the policy. Finding 11-1 stated that "In nine of nine files [reviewed] we found the penalty calculations to be generally consistent with EPA guidance on the subject, including gravity and economic benefit." The SRF rated MCAQD's performance in this category as "Good Practice."

Mr. Philip McNeely

EPA appreciates MCAQD's cooperation in this matter, MCAQD's work to address air quality issues in Maricopa County, and MCAQD's efforts to ensure that MCAQD has in place the appropriate foundational elements of a non-discrimination program. Please do not hesitate to contact ECRCO regarding any questions or requests for further technical assistance.

Sincerely,



Lilian S. Dorka, Director
External Civil Rights Compliance Office
Office of General Counsel

Enclosure

Cc:

Kenneth Redden
Acting Associate General Counsel
Civil Rights and Finance Law Office

Deborah Jordan
Acting Deputy Regional Administrator
Acting Deputy Civil Rights Official
EPA, Region 9