

# **STATE REVIEW FRAMEWORK**

## **Arizona**

**Clean Water Act, Clean Air Act, and  
Resource Conservation and Recovery Act  
Implementation in Federal Fiscal Year 2023**

**U.S. Environmental Protection Agency  
Region 9**

**Final Report  
March 18, 2025**

# **I. Introduction**

## **A. Overview of the State Review Framework**

The State Review Framework (SRF) is a key mechanism for EPA oversight, providing a nationally consistent process for reviewing the performance of state delegated compliance and enforcement programs under three core federal statutes: Clean Air Act, Clean Water Act, and Resource Conservation and Recovery Act. Through SRF, EPA periodically reviews such programs using a standardized set of metrics to evaluate their performance against performance standards laid out in federal statute, EPA regulations, policy, and guidance. When states do not achieve standards, the EPA will work with them to improve performance.

Established in 2004, the review was developed jointly by EPA and Environmental Council of the States (ECOS) in response to calls both inside and outside the agency for improved, more consistent oversight of state delegated programs. The goals of the review that were agreed upon at its formation remain relevant and unchanged today:

1. Ensure delegated and EPA-run programs meet federal policy and baseline performance standards
2. Promote fair and consistent enforcement necessary to protect human health and the environment
3. Promote equitable treatment and level interstate playing field for business
4. Provide transparency with publicly available data and reports

## **B. The Review Process**

The review is conducted on a rolling five-year cycle such that all programs are reviewed approximately once every five years. The EPA evaluates programs on a one-year period of performance, typically the one-year prior to review, using a standard set of metrics to make findings on performance in five areas (elements) around which the report is organized: data, inspections, violations, enforcement, and penalties. Wherever program performance is found to deviate significantly from federal policy or standards, the EPA will issue recommendations for corrective action which are monitored by EPA until completed and program performance improves.

The SRF is currently in its 5th Round (FY2024-2028) of reviews, preceded by Round 4 (FY2018-23), Round 3 (FY2012-2017), Round 2 (2008-2011), and Round 1 (FY2004-2007). Additional information and final reports can be found at the EPA website under [State Review Framework](#).

# **II. Navigating the Report**

The final report contains the results and relevant information from the review including EPA and program contact information, metric values, performance findings and explanations, program

responses, and EPA recommendations for corrective action where any significant deficiencies in performance were found.

## **A. Metrics**

There are two general types of metrics used to assess program performance. The first are **data metrics**, which reflect verified inspection and enforcement data from the national data systems of each media, or statute. The second, and generally more significant, are **file metrics**, which are derived from the review of individual facility files in order to determine if the program is performing their compliance and enforcement responsibilities adequately.

Other information considered by EPA to make performance findings in addition to the metrics includes results from previous SRF reviews, data metrics from the years in-between reviews, multi-year metric trends.

## **B. Performance Findings**

The EPA makes findings on performance in five program areas:

- **Data** - completeness, accuracy, and timeliness of data entry into national data systems
- **Inspections** - meeting inspection and coverage commitments, inspection report quality, and report timeliness
- **Violations** - identification of violations, accuracy of compliance determinations, and determination of significant noncompliance (SNC) or high priority violators (HPV)
- **Enforcement** - timeliness and appropriateness of enforcement, returning facilities to compliance
- **Penalties** - calculation including gravity and economic benefit components, assessment, and collection

Though performance generally varies across a spectrum, for the purposes of conducting a standardized review, SRF categorizes performance into three findings levels:

**Meets or Exceeds:** No issues are found. Base standards of performance are met or exceeded.

**Area for Attention:** Minor issues are found. One or more metrics indicates performance issues related to quality, process, or policy. The implementing agency is considered able to correct the issue without additional EPA oversight.

**Area for Improvement:** Significant issues are found. One or more metrics indicates routine and/or widespread performance issues related to quality, process, or policy. A recommendation for corrective action is issued which contains specific actions and schedule for completion. The EPA monitors implementation until completion.

## **C. Recommendations for Corrective Action**

Whenever the EPA makes a finding on performance of *Area for Improvement*, the EPA will include a recommendation for corrective action, or recommendation, in the report. The purpose of recommendations is to address significant performance issues and bring program performance back in line with federal policy and standards. All recommendations should include specific actions and a schedule for completion, and their implementation is monitored by the EPA until completion.

## **III. Review Process Information**

### **Clean Water Act (CWA)**

CWA Key Dates: Off-site file reviews conducted July 11, 2024 – September 24, 2024

CWA EPA Key Contacts: Susanne Perkins, Laila Hayani, Juliana Gomez, and Malin Johansson

CWA State Key Contacts: Leigh Padgitt, Stacey Bilich

EPA Region 9 CWA enforcement staff conducted a State Review Framework (SRF) enforcement program oversight review in the summer of 2024 for the federal fiscal year 2023 (FY23) performance of the Arizona Department of Environmental Quality (ADEQ). ADEQ's jurisdiction does not include Tribal Lands.

EPA bases SRF findings on data and file review metrics, and conversations with program management and staff. EPA will track recommended actions from the review and publish reports and recommendations in EPA's SRF Manager Database.

### **Clean Air Act (CAA)**

Review Year: federal fiscal year 2023 (FY2023).

File Review dates: July 8 – September 1, 2024.

ADEQ Key Contacts: Sean Sandy, Air Quality Compliance Manager; Balaji Viadyananthan, Facilities Control Section Manager; Katie Warren, Air Quality Compliance Officer; Jean Ziga, Air Quality Compliance Officer.

EPA Reviewers: Scott Connolly, Ethan Hessel, Gem Guzman, and Kevin Chu.

EPA Region 9 CAA enforcement staff conducted a SRF review of ADEQ, whose jurisdiction covers facilities located in the State of Arizona, excluding tribal lands. The SRF file review covers FY2023 in order to sufficiently make proper findings since the last ADEQ SRF in 2013. EPA based its SRF findings on data, file review metrics, and conversations with program management and staff at ADEQ. EPA will track recommended actions from the review in the

SRF Tracker and publish its report on the EPA Enforcement and Compliance History Online (ECHO) website.

### **Resource Conservation and Recovery Act (RCRA)**

Review Year: FY2023

Online File Review Dates: June 18, 2024 – August 6, 2024,

ADEQ Contact: Madeline Greenbaum

EPA File Reviewers: Jennifer MacArthur and Mark Anthony Relon

The Arizona Department of Environmental Quality (ADEQ) was last reviewed by the EPA in 2018. For this Round, in addition to reviewing ADEQ's program, the EPA also reviewed inspection and enforcement activity conducted by the Pima County Department of Environmental Quality (PDEQ) which is a county agency that focuses on local county environmental public services. ADEQ and PDEQ have an ongoing agreement which allows PDEQ to conduct hazardous waste generator inspections on behalf of ADEQ under ADEQ oversight. PDEQ was not evaluated during the 2018 SRF. In this SRF Round, ADEQ and PDEQ were reviewed separately respective to their agency. When referring to ADEQ's and PDEQ's combined numbers in the Report we refer to them collectively as "Arizona".

# **Executive Summary**

## **Clean Water Act (CWA)**

### **Areas of Strong Performance**

The following are aspects of the program that, according to the review, are being implemented at a high level:

- ADEQ exceeded both the national average and the national goal for entry of permit limit and discharge monitoring report (DMR) data for major and non-major facilities into EPA's national data base, Integrated Compliance Information System (ICIS).
- Each of the 26 inspection reports reviewed by EPA were completed and sent to the facility within recommended timelines for completing an inspection report.
- Eighty-five percent of the inspection reports reviewed provide enough information to evaluate the accuracy of the compliance determination.
- Eighty-seven percent of the reviewed enforcement actions resulted in a return to compliance.
- The penalty review documented both gravity and economic benefit calculations and the subsequent penalty collection.

### **Priority Issues to Address**

The following are aspects of the program that, according to the review, are not meeting federal standards and should be prioritized for management attention:

- ADEQ entered inspection and enforcement data accurately into ICIS in 60% of the files reviewed. This is a recurring finding from previous reviews of ADEQ's NPDES program.
- Enforcement actions taken at 38% of major and non-major facilities are not timely and/or appropriate. This is a recurring finding from previous reviews of ADEQ's NPDES program.
- The penalty review did not document the rationale for the difference between the penalty calculation and the final penalty amount.

## **Clean Air Act (CAA)**

### **Areas of Strong Performance**

The following are aspects of the program that, according to the review, are being implemented at a high level:

- ADEQ evaluates Air Compliance Monitoring Strategy (CMS) sources more frequently than the national average. In FY2023, ADEQ completed Full Compliance Evaluations (FCEs) at 97.9% of major and mega sites.

- ADEQ's Compliance Monitoring Reports (CMRs) provided sufficient documentation to determine compliance of the facility in 92.0% of the files reviewed.
- ADEQ improved its penalty calculation process to accurately assess and collect penalties by the end of FY2023.

### **Priority Issues to Address**

The following are aspects of the program that, according to the review, are not meeting federal standards and should be prioritized for management attention:

- The accuracy and timeliness of compliance and enforcement data entered into ICIS needs improvement. ADEQ entered inspection and enforcement data accurately into ICIS in 48.4% of the files reviewed. Additionally, ADEQ was below the national average for all data entry timelessness metrics. This is a reoccurring finding from the previous review of ADEQ's CAA program in 2013.
- HPV determinations, reporting, and resolution needs improvement. HPV determinations at five of twelve facilities were not accurate. Additionally, only two of six HPVs were addressed or removed consistent with the HPV Policy. This is a reoccurring finding from the previous review of ADEQ's CAA program in 2013.

### **Resource Conservation and Recovery Act Findings (RCRA)**

#### **Areas of Strong Performance**

The following are aspects of the program that, according to the review, are being implemented at a high level:

ADEQ has improved its performance from SRF Round 4 to SRF Round 5. In Round 4, 86% of the findings (6 of 7) were rated Meets or Exceeds Expectations whereas in Round 5 100% of the findings (6 of 6) were rated Meets or Exceeds Expectations.

Arizona met or exceeded their inspection coverage for TSDFs and LQGs. TSDFs are required to be inspected every two years and 20% of their LQG universe are required to be inspected annually. Arizona inspected 100% of their TSDFs and 26.4% of their LQG universe.

Inspection reports are well written, timely and provide sufficient documentation to determine compliance at the facility.

Arizona effectively manages noncompliant facilities utilizing informal enforcement actions by issuing either a Notice of Opportunity to Correct Deficiencies (NOC) or a Notice of Violation (NOV) as outlined in ADEQ's Compliance Handbook revised January 25, 2023 (Compliance Handbook).

### **Priority Issues to Address**

The following are aspects of the program that, according to the review, are not meeting federal standards and should be prioritized for management attention:

ADEQ appeared not to have considered formal enforcement in several cases where it may have been warranted. ADEQ currently has no definition of a significant non-complier (SNC) in their Compliance Handbook making it difficult for ADEQ to take appropriate enforcement actions. There were no formal enforcement actions in RCRAInfo for the review period for EPA to evaluate.

PDEQ does not have a signature block on their inspection reports, nor does it indicate when a report was issued making it difficult to calculate the timeliness of inspection reports. Going forward EPA recommends that PDEQ add a signature block(s) to their reports and enter the report in RCRAInfo as an informal enforcement action (code 145).

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## **End Executive Summary**



# Clean Water Act Findings

## CWA Element 1 - Data

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### Finding 1-1

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

ADEQ exceeded both the national average and the national goal for entry of permit limit and discharge monitoring report (DMR) data for major and non-major facilities into EPA's national database, Integrated Compliance Information System (ICIS).

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### Explanation:

Metrics 1b1 and 1b2 measure the state's rate of entering permit limits and DMR data into ICIS.

ADEQ entered 100% of permit limits into ICIS for major and non-major facilities, exceeding both EPA's national goal of  $\geq 95\%$  and the national average of 99.9%.

ADEQ entered 100% of DMR data into ICIS, exceeding both EPA's national goal of  $\geq 95\%$  and the national average of 96.9%.

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### Relevant metrics:

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
1b5 Permit limit data entry rate for major and non-major facilities	95%	99.9%	131	131	100%
1b6 Discharge monitoring report (DMR) data entry rate for major and non-major facilities.	95%	96.9%	134	134	100%

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**State Response:**

ADEQ values the collaborative efforts with EPA Region 9 and Headquarters to enhance data visibility in the Integrated Compliance Information System. The data readiness webinars and the detailed guidance provided by EPA, to ensure consistent data interpretation across states, are greatly appreciated.

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**CWA Element 1 - Data**

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**Finding 1-2**

Area for Improvement

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**Recurring Issue:**

Recurring from Round 3

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**Summary:**

ADEQ entered inspection and enforcement data accurately into ICIS in 60% of the files reviewed. This is a recurring finding from previous reviews of ADEQ's NPDES program.

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**Explanation:**

Under metric 2b, EPA compared inspection reports and enforcement actions found in selected files to determine if the inspections, inspection findings, and enforcement actions were accurately entered in ICIS. The analysis was limited to data elements mandated in EPA's ICIS data management policies. States are not required to enter inspections or enforcement actions for certain classes of facilities.

EPA found 18 of the 30 files reviewed (60%) had all required information (facility location, inspection, violation, and enforcement action information) accurately entered in ICIS. Missing or incorrect facility information (addresses unknown or not matching permit, longitude/latitude missing) and unreported or incorrect enforcement actions, violations, single event violations (SEVs), and inspections were the most frequently cited data accuracy issues. ADEQ's accuracy rate of 60% is well below the national goal of 100%.

Since Round 4, ADEQ has begun to enter SEVs in EPA's ICIS database. However, many SEVs, especially those identified in inspections, are missing. DMR SEVs are frequently double counted with both narrative and numeric effluent limit violations. EPA understands ADEQ is working to correct the double counting of the DMR SEVs.

The same finding for Metric 2b was identified in Rounds 1, 2, 3, and 4 of the SRF. (Metric 2b was 52.4% in Round 3 and 15% in Round 4. The Round 4 results were skewed because ADEQ did not verify the FY17 data before it was frozen for the SRF review.) ADEQ should assess the root cause analysis and the implementation of the data entry plan required in EPA’s Round 4 recommendation and develop an improved approach to address the ongoing data flow issues.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
2b Files reviewed where data are accurately reflected in the national data system [GOAL]	100%		18	30	60%

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**State Response:**

ADEQ will continue to investigate the data flow problems contributing to the missing data (such as facility information, inspections, violations, and enforcement actions) in ICIS.

ADEQ acknowledges the concerns regarding data accuracy for permittees regarding single event violations, which started transmitting to EPA in Spring of 2024. ADEQ has been working to correct duplication errors related to DMRs.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	ADEQ will investigate the data flow problems contributing to the missing data in ICIS. It will include a detailed discussion of the investigation of the root problem, a summary of the issues contributing to the problem, and milestones to address the issues and correct the problem.
2	12/31/2025	ADEQ shall implement corrective actions addressing each element of the investigation in Recommendation #1 and implement data flows to ICIS according to eReporting schedules, as necessary.

**CWA Element 2 - Inspections****Finding 2-1**

Meets or Exceeds Expectations

**Recurring Issue:**

No

**Summary:**

ADEQ met or exceeded its inspection commitments in its CWA Section 106 grant workplan for each of its 10 inspection categories.

**Explanation:**

Metrics 4a, 5a, and 5b measure the number of inspections completed by the state in the State Fiscal Year 2023 (SFY23) compared to the commitments in ADEQ's CWA Section 106 grant workplan. EPA Region 9 established workplan inspection commitments for ADEQ consistent with the inspection frequency goals established in EPA's 2014 Compliance Monitoring Strategy (CMS). ADEQ inspected 28 major facilities and 15 minor facilities during the review year, meeting the CMS-based workplan commitments of 28 major and 15 minor facility inspections.

The national stormwater CMS goals require inspecting at least 10% of each of the industrial stormwater (873 sites in SFY23) and construction stormwater (2,790 sites in SFY23) universes. ADEQ conducted 89 industrial and 283 construction stormwater inspections, exceeding its targets of 87 industrial and 279 construction stormwater inspections.

ADEQ met its CMS-based workplan commitments for other inspections, completing three pretreatment compliance inspections, two significant industrial user (SIU) oversight inspections of publicly owned treatment works (POTW), four sanitary sewer system (SSO) inspections, 10 municipal stormwater (MS4) program inspections, one permitted concentrated animal feeding operation inspection, and 14 biosolids inspections.

The CMS requires pretreatment audits of approved pretreatment programs once every five years. For metric 4a1, ADEQ did not have any pretreatment compliance audits due in FY2023, so the target was set to zero.

For metric 4a4, ADEQ does not have combined sewer systems so there are no CSO inspections for ADEQ to conduct. Since this metric does not apply, ADEQ set both the target and the universe to zero.

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**Relevant metrics:**

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<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
4a1 Number of pretreatment compliance inspections and audits at approved local pretreatment programs. [GOAL]	100% CMS%		3	3	100%
4a2 EPA or state Significant Industrial User inspections for SIUs discharging to nonauthorized POTWs	100% CMS%		2	2	100%
4a4 Number of CSO inspections. [GOAL]	100% CMS%		0	0	0
4a5 Number of SSO inspections. [GOAL]	100% CMS%		4	4	100%
4a7 Number of Phase I and II MS4 audits or inspections. [GOAL]	100% CMS%		10	10	100%
4a8 Number of industrial stormwater inspections. [GOAL]	100% CMS%		89	87	102.3%
4a9 Number of Phase I and Phase II construction stormwater inspections. [GOAL]	100% of commitments%		283	279	101.4%
4a10 Number of comprehensive inspections of large and medium NPDES permitted concentrated animal feeding operations (CAFOs) [GOAL]	100% CMS%		1	1	100%
4a11 Number of sludge/biosolids inspections at each major POTW. [GOAL]	100% CMS%		14	14	100%
5a1 Percentage of NPDES major facilities with individual or general permits inspected	100% CMS%		28	28	100%

<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
5b Inspections coverage of NPDES non-majors (individual and general permits) [GOAL]	100% CMS%		15	15	100%

**State Response:**

Over the last three years, ADEQ and EPA have collaborated diligently to ensure alignment on the compliance monitoring strategy and discuss workplan commitments.

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**CWA Element 2 - Inspections**

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**Finding 2-2**

Area for Attention

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**Recurring Issue:**

No

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**Summary:**

Seventy-seven percent of the reviewed inspection reports were found complete enough to determine compliance at the facility.

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**Explanation:**

Metric 6a assesses the quality of inspection reports to evaluate whether the inspection reports provide enough documentation to accurately determine the compliance status of inspected facilities. EPA reviewed 26 inspection reports to determine compliance with the 2017 NPDES Compliance Inspection Manual (Chapter 1 – Introduction (Part D) and Chapter 2 – Inspection Procedures (Part G)) as referenced in the SRF Round 5 CWA File Review Facility Checklist and the CWA Metrics Plain Language Guide. ADEQ's 2002 NPDES Program Memorandum of Agreement with EPA states on pg 11, Paragraph V.A.2: Inspection procedures will be in accordance with EPA's NPDES Compliance Inspection Manual, 1994, or subsequent revisions, and will comply with 40 CFR Part 123.26(d).

Of the 26 reports, 20 were found complete enough to accurately determine compliance at the facility.

The remaining six inspections reports were not found to be complete enough to accurately determine compliance at the facility. Two inspection reports were for facilities in active SNC for effluent limit violations at the time of inspection. The DMRs were reviewed based on the inspection checklist, but the reports should have included a narrative discussion of the document review as well as noting that the effluent violations were discussed with the facility. These violations should have been referenced in the Areas of Concern section of the inspection report. Three stormwater inspection reports typically lacked good field observations especially concerning the flow and direction of stormwater, details about each deficiency in the Areas of Concern, and photographs that were not captioned or referenced in the report. One inspection report was a follow-up to an earlier compliance evaluation and lacked an accurate compliance determination. An inspection report that does not document key components of the inspection may not provide a basis to accurately determine compliance at the facility.

EPA notes that most of the 26 inspection reports were not signed and dated by the inspector. This may be due to an inability to digitally sign documents in the field, or inspectors may be unaware of the requirement. Signing and dating the inspection report is a key responsibility for the inspector as noted in Table 1-2 in Chapter 1 (Part D) of the 2017 NPDES Compliance Inspection Manual cited above. EPA strongly recommends that ADEQ address this deficiency immediately. Round 6 of the CWA SRF will verify whether the deficiency was addressed and rate this metric accordingly.

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**Relevant metrics:**

<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
6a Inspection reports complete and sufficient to assess permit requirements at the facility and document inspector observations.	100%%		20	26	76.9%

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**State Response:**

ADEQ is committed to documenting the compliance status of each inspected facility. ADEQ will develop new procedures including updating pre-inspection checklists and inspection reports, where applicable, to ensure that all relevant data and reporting is captured, reviewed, and discussed at the time of the compliance inspection. The relevant data and reporting reviewed will be included in inspection reports.

ADEQ will ensure that all inspectors are trained regarding 1) compliance determinations, 2) complete and accurate site descriptions, and 3) signing and dating reports. We will also review our inspection report training module to verify these items are adequately explained.



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## CWA Element 2 - Inspections

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### Finding 2-3

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

Each of the 26 inspection reports reviewed by EPA were completed and sent to the facility within recommended timelines for completing an inspection report.

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### Explanation:

Metric 6b measures the state's timeliness in completing inspection reports against the 2023 ADEQ Compliance Handbook (ADEQ Handbook) which states "inspection reports must be issued **no later than 30 working days** pursuant to A.R.S. § 41-1009(D)."

EPA reviewed 26 inspection reports (a mix of major, non-major, and general permitted facilities) and found all 26 reports were completed within ADEQ's timeliness guidelines which meets the national goal of 100%.

EPA found that most of the completed inspection reports reviewed were not signed and dated, which made it a time-consuming process to assess the timeliness of these reports. Most reports indicated they were emailed to the facility from the ADEQ office, but no actual date was provided. Fortunately, the facility files generally contained copies of the email transmitting the report to the facility or other internal documentation noting the sent date.

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### Relevant metrics:

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
6b Timeliness of inspection report completion [GOAL]	100%		26	26	100%

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**State Response:**

ADEQ understands the importance of delivering inspection reports in a timely manner, according to statute. ADEQ inspectors have been recently trained and directed to sign and date the inspection reports, in addition to the inspection rights and exit debrief form. All recent inspection reports distributed since 12/13/2024 have been signed and dated by the inspector, except contractor issued reports. On 1/3/2025, ADEQ instructed our contractor to begin signing as well. In addition, on January 6, 2025, the inspection report training module developed in 2021 was updated to ensure all reports are signed before issuance.

While ADEQ issued inspection reports timely 100% of the time based on a 30-day issuance measure, ADEQ believes it should be measured based on the EPA standard 60-day timeframe. Per the Compliance Handbook, ADEQ strives to issue inspection reports in 7 days, and by law must issue reports within 30 working days. ADEQ timeframes that differ from EPA standards should not be used to measure ADEQ performance under the SRF. EPA should utilize one standard for all SRFs.

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**CWA Element 3 - Violations**

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**Finding 3-1**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

Eighty-five percent of the inspection reports reviewed provide enough information to evaluate the accuracy of the compliance determinations.

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**Explanation:**

Metric 7e measures the percent of inspection reports reviewed that led to an accurate compliance determination. EPA reviewed 26 inspection reports and found that 22 of the reports (84.6%) led to accurate compliance determinations which is 15.4% below the national goal of 100%.

ADEQ does not make compliance determinations in its inspection reports or in a separate document, such as a memo to the file. Only potential deficiencies are identified in the inspection reports. In four instances, EPA could not determine the accuracy of the compliance determination:

- Two inspection reports identified clear potential deficiencies, the facilities were determined to be not in compliance, and internal documentation indicated informal actions were appropriate. In each instance, however, no further action was taken.
- One inspection report was inconsistent within the report as to whether there were potential deficiencies and whether those potential deficiencies were communicated to the facility.
- One facility was actively in SNC for effluent limit violations when the facility was inspected. The ADEQ Handbook states that the inspection report must “Reference any documents reviewed that indicate alleged deficiencies.” The inspection report should have included a narrative discussion of the Document Review and discussed the effluent violations with the facility. These violations should have been considered in the compliance determination and referenced in the Areas of Concern section of the inspection report.

Metrics 7j1, 7k1, 8a3, and 8a4, also called review indicator metrics, are used to provide context for the overall findings from the file reviews. They are not used to develop additional findings.

Metric 7j1 measures the number of major and non-major facilities with SEVs reported that begin in the review year. ADEQ’s FY23 data indicated 51 major and non-major facilities with reported SEVs in the national database system.

Metric 7k1 measures the active major and non-major facilities in noncompliance. ADEQ’s FY23 data indicated 1.7% of facilities in noncompliance, which is significantly below the national average of 14.3%.

Metric 8a3 measures the percentage of active major facilities in SNC and non-major individual permit facilities in Category I noncompliance during the fiscal year. ADEQ’s FY23 data indicated 0.2% of facilities were in noncompliance, which is significantly below the national average of 4.7%.

Metric 8a4 measures the percentage of active non-major general permit facilities in Category I noncompliance during the reporting year. ADEQ’s FY23 data indicated 0% of facilities were in noncompliance, which is less than the national average of 3.6%.

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**Relevant metrics:**

<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
7e Accuracy of compliance determinations [GOAL]	100%		22	26	84.6%
7j1 Number of major and non-major NPDES facilities with new single-event violations reported that began in the review year			51		51
7k1 Major and non-major facilities in noncompliance.			105	6157	1.7%
8a3 Percentage of active major facilities in SNC and non-major individual permit facilities in Category I noncompliance during the fiscal year			10	6156	.2%
8a4 Percentage of active non-major general permit facilities in Category I noncompliance during the reporting year		3.6%	0	6021	0%

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**State Response:**

In accordance with the ADEQ Compliance Handbook, all inspection reports (as of January 2023) include a “Results of Inspection” section that identifies alleged deficiencies. When deficiencies are found and not corrected by close of business, the inspector will indicate that further action may be taken.

The further action evaluation (or compliance determination) is then performed online in our workflow product, called Trello. The inspector populates fields, including deficiencies, impacts, and recommended enforcement action for manager concurrence. A decision is documented in the form, which is saved with the facility file, and duplicated in the agency database.

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## CWA Element 4 - Enforcement

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### Finding 4-1

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

Eighty-seven percent of the reviewed enforcement actions resulted in a return to compliance.

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### Explanation:

#### Background Information

To give context for the subsequent findings, the below information highlights the number and type of NPDES enforcement actions taken by ADEQ during the review year and is not subject to a rating under EPA's SRF protocols.

During SFY23 (July 1, 2022, to June 30, 2023), ADEQ issued the following enforcement actions in response to NPDES violations:

45 Informal Actions - Notices of Opportunity to Correct (NOC) or Notices of Violation (NOV)

4 Compliance Orders (all Consent Orders)

0 Penalty Actions

ADEQ's NOC and NOV are informal administrative enforcement actions typically used by ADEQ as its initial response to a violation. NOCs and NOV's do not create independently enforceable obligations on respondents. Compliance orders are formal administrative enforcement actions that impose independently enforceable obligations on the respondent to take actions to return to compliance. In accordance with the ADEQ Handbook, ADEQ will attempt to negotiate an order on consent with respondents, but it has authority to issue unilateral compliance orders if needed. ADEQ does not have authority to assess administrative penalties, but it can take judicial actions to impose penalties and injunctive relief obligations.

The SFY23 data indicates that ADEQ relies primarily on informal enforcement actions to address NPDES violations. Findings 4-1, 4-2, 5-1, and 5-2 evaluate ADEQ's use of these enforcement tools against EPA's SRF review criteria.

#### Finding 4-1

Metric 9a measures the percent of enforcement responses that return or will return the source to compliance. EPA found 27 of 31 enforcement actions reviewed (87.1%) promote return to compliance which is 12.9% below the national goal of 100%. The 31 enforcement actions reviewed include 25 informal actions (NOC or NOV) and 6 compliance orders (all consent orders). No judicial actions were found in the files selected for review.

To evaluate the informal actions, EPA determined if the file had a record of the discharger returning to compliance in response to ADEQ's NOC or NOV. For compliance orders, EPA assumed that the action promoted a return to compliance if the enforcement action imposed enforceable injunctive relief obligations or if the file noted an actual return to compliance.

Four reviews found facilities that were not returned to compliance. In one case, the NOV did not return the facility to compliance. In another case, the NOV did not return the facility to compliance and ADEQ decided to escalate to formal enforcement, but the compliance order has not yet been issued. In one case, EPA could not determine from the documents in the file if the facility returned to compliance. In the last case, the facility is in the middle of a long-term consent order. Although the compliance schedule is ongoing, several indications show that the consent order may not be working, including numerous consecutive quarters of non-compliance.

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#### **Relevant metrics:**

<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
9a Percentage of enforcement responses that returned, or will return, a source in violation to compliance [GOAL]	100%		27	31	87.1%

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#### **State Response:**

ADEQ's Compliance Handbook and Clean Water Act standard work provide a robust framework for addressing non-compliance efficiently. We are committed to refining our processes to consistently achieve established compliance goals. Two of the four cases reviewed have since closed. The other two are associated with formal enforcement and include a consent order and consent judgement with penalties.

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## **CWA Element 4 - Enforcement**

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### **Finding 4-2**

Area for Improvement

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### **Recurring Issue:**

Recurring from Round 3

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### **Summary:**

Enforcement actions taken at major and non-major facilities are only taken in an appropriate and timely manner 62% of the time. This is a recurring finding from four previous reviews of ADEQ's NPDES program.

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### **Explanation:**

Metrics 10a1, 10a2, 10a3, and 10a4, also called review indicator metrics, are used to provide context for the overall findings from the file reviews. They are not used to develop additional findings.

Metric 10a1 measures the percentage of major NPDES facilities with formal enforcement action taken in a timely manner in response to late DMR SNC violations. ADEQ's SFY23 data indicated 0% of facilities had formal enforcement action taken in a timely manner in response to late DMR SNC violations. The national average is also 0%.

Metric 10a2 measures the percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to missing DMR SNC violations. ADEQ's SFY23 data indicated 0% of facilities had formal enforcement actions taken in a timely manner in response to missing DMR SNC violations which is less than the national average of 2.9%.

Metric 10a3 measures the percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to SNC effluent violations. ADEQ's SFY23 data indicated 100% of facilities (one facility in a universe of one) had formal enforcement action taken in a timely manner in response to SNC effluent violations while the national average is 24.6%.

Metric 10a4 measures the percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to SNC compliance schedule violations. ADEQ's SFY23 data indicated 0% of facilities had formal enforcement action taken in a timely manner in response to SNC compliance schedule violations. The national average is also 0%.

For context, EPA policy dictates that SNC level violations must be addressed with a formal enforcement action (administrative compliance order or judicial action) issued within 5 ½ months of the end of the quarter when the SNC level violations initially occurred.

Metric 10b measures the percentage of enforcement actions reviewed during the onsite file review that were taken in an appropriate and timely manner. Metric 10b assesses ADEQ's enforcement response to any type of violation (SNC or lower-level violations) at any type of facility (major, minor, or general permit discharger). EPA used the ADEQ Handbook to evaluate the appropriateness of the enforcement responses. EPA did not rely on ADEQ's informal enforcement response to major facility SNC violations because it does not comply with EPA's policy.

For metric 10b, EPA reviewed 52 enforcement responses that occurred at 28 different facilities, which represented a mix of major, non-major, and general permitted facilities. EPA found that 32 of the 52 enforcement responses reviewed (61.5%) addressed violations in an appropriate and timely manner for the nature of the violation, which is significantly below the national goal of 100%. None of the enforcement responses were judicial actions. ADEQ's timely and appropriate enforcement responses included 19 DMR violations, 10 informal actions and three compliance orders.

On the other hand, EPA found 20 instances where ADEQ's enforcement response was not timely and/or appropriate for the nature of the violation. These included eight NOCs and three NOV's where EPA found the informal actions to be appropriate, but they were not issued within 10 days of the inspection date in accordance with the ADEQ Handbook. In addition, EPA found:

- two instances where ADEQ took no enforcement on DMR or SNC violations,
- three instances where ADEQ failed to escalate informal actions when formal actions were warranted in accordance with the ADEQ Handbook,
- two instances when ADEQ delayed escalation from informal actions to formal actions in accordance with the ADEQ Handbook,
- one instance when ADEQ did not issue an NOC until a second bypass violation occurred,
- one instance when ADEQ did not enforce a consent order compliance schedule violation.

To review at least the required minimum sample of five formal enforcement actions, EPA selected four formal enforcement actions in SFY18 in addition to the two SFY23 formal actions. ADEQ's six formal enforcement actions are consent orders and none include the assessment of penalties. The consent orders were either issued because the projected facility return to compliance would exceed 120 days or because informal action(s) issued to the facility failed to return it to compliance within 120 days. While the ADEQ Handbook states a unilateral compliance order will be issued if the consent order negotiation is unsuccessful or not finalized within 15 days of the initial negotiation, EPA found one of the six consent orders was not appropriately escalated to a unilateral compliance order.

EPA's Enforcement Response Guide, which is more stringent than ADEQ's Civil Enforcement Process outlined in Table 4 of the June 2002 AZPDES Program Description, recommends penalties as an appropriate response for frequent violations of effluent limits. In the 2002 NPDES MOA between ADEQ and EPA, ADEQ agrees to employ the spirit of the EPA CWA Penalty



Policy. While the ADEQ Handbook indicates ADEQ may seek penalties with a civil referral to the Arizona Attorney General's Office, EPA finds that ADEQ seldom makes the referral and is not complying with the spirit of EPA's penalty policy. By not assessing penalties when warranted, it is not issuing formal enforcement actions that address violations in an appropriate manner.

The same finding for Metric 10b was identified in Rounds 1, 2, 3, and 4 of the SRF. (Metric 10b was 53.1% in Round 4.) The ADEQ Handbook continues to call for informal enforcement as the initial response to most violations. Despite the Round 4 recommendations to revise the ADEQ Handbook and to create and monitor a metric to measure the process from informal to formal enforcement actions, ADEQ has not increased the percentage of formal actions. In SFY17, ADEQ issued 55 enforcement actions (49 informal and six formal) with the formal actions comprising 11% of the total. In SFY23, ADEQ issued 49 enforcement actions (45 informal and four formal) with the formal actions comprising 8% of the total.

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**Relevant metrics:**

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<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
10a1 Percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to late DMR SNC violations			0	0	0
10a2 Percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to missing DMR SNC violations		2.9%	0	0	0
10a3 Percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to SNC effluent violations		24.6%	1	1	100%
10a4 Percentage of major individually permitted NPDES facilities with formal enforcement action taken in a timely manner in response to SNC compliance schedule violations			0	0	0
10b Enforcement responses reviewed that address violations in a timely and appropriate manner.			32	52	61.5%

**State Response:**

ADEQ acknowledges the importance of timely and appropriate enforcement actions. Concerning ADEQ's goal of issuing an NOC or NOV within 10 days of the inspections, ADEQ remains committed to its 10-day goal as outlined in its Compliance Handbook, which is a more stringent goal compared to the 45-day timeframe outlined in the 2002 NPDES Memorandum of Agreement (MOA) between ADEQ and EPA. ADEQ believes that EPA's SRF should measure ADEQ by the timeframes in the programmatic MOAs signed by EPA and ADEQ, not the Compliance Handbook. The Compliance Handbook timeframes are aspirational but not required in the MOA. Evaluating and comparing ADEQ's performance to other states' performances and national averages should be done by reviewing MOU commitments or timeframes that are similar across states. Metric 10b about timely and appropriate enforcement responses is not a fair evaluation of ADEQ performance. When ADEQ's CWA notices are reviewed for timeliness based on the 45-day timeframes, ADEQ meets the goal almost 100% of the time. Instead this SRF states ADEQ is timely and appropriate 61.5% of the time.

ADEQ strives to balance informal and formal enforcement as the solution to remedy noncompliance

as quickly as possible and prevent non-compliance in the future, and ADEQ continues to follow the process to initiate formal enforcement pursuant to ADEQ's Compliance Handbook.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	ADEQ will assess data provided to EPA for the selected sites to identify the scenarios when ADEQ did not take appropriate or timely action.
2	12/31/2025	ADEQ will perform training to assure that for 80% of the cases that ADEQ completes timely enforcement flow and will reassess the cases where ADEQ may have chosen to utilize another enforcement strategy. Where ADEQ had not provided enough detail in the facility file to EPA that allowed reviewers to determine what actions were taken, ADEQ will complete the file with all pertinent information. To date, ADEQ created a new tool to review notes within the AZURITE database and will update case management standard work to ensure case files are complete.

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**CWA Element 5 - Penalties**

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**Finding 5-1**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

When assessing deferred penalties for a formal action, ADEQ considered economic benefit and gravity in its penalty calculation and documented collection of the penalty payment.

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**Explanation:**

Metric 11a assesses the state's method for calculating penalties and whether it properly documents the economic benefit and gravity components in its penalty calculations. Metric 12b assesses whether the state documents collection of penalty payments.

EPA notes ADEQ issued one penalty action each in 2007 and 2013. These actions received Meets or Exceeds ratings in the Round 2 and Round 3 SRFs, respectively. EPA found no penalties issued in Round 4.

For Round 5, EPA's findings for metrics 11a and 12b are partly based on a review of ADEQ SRF frozen data in ECHO dating back to FY2018, which is the first year of data available after the FY2017 Round 4 SRF. EPA could find no record of ADEQ taking any penalty actions. However, while reviewing a facility file for another element, EPA noted the assessment of deferred penalties on a FY2021 consent judgment.

For metric 11a, the penalty calculation included the two main violations asserted, discharging pollutants into surface water, and discharging without a permit. Gravity was calculated for both violations while the economic benefit was only calculated for the discharge of pollutants.

For Metric 12b, the penalty had not been collected yet as of the SRF review date. However, ADEQ followed appropriate measures to ensure collection, including entering a court ordered show cause where the judge ultimately ordered the facility to pay the penalties.

While ADEQ receives Meets or Exceeds ratings when it takes a penalty action, the fact that penalty actions are seldom taken is a recurring issue discussed in Finding 4-2 (Appropriate Enforcement Actions).

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
11a Penalty calculations reviewed that document and include gravity and economic benefit [GOAL]	100%		1	1	100%
12b Penalties collected [GOAL]	100%		1	1	100%

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**State Response:**

ADEQ will continue to include economic benefit and ability to pay assessments in case referral documentation.

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## CWA Element 5 - Penalties

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### Finding 5-2

Area for Improvement

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### Recurring Issue:

No

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### Summary:

When assessing deferred penalties for a formal action, ADEQ did not document the rationale for the difference between the initial penalty calculation and the lower final penalty amount.

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### Explanation:

Metric 12a assesses whether the state documents the rationale for changing penalty amounts when the final value is less than the initial calculated value.

The final assessed deferred penalty appeared to not include all the economic benefit, but EPA could find no documentation as to why. ADEQ should maintain the rationale for their final penalty decisions in their facility files.

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### Relevant metrics:

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
12a Documentation of rationale for difference between initial penalty calculation and final penalty [GOAL]	100%		0	1	0%

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### State Response:

ADEQ will document the rationale for penalties in a confidential settlement memorandum, including explaining the differences from the final court ordered penalty and the approved penalty. The case referral memorandum will be modified to describe this process and the requirement for a settlement memorandum at the conclusion of the civil action. ADEQ will also incorporate a process of receiving approval to deviate from the CRM penalty that was initially approved.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	12/31/2025	ADEQ shall review the penalty calculation and associated documentation to assure that future penalties will contain appropriate documentation when the final value assessed is lower than the initial calculated value. ADEQ shall include training for staff that details calculation of economic benefit to achieve this update.

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# Clean Air Act Findings

## CAA Element 1 - Data

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### Finding 1-1

Area for Improvement

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### Recurring Issue:

Recurring from Round 3

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### Summary:

The file review indicated that there was consistent reporting of information reported into ICIS-Air, but that the way the information was entered caused inaccuracies.

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### Explanation:

Metric 2b evaluates the completeness and accuracy of reported Minimum Data Requirements (MDRs) in ICIS-Air. The national goal is to accurately report 100% of data in ICIS-Air.

EPA found that 15 of the 31 (48.4%) files reviewed accurately reported MDR data in ICIS-Air. Generally, the inaccuracies were a result of missing entries. Ten compliance activities documented FCEs, Partial Compliance Evaluations (PCEs), and/or Annual Compliance Certifications (ACCs) in the files reviewed but did not have corresponding entries in ICIS-Air. There were also three facilities with missing or multiple addresses.

While information and activity data such as FCEs, stack tests, Title V ACCs were completed, ADEQ failed to report some information into ICIS-Air causing missing entries.

Missing data in ICIS-Air potentially hinders targeting efforts, and results in incomplete information being released to the public.

EPA uses several metrics to determine whether information is entered into ICIS-Air in a timely manner with the goal of achieving 100% percent timeliness. Four metrics are used, and timeliness statistics are calculated when data is frozen immediately prior to the start of the SRF review period. During the SRF 2023 data freeze, ADEQ was in the process of working with EPA to update their reporting system and caused a delay in upload timeliness.

- Metric 3a2 measures whether HPV determinations are entered into ICIS-Air in a timely manner (within 60 days) in accordance with the FY2023 ICIS-Air requirements.
- Metric 3b1 measures the timeliness (within 60 days) for reporting compliance-related MDRs (FCEs and Reviews of Title V Annual ACCs).

- Metric 3b2 evaluates whether stack test dates and results are reported within 120 days of the stack test. The national goal for reporting results of stack tests is to report 100% of all stack tests within 120 days.
- Metric 3b3 measures timeliness for reporting enforcement related MDRs within 60 days of the action.

At the time of the FY2023 metric generation, timeliness statistics were calculated at:

- 3a2: Timely HPV Determinations at 40%
- 3b1: Timely compliance related MDR Reporting at 52.2%
- 3b2: Timely Stack Test Reporting at 35.4%; and
- 3b3: Timely Enforcement-related MDR reporting 15%

Metrics likely do not accurately reflect the true timeliness of ADEQ's activity reporting because of a system malfunction. ADEQ explained that an ICIS-Air update caused a malfunction, or error, between ADEQ's upload system and EPA's database, ICIS-Air in July 2022. The malfunction was due to a data logic error between the ADEQ network and ICIS-AIR because ADEQ IT did not have the correct upload permissions built into the system. During the delay in updating the automatic upload system, ADEQ manually entered ICIS-Air data. The reduced speed and frequency of ADEQ's manual upload process caused a backlog of unentered data. The backlog of unentered data was still present when the automatic upload issue was resolved in November 2023. Starting April 2024, ADEQ transitioned to a monthly data review to confirm automatic uploads or if manual entry is needed. ADEQ's new automated plan should resolve the issue moving forward. In FY2023, ADEQ prioritized accuracy but will improve timeliness moving forward. Because of these known issues and corrective actions, the percentages calculated for this metric did not result in additional Finding 1-1 recommendations.

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**Relevant metrics:**

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<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
2b Files reviewed where data are accurately reflected in the national data system [GOAL]	100%		15	31	48.4%
3a2 Timely reporting of HPV determinations [GOAL]	100%	53%	2	5	40%
3b1 Timely reporting of compliance monitoring MDRs [GOAL]	100%		36	69	52.2%
3b2 Timely reporting of stack test dates and results [GOAL]	100%		23	65	35.4%
3b3 Timely reporting of enforcement MDRs [GOAL]	100%		3	20	15%

**State Response:**

On January 6, 2025, ADEQ requested, and EPA provided the list of facilities that indicated data errors for file metric identified within this audit report so that ADEQ can assure all corrections are made in full. Upon further data analysis, it is ADEQ's belief that the Metric 2b should indicate a higher percent of accuracy. Of the 18 facilities flagged with inaccuracies, ADEQ does not agree with EPA's finding on 6 of them for non-compliance with Metric 2b. Specifically, ADEQ believes that five facilities do not indicate data entry inaccuracies: AZ00000004015Z1913, AZ000158676, AZ000158871, AZ000207771, and AZ000210460. As stated in the EPA explanation above, 16 of the 18 errors in data accuracy are detailed. ADEQ requests further clarification on assumed inaccuracies so that ADEQ can correct any concerns.

During the audit, ADEQ explained to EPA that previously identified IT issues affected the timely upload of data in FY23 and that these concerns have been reconciled by manual monthly data review and entry to ICIS-Air. This monthly data review procedure will be maintained until ADEQ is confident that the nightly data upload is fully functioning. ADEQ is actively working to mitigate manual data entry to create a more efficient process and reduce the possibility of human error. Once the IT modifications are completed with the automated data upload system, ADEQ will remain diligent in our data review and quality assurance /quality control procedures to assure that all necessary reporting requirements are met in a timely fashion.

ADEQ agrees to the recommendations stated by EPA to submit standard operating procedures for entering data to maintain accuracies for all MDR parameters on or before June 30, 2025. Lastly, ADEQ commits to updating its standard operating procedure documenting the steps for entering MDR data into ICIS-Air and will confirm a minimum of 70% effectiveness by April 30, 2026 for fiscal year 2025. ADEQ will check data metrics 3b1, 3b2 and 3b3 to review the effectiveness of the data entry.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	ADEQ will submit a standard operating procedure to EPA, documenting the steps for entering MDR data into ICIS-Air. The standard operating procedure will include, processes that ADEQ will use to enter all MDR parameters and protocols for ensuring that data entry is accurate.
2	04/30/2026	ADEQ should update its data entry protocols to implement the standard operating procedure to ensure that all compliance monitoring activities are reported in ICIS-Air. ADEQ and EPA will check data metrics 3b1, 3b2 and 3b3 to review effectiveness of the data entry. If the metrics are above 70 percent, EPA will consider this recommendation complete.

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**CAA Element 2 - Inspections**

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**Finding 2-1**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

ADEQ conducted FCEs of most of the CMS source universe, exceeding the national average for majors and mega-sites, but not meeting the national goal of 100% for all CMS sources. ADEQ is approaching the national goal of 100% for providing sufficient documentation to determine facility compliance.

---

**Explanation:**

Metric 5a evaluates whether ADEQ met the negotiated frequency for FCE coverage of major and mega-site sources. ADEQ conducted on site FCEs at 47 of 48 major and mega-sites which exceeds the national average but does not meet the national goal of 100%.

Metric 5b evaluates whether ADEQ met the negotiated frequency for FCE coverage of Synthetic Minors 80% (SM-80s). ADEQ conducted FCEs at 16 of 17 SM-80s, which exceeds the national average but does not meet the national goal of 100%. This is a strong improvement from the FY2013 SRF when 0% of SM-80s were inspected.

Metric 6b evaluates whether ADEQ provided sufficient documentation to determine compliance from DMR or facility files reviewed. In 23 of 25 SRF files reviewed, ADEQ provided sufficient documentation to determine compliance, which is approaching the national goal of 100%.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
5a FCE coverage: majors and mega-sites [GOAL]	100%	86%	47	48	97.9%
5b FCE coverage: SM-80s [GOAL]	100%		16	17	94.1%
6b Compliance monitoring reports (CMRs) or facility files reviewed that provide sufficient documentation to determine compliance of the facility [GOAL]	100%		23	25	92%

---

**State Response:**

It is one of ADEQ's highest priorities to reach the 100% national goal in completing FCEs at all CMS sources. Our department will work diligently to provide timely FCEs per our CMS commitment with EPA.

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**CAA Element 2 - Inspections**

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**Finding 2-2**

Area for Improvement

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**Recurring Issue:**

No

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**Summary:**

ADEQ did not complete an FCE at either of the two minors and synthetic minors (non-SM 80s) that are part of the CMS Plan or alternative CMS Plan.

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**Explanation:**

Metric 5c evaluates whether ADEQ met the negotiated frequency for FCE coverage of minors and synthetic minors (non-SM 80s) that are part of the CMS plan or alternative CMS plan. ADEQ did not conduct FCEs at either of the two minors and synthetic minors (non-SM 80s) that are part of CMS Plan or alternative CMS plan.

---

**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
5c FCE coverage: minors and synthetic minors (non-SM 80s) that are part of CMS plan or alternative CMS Plan [GOAL]	100%	79%	0	2	0%

---

**State Response:**

Prior to the SRF, ADEQ had already identified the two facilities with past due FCEs. Upon discovery, ADEQ promptly scheduled and completed the needed FCE events. Going forward, ADEQ is committed to completing FCEs at all minor and synthetic minor CMS sources at least once every five years. Additionally, by June 30, 2025, ADEQ will conduct an internal review of the number of minor and synthetic minor CMS sources and will document to EPA that these have been inspected at the required frequency during FY2025.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	<p>ADEQ should complete an FCE at each of the minor and synthetic minor (non-SM 80s) sources that are part of the CMS Plan at least once every five years.</p> <p>ADEQ will review the number of minors and synthetic minors (non-SM 80s) that are part of the CMS Plan and provide documentation to EPA that these sources are inspected in FY25.</p>

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**CAA Element 2 - Inspections**

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**Finding 2-3**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

An error in the Data Metric Analysis may explain why the data shows that ADEQ did not meet the national average or national goal for reviews of Title V annual compliance certifications (ACCs).

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**Explanation:**

Metric 5e evaluates whether ADEQ completed the required Title V ACC reviews. According to the automatic Data Metric Analysis, ADEQ completed none of the required Title V ACC reviews. However, ADEQ explained that they review ACCs annually for each source during the FCE evaluation process. The SRF file review process substantiated ADEQ's claim that they review ACCs annually because all of the files that were reviewed during the file review process contained Title V ACC reviews. The pattern of ACC completion in the file review suggests ADEQ reviewed most ACCs. Thus, it appears ADEQ reviewed more than 0% of the Title V ACCs in FY2023, but the total number reviews were not accurately reflected in the Data Metric Analysis due to an error. EPA will review calculated percentages for accuracy and ADEQ will continue to ensure ACCs are reviewed and input correctly. Given that all of the files contained an ACC review, EPA believes that the finding Meets or Exceeds Expectations is representative of ADEQ's performance for Metric 5e.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
5e Reviews of Title V annual compliance certifications completed [GOAL]	100%		0	55	0%

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**State Response:**

ADEQ conducts a rigorous compliance certification review process and thus is confident that this metric does not accurately reflect the performance of Data Metric 5e by ADEQ. On January 6, 2025, ADEQ inquired with EPA Region 9 staff on the recommended process for determining the data metric error related to compliance certification completeness reviews. EPA agreed to correspond with EPA ICIS-Air technical data team in order to facilitate further conversations for determining the reason for errors in these data analysis records. ADEQ did identify these data errors within the FY23 Data Verification and Validation period where this issue was described within the state data caveats. ADEQ commits to data reconciliations for metric 5e with help from the ICIS-Air technical team.

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**CAA Element 2 - Inspections**

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**Finding 2-4**

Area for Improvement

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**Recurring Issue:**

No

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**Summary:**

ADEQ's CMRs usually contain enough information to determine compliance, but inspection reports occasionally do not assess the process, current operations, control devices, or monitoring reports.

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**Explanation:**

ADEQ's inspection report template should include all MDR parameters including facility information, compliance monitoring activities, applicable requirements, compliance status of previous violation determinations, and enforcement actions. Although a majority of ADEQ's inspection reports have specific sections and robust assessments for a process description, current operations, and control devices, a few inspection reports in the SRF file review did not assess these elements. Additionally, ADEQ explained that facility reports, like semi-annual reports, are always reviewed during the compliance monitoring process. However, ADEQ's inspection reports did not document which facility reports were reviewed during the compliance monitoring process. Overall, these deficiencies appear to not have hindered the compliance monitoring processes implemented by ADEQ.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
6a Documentation of FCE elements [GOAL]			15	23	65.2%

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**State Response:**

ADEQ is committed to documenting the compliance status of each inspected facility. ADEQ will develop new procedures including updating pre-inspection checklists and inspection report templates, where applicable, to ensure that all relevant data and reporting is captured, reviewed, and discussed at the time of the compliance inspection. And this relevant data and reporting will be included in the inspection reports. The Air Compliance Unit commits to forming a team of air compliance unit members to update its SOP and source inspection template to include all necessary CMR elements. The updated template will assure that all 7 CMR elements are reviewed during the full compliance evaluation, allowing the inspector to make a comprehensive compliance determination. Upon completion and no later than June 30, 2025, ADEQ will provide EPA with a copy of the updated template.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	<p>Modify ADEQ's inspection report template to include separate sections for assessment of process parameters, assessment of control equipment performance parameters, and a description of compliance monitoring reports that were reviewed during the compliance monitoring process.</p> <p>ADEQ will submit an updated inspection report template that includes all requirements of the CAA CMS to EPA.</p>

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**CAA Element 3 - Violations**

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**Finding 3-1**

Area for Improvement

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**Recurring Issue:**

No

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**Summary:**

ADEQ did not accurately determine HPVs at a rate that meets the national goal and did not document the rational for HPV determinations.

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**Explanation:**

Metric 8c focuses on the accurate identification of violations that are determined to be HPVs.

In seven of the 12 files that reported HPVs or Federally Reportable Violations (FRVs) in ICIS-Air in FY2023, ADEQ accurately made such determinations based on the facility's self-reporting and FCE inspection reports. ADEQ stated that it is not currently reporting all FRVs into ICIS-Air, although all files reviewed contained a reported FRV. ADEQ does not document the HPV determination in the case file and no cases reviewed contained documentation of ADEQs determination.



ADEQ should carefully consider which violations are reported as HPVs and document the determination in its records. ADEQ should report all FRVs and HPVs into ICIS-Air in a timely manner.

ADEQ should attend an EPA HPV Policy training to assist in ensuring that they are correctly classifying and reporting HPV violations in accordance with the HPV Policy.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
8c Accuracy of HPV determinations [GOAL]	100%		7	12	58.3%

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**State Response:**

In mid-2024, ADEQ had already implemented changes to its program and SOPs to ensure the appropriate identification and reporting of all FRVs and HPVs. Employees were trained on FRV/HPV determinations in April, 2024. ADEQ will forward these SOPs to EPA by June 30, 2025.

ADEQ also commits to attending an EPA HPV Policy Training session and retraining all employees by June 30, 2025. This training will be given to all new employees and periodic retraining will be provided to all employees as necessary.

Additionally, by January 30, 2026, ADEQ agrees to discuss HPV determinations during quarterly Region 9 calls to ensure continued accuracy of HPV determinations.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	06/30/2025	ADEQ should attend an EPA HPV Policy training and instruct staff of proper HPV Policies.
2	06/30/2025	ADEQ should submit updated procedure for documentation of HPV determinations to EPA for Review.
3	01/30/2026	ADEQ and EPA should discuss violations and classification of HPVs quarterly to ensure continued accuracy of HPV determinations.

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**CAA Element 3 - Violations**

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**Finding 3-2**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

ADEQ conducted accurate FCE compliance determinations at a rate that is approaching the national goal. Additionally, ADEQ met the national goal for timelessness for HPV identifications.

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**Explanation:**

Metric 7a is designed to evaluate the overall accuracy of compliance determinations.

In 31 of the 32 files reviewed, ADEQ provided an adequate level of detail in inspection reports and other compliance evaluations to document the compliance determinations. The inspection reports noted potential violations when they were identified. One file did not contain enough information to evaluate if the compliance determination was accurate.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
7a Accurate compliance determinations [GOAL]	100%		31	32	96.9%
13 Timeliness of HPV Identification [GOAL]	100%	88%	5	5	100%

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**State Response:**

ADEQ commits to continued evaluations of HPVs for all cases and will remain diligent in reporting these cases into ICIS-Air

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**CAA Element 4 - Enforcement**

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**Finding 4-1**

Area for Improvement

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**Recurring Issue:**

No

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**Summary:**

EPA found that ADEQ formal enforcement actions were resolved timely and with appropriate resolutions and penalties, but there were HPV violations that did not result in formal enforcement or resolutions.

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**Explanation:**

EPA found that some formal enforcement actions were missing documentation as to how HPVs were resolved, and some were not resolved in a timely manner.

Metric 9a is designed to evaluate whether the agency takes formal enforcement actions that return facilities to compliance. In four of six files reviewed, ADEQ included information regarding a corrective action that would return the facility to compliance. EPA found that most files did include details as to when or how the facility would return to compliance, but several files were missing documentation used to determine return to compliance.

Metric 10b is designed to evaluate the extent to which the agency takes appropriate enforcement responses for HPVs. In two of six files reviewed, ADEQ properly identified HPVs and had appropriate enforcement responses and resolutions for them. Many of the files EPA reviewed failed to contain proper enforcement documents. EPA identified several files that contained HPVs that were not resolved in a legally enforceable manner according to the HPV Policy. Several other files contained violations that were not flagged as HPVs and did not contain legally enforceable resolutions. These files were not contained in the metric percentages but should have been resolved with an appropriate enforcement response.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
9a Formal enforcement responses that include required corrective action that will return the facility to compliance in a specified time frame or the facility fixed the problem without a compliance schedule [GOAL]	100%		4	6	66.7%
10b Percent of HPVs that have been addressed or removed consistent with the HPV Policy [GOAL]	100%		2	6	33.3%

---

**State Response:**

ADEQ acknowledges the importance of timely and appropriate enforcement actions. ADEQ strives to balance informal and formal enforcement as the solution to remedy non-compliance as quickly as possible and prevent non-compliance in the future, and ADEQ continues to follow the process to initiate formal enforcement pursuant to ADEQ's Compliance Handbook.

By December 31, 2025, ADEQ commits to developing a SOP for implementing the HPV policy as it aligns with ADEQ's enforcement policy. The SOP will provide transparency on how ADEQ determines appropriate enforcement actions for HPVs and ensure timely and appropriate resolutions and/or Case-Specific Management Plans.

ADEQ does, however, believe that metric 10b percent compliance should be higher as internal review did determine all 6 HPVs were reported, addressed, and resolved in ICIS-Air and request that EPA re-evaluate this data.

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**Recommendation:**

Rec #	Due Date	Recommendation
1	12/31/2025	<p>ADEQ should implement the HPV Policy to ensure that violations are resolved appropriately and timely. Included in the implementation of the HPV Policy will be measures to ensure that HPVs are resolved within 180 days or a Case Development and Resolution Timeline is created to resolve the violations. Implementation will ensure HPVs are addressed through one of the following actions:</p> <ul style="list-style-type: none"> <li>• Issue a legally enforceable order that requires immediate action to come into compliance with the requirement violated;</li> <li>• Issue a legally enforceable order that imposes penalties, where the source has demonstrated that it is currently complying with the requirement violated;</li> <li>• Issue a legally enforceable order that imposes a schedule on the source to comply with the requirement violated and penalties for the violation; or</li> <li>• Transfer or refer the matter to an organization with authority to initiate a civil or criminal judicial action.</li> </ul> <p>ADEQ will develop a policy or standard operating procedure for implementing HPV resolutions and Case-Specific Management Plans.</p>

#### CAA Element 4 - Enforcement

##### Finding 4-2

Meets or Exceeds Expectations

##### Recurring Issue:

No

##### Summary:

ADEQ resolved HPVs within 180 days in accordance with the HPV Policy.

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**Explanation:**

Metric 10a is designed to evaluate the extent to which the agency takes timely action to address HPVs. EPA reviewed files from FY2023 to understand how ADEQ addressed HPVs. In eight files that included an HPV resolution, EPA found seven of the eight HPVs were resolved within 180 days in accordance with the HPV Policy.

Metric 14 is designed to evaluate the timeliness of case development and resolution involving HPVs according to the HPV Policy. The Policy measures HPVs that are not addressed, or otherwise have had a case completion within 180 days from the time of violation. ADEQ did not have any case files that contained a Case Development and Resolution Timeline. All cases with HPVs reviewed were resolved within 180 days. Case files containing violations greater than 180 days without HPVs were not reviewed under this metric.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
10a Timeliness of addressing HPVs or alternatively having a case development and resolution timeline in place	100%	35.8%	7	8	87.5%
14 HPV case development and resolution timeline in place when required that contains required policy elements [GOAL]	100%		0	0	0

---

**State Response:**

ADEQ is committed to continued management of HPVs in a timely manner in accordance with EPA's HPV Policy and ADEQ's Compliance Handbook.

ADEQ believes Metric 10a met 100% compliance as the facility flagged contained a violation that was resolved timely under 180 days.

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**CAA Element 5 - Penalties**

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**Finding 5-1**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

ADEQ met the national goal of 100% for documentation of gravity and economic benefit in penalty calculations and penalties collected.

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**Explanation:**

Metric 11a evaluates whether ADEQ documented gravity and economic benefit in the case file for a penalty calculation. ADEQ documented gravity and economic benefit in five of the five penalty calculations reviewed which meets the national goal of 100%. ADEQ improved its penalty calculation process over the last five years by developing a standardized penalty calculation process. ADEQ's new penalty calculation worksheet documents how the gravity and economic benefit values are assessed.

Metric 12b evaluates whether ADEQ documented final penalty collections. ADEQ documented transaction reports that show final penalties were collected in four of four case files which meets the national goal of 100%.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
11a Penalty calculations reviewed that document gravity and economic benefit [GOAL]	100%		5	5	100%
12b Penalties collected [GOAL]	100%		4	4	100%

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**State Response:**

ADEQ will continue to include both the economic benefit as applicable, along with a gravity component when calculating penalties.

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**CAA Element 5 - Penalties**

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**Finding 5-2**

Area for Improvement

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**Recurring Issue:**

No

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**Summary:**

ADEQ did not meet the national goal of 100% for documentation of the rationale for the difference between initial penalty calculation and final penalty.

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**Explanation:**

Metric 12a evaluates whether ADEQ documented the rationale for the difference between the initial and final penalty. ADEQ documented the rationale for the difference between initial penalty calculation and final penalty in two of the five instances where penalties were used in a formal enforcement action and were subsequently lowered, which does not meet the national goal of 100%. EPA acknowledges that ADEQ has discretion to adjust penalties to resolve matters, but that they should improve documentation to ensure that those adjustments are appropriate.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
12a Documentation of rationale for difference between initial penalty calculation and final penalty [GOAL]	100%		2	5	40%

---

**State Response:**

ADEQ will document the rationale for penalties in a confidential settlement memorandum, including an explanation of the difference from the final court ordered penalty and the initial approved penalty. The case referral memorandum (CRM) will be modified to describe this process and the requirement for a settlement memorandum at the conclusion of the civil action. ADEQ will also incorporate a process of receiving approval to deviate from the CRM penalty that was initially approved.

ADEQ agrees to provide a final copy of the settlement memorandum template on or before the deadline of June 30, 2025.

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**Recommendation:**

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Rec #	Due Date	Recommendation
1	06/30/2025	<p>ADEQ should create a template document that can be saved in case files when penalties are used in a formal enforcement action and are subsequently lowered to document the difference between initial and final penalty.</p> <p>ADEQ will submit to EPA an update to the penalty calculation template to document the difference between initial and final penalty.</p>

# Resource Conservation and Recovery Act Findings

## RCRA Element 1 - Data

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### Finding 1-1

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

34 of 40 files (85%) contained data that was accurately reflected in the RCRAInfo database.

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### Explanation:

EPA reviewed 33 ADEQ files and 7 PDEQ files for the Round 5 SRF. 100% (7 of 7) of the PDEQ files and 81.8% (27 of 33) of the ADEQ files appeared to be entered correctly in RCRAInfo. The observed inaccuracies noted in ADEQ's files were: 1) the return to compliance information was missing for two facilities (RCRAInfo showed open violations), 2) the date of two compliance evaluation inspections (CEI) were entered incorrectly, 3) a single inspection was entered twice in RCRAInfo and 4) ADEQ failed to enter violations that were corrected the same day of the inspection in RCRAInfo.

It has been ADEQ's practice that when a facility is both a large quantity generator (LQG) and treatment, storage and disposal facility (TSDF) and an inspection evaluated both generating and receiving aspects of the facility, then the inspection is counted as two distinct inspections. This is in opposition with EPA's policy which counts these as one singular inspection. EPA recommends ADEQ revise their translation such that this is recorded as only one inspection in RCRAInfo.

Not entering potential violations corrected during the inspection or the same day of the inspection in RCRAInfo is in opposition with EPA's policy and makes it difficult to identify repeat violations that could possibly lead to a SNC designation on subsequent inspections.

Although the combined ADEQ and PDEQ accurate data entry percentage allows for a Meets or Exceeds Expectations finding it should be noted that ADEQ's accurate data entry percentage, 82%, has decreased from the 2017 SRF when it was 90% and would be considered an Area for Attention if evaluated separately.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
2b Complete and accurate entry of mandatory data.	100%		34	40	85%

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**State Response:**

ADEQ values the collaborative efforts with EPA Region 9 and Headquarters to enhance data visibility in the Integrated Compliance Information System. ADEQ acknowledges the concerns regarding data accuracy. Although we resolved the return to compliance information missing in RCRAInfo, we believe that the incorrect date input of the two CEIs were of human manual error. ADEQ Hazardous Waste Inspections and Compliance Unit (HWICU) will conduct a training session review regarding correct data input.

We will work with the Hazardous Waste Data team to adjust our system input for both TSDF and LQG inspections (3). We plan to log the inspection as a TSDF inspection type in our database and have both LQG and TSDF checklists on the inspection report. During a meeting that occurred February 2023, ADEQ and the EPA R9 data team agreed that if a facility is both an LQG and TSDF, they would be treated as separate inspections. We agree to no longer use this input per EPA 2024 SRF recommendations and will input it as one inspection in the database and inspection report.

Regarding potential violations corrected during inspection, pursuant to ADEQ's 2023 Compliance Handbook, ADEQ documents in its inspection report any alleged deficiencies that are corrected before ADEQ leaves the facility. If the violation is an NOV violation and corrected during the inspection, ADEQ issues an open and closed NOV, and enters the data into AZURITE. That data will be reflected in RCRAInfo. ADEQ identifies violations in the inspection report and reviews past inspection reports as part of the pre-inspection checklist. If the same violation is discovered at the next inspection of the facility, an NOC or NOV is issued or formal enforcement utilized. The guidance in the Compliance Handbook ensures that ADEQ identifies repeat violations on subsequent inspections.

This is in conjunction with A.R.S. § 41-1009(E), wherein, "Unless otherwise provided by state or federal law, the agency shall provide the regulated person an opportunity to correct the alleged deficiencies unless the agency documents in writing as part of the inspection report that the alleged deficiencies are: 1. Committed intentionally. 2. Not correctable within a reasonable period of time as determined by the agency. 3. Evidence of a pattern of noncompliance as demonstrated by alleged deficiencies previously identified in an inspection report or other written notice at the same premises. 4. A significant risk to any person, the public health, safety or welfare or the environment."

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## RCRA Element 2 - Inspections

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### Finding 2-1

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

Arizona's inspection coverage for TSDFs meets the two-year coverage requirement. Arizona's LQG inspection 5-year coverage is above the national goal.

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### Explanation:

There are 8 operating TSDFs in Arizona. One TSDF is located on the Colorado River Indian Tribe Reservation, therefore ADEQ is not responsible for the inspection and permitting of this facility. ADEQ inspected 7 of 7 TSDFs during the two-year period. According to 2023 RCRAInfo data, there are 351 active LQGs located in Arizona. A detailed review of Arizona's LQG universe found that 150 LQGs were incorrectly assigned to ADEQ's universe because they were (1) located in Indian Country, (2) the EPA Identification Number issued were temporary or emergency numbers, (3) medical and hospitals managing waste under Subpart P which are no longer considered LQGs, etc. The revised LQG universe, based on this review, is 201 LQGs. For the 1-year review period, ADEQ and PDEQ together inspected 51 of the LQGs or 25.40% of the Arizona LQG universe. This is above the national goal of 20% and above the national average of 9% and shows significant improvements from the 2017 SRF when ADEQ inspected 12.4% of their LQG universe during the 1-year review period (PDEQ inspections weren't evaluated as part of the Round 4 SRF).

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### Relevant metrics:

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
5a Two-year inspection coverage of operating TSDFs [GOAL]	100%	88.7%	7	7	100%
5b1 Annual inspection coverage of LQGs and reverse distributor (RD) universes combined using RCRAInfo universe [GOAL]	20%	9%	51	201	25.4%

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**State Response:**

ADEQ takes pride in our improvements in ensuring the RCRA program meets the LQG and TSD inspection requirements. ADEQ has recently undergone a Data Clean Up project where facilities that were incorrectly assigned to ADEQ's Universe were either closed out or cleaned up from ADEQ's database. We believe that this project addresses the 150 LQGs incorrectly assigned.

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**RCRA Element 2 - Inspections**

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**Finding 2-2**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

The RCRA Field Investigation Reports provide sufficient documentation to determine compliance at the facility.

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**Explanation:**

Each report contains facility information, inspection participants, description of facility operations, description of permitted areas (if applicable), files reviewed, observations/violations and appropriate attachments and photographs to document the observation/violation. A total of 40 inspection files were evaluated for completeness and sufficiency to determine compliance with the RCRA requirements. It was found that 100% of the ADEQ and PDEQ inspection reports met this standard.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
6a Inspection reports sufficient to determine compliance.	100%		40	40	100%

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**State Response:**

ADEQ RCRA inspection team attributes the collaboration with EPA Region 9 and Headquarters as a contributing factor to the ongoing improvement of inspection procedures. HWICU appreciates the recognition in its completeness and sufficiency in inspection reports.

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**RCRA Element 2 - Inspections**

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**Finding 2-3**

Meets or Exceeds Expectations

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**Recurring Issue:**

No

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**Summary:**

Arizona issues timely inspection reports.

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**Explanation:**

The report template developed by ADEQ clearly identifies the specific date(s) of an inspection and has a signature block showing when the report was issued. PDEQ does not have a signature block on their inspection reports, nor does it indicate when a report was issued. For the 7 PDEQ inspection reports, the date on the NOC/NOV was used to calculate the timeliness of inspection reports. Going forward EPA recommends that PDEQ add a signature block(s) to their inspection reports and enter the report in RCRAInfo as an informal enforcement action (code 145).

ADEQ's Compliance Handbook notes that inspection reports should be field-issued if possible and must be issued no later than 30 working days after the inspection. Based on the above parameters used to measure timeliness, ADEQ completed 100% (33 of 33) of their inspection reports on time. ADEQ's average time to complete an inspection report was 6 days.

PDEQ is not subject to ADEQ's report timelines. Therefore, we used the standard 60 days as the parameter to measure report timeliness. Based on this parameter, PDEQ issued 85.7% (6 of 7) inspection reports on time. One inspection report took 75 days to issue. PDEQ's average time to complete an inspection report was 23 days.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
6b Timeliness of inspection report completion [GOAL]	100%		39	40	97.5%

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**State Response:**

ADEQ understands the importance of delivering inspection reports in a timely manner, according to statute. While ADEQ issued inspections reports timely 100% of the time based on a 30-day issuance measure, ADEQ believes it should be measured based on the EPA standard 60 day timeframe. Per the Compliance Handbook, ADEQ strives to issue inspection reports in 7 days and by law must issue reports within 30 working days. ADEQ timeframes that differ from EPA standards should not be used to measure ADEQ performance under the SRF. EPA should utilize one standard for all SRFs. ADEQ has notified PDEQ of EPA's recommendations regarding signature blocks and RCRAInfo data input. Per the ADEQ-PDEQ Delegation Agreement, PDEQ will use inspection checklists and boilerplate documents provided by ADEQ or utilize a template that contains the same content. ADEQ will ensure that PDEQ's inspection reports will be based on ADEQ's provided documents to rectify these deficiencies.

PDEQ's RCRA team provided ADEQ with their inspection report template. Section 8 of the template will provide the signature of the PDEQ Inspector, accompanied by the date on which the inspector submitted the draft inspection report for approval to PDEQ's Water & Waste Manager. Section 9 will provide the signature and date of the approved inspection report by PDEQ's Water & Waste Manager.

Moving forward, PDEQ will enter into RCRAinfo, under enforcement type (code 145), the date of when the inspection report was submitted for approval. Once the inspection report has been approved, PDEQ will re-enter into RCRAinfo the date corresponding to the relevant enforcement type (i.e., 104-Inspection Report sent no violation no response, 115-NOC/ Notice of Opportunity to Correct). All PDEQ RCRA inspection reports are to be issued within a 60-day timeframe.

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## **RCRA Element 3 - Violations**

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### **Finding 3-1**

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#### **Recurring Issue:**

No

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#### **Summary:**

Files reviewed included accurate compliance determinations, but ADEQ's Compliance Handbook lacks a standardized definition of a SNC.

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#### **Explanation:**

ADEQ's inspection reports contain narrative, checklists and a photograph log documenting specific areas of non-compliance listed in the report. ADEQ classifies violations into 3 different categories in AZURITE. Minor violations are low-risk to human health and the environment. If only minor issues were identified an NOC is issued. Major violations have an increased risk to human health and the environment, and an NOV will be issued. Major-Discretionary violations have the potential to create an increased risk to human health and the environment. These violations are labeled as discretionary and require the inspector to make a determination of the violation severity and whether an NOC or NOV should be issued. Per ADEQ's Compliance Handbook, an NOV may only be issued if the inspection report contains one of four specific findings: 1) committed intentionally, 2) not correctable within a reasonable period of time as determined by the agency, 3) evidence of a pattern of non-compliance as demonstrated by alleged deficiencies in previous inspection reports, or 4) a significant risk to any person, the public health, safety or welfare, or the environment.

29 of the 33 ADEQ files reviewed appeared to have accurate compliance determinations. Two file reviews showed that the facility took over 240 days to return to compliance and should have been designated a SNC per EPA's Enforcement Response Policy (ERP). One facility was initially issued an NOC. Subsequently, ADEQ drafted an NOV but it was never officially issued because the facility returned to compliance. The other facility was issued an NOV which was closed out once violations were corrected. Two other file reviews showed repeat and significant violations that we believe should have been addressed through formal enforcement action. The rest of the files showed that ADEQ is issuing NOCs and NOV's in accordance with their Compliance Handbook.

ADEQ's Compliance Handbook does not have a definition of a SNC and currently does not require inspectors to consider SNC designations. In the past a SNC designation could only be made by the Division Director. ADEQ is currently developing a process for identifying SNCs. When ADEQ formalizes a SNC policy they should consider how their current definition of NOV includes instances that may be considered SNC according to the ERP and revise/clarify as needed. EPA



determined that 27 of the 31 ADEQ inspection files reviewed contained appropriate SNC determinations per the ERP.

7 of 7 PDEQ files reviewed appeared to have accurate compliance determinations. No violations were noted during 4 inspections while 3 inspections had violations that were resolved through informal enforcement actions.

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**Relevant metrics:**

<b>Metric ID Number and Description</b>	<b>Natl Goal</b>	<b>Natl Avg</b>	<b>State N</b>	<b>State D</b>	<b>State %</b>
7a Accurate compliance determinations [GOAL]	100%		36	40	90%
8b Timeliness of SNC determinations [GOAL]	100%	90%	0	0	0
8c Appropriate SNC determinations [GOAL]	100%		29	33	87.9%

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**State Response:**

ADEQ agrees with EPA's findings that the enforcement actions that took longer than 240 days to return to compliance should have been escalated into significant enforcement.

ADEQ acknowledges the importance of timely and appropriate enforcement actions. ADEQ strives to balance informal and formal enforcement as the solution to remedy non-compliance as quickly as possible and prevent non-compliance in the future, and ADEQ continues to follow the process to initiate formal enforcement pursuant to ADEQ's 2023 Compliance Handbook.

Concerning RCRA's SNC policy, ADEQ inspectors are required to consider SNC designations. ADEQ is currently formalizing a SNC policy to be used in conjunction with significant violations that result in a NOV, and is addressing this issue via a fix in AZURITE.

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## **RCRA Element 4 - Enforcement**

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### **Finding 4-1**

Meets or Exceeds Expectations

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### **Recurring Issue:**

No

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### **Summary:**

Arizona effectively manages secondary violators with informal enforcement responses but didn't use formal enforcement in several cases where it may have been warranted.

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### **Explanation:**

ADEQ does a good job of issuing timely informal enforcement actions that address the violations noted in their inspection reports. Inspections are typically announced two weeks ahead of time and inspection checklists are provided to the facility. ADEQ also does a good job of returning sites to compliance. 100% of the files reviewed were properly closed out.

ADEQ's Compliance Handbook shows two paths for informal enforcement actions. ADEQ manages noncompliant facilities by issuing either a NOC or a NOV. NOVs are issued when violations are: 1) committed intentionally, 2) not correctable within a reasonable period of time as determined by the agency, 3) evidence of a pattern of non-compliance as demonstrated by alleged deficiencies in previous inspection reports, or 4) a significant risk to any person, the public health, safety or welfare, or the environment. For ADEQ's NOV compliance deadline schedules that exceed 120 days, there are multiple options the state agency takes. ADEQ either: 1) follows up with the facility within 10 days to explain the NOV and inquire if the deadline will be met, 2) incorporates additional time or propose specified timeframes that may be negotiated in a consent order, or 3) issues a compliance order. Two files did not show a return to compliance within the 120-day timeframe. They also didn't meet the 240-day timeframe for secondary violators as outlined in EPA's ERP. Two other files had repeat and significant violations that we believe warranted consideration of a formal enforcement action. Our review indicated that formal enforcement did not appear to be considered and formal enforcement is not adequately addressed in ADEQ's Compliance Handbook.

ADEQ provided information about formal enforcement activities that were conducted during the SRF review period, but these activities were not reflected in the data because the sites do not have a permanent EPA ID number.

PDEQ had no formal enforcement actions during the review period to evaluate. We recommend that PDEQ enter their inspection reports as informal enforcement actions in RCRAInfo (code 145) to more accurately reflect their informal enforcement efforts.

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**Relevant metrics:**

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
9a Enforcement that returns violators to compliance.	100%	87.7%	33	33	100%
10a Timely enforcement taken to address SNC [GOAL]	80%	89.1%	0	0	0
10b Appropriate enforcement taken to address violations [GOAL]	100%		29	33	87.9%

---

**State Response:**

ADEQ acknowledges the importance of timely and appropriate enforcement actions. ADEQ's 2023 Compliance Handbook and associated RCRA standard work are complementary and robust in allowing a streamlined and effective route to correct non-compliance. ADEQ will continue to improve our process adherence to the best of our ability to meet established goals.

To address EPA feedback regarding escalating informal enforcement into formal enforcement, ADEQ RCRA team will reiterate compliance escalation deadlines outlined in the Compliance Handbook and is currently developing more robust standard work on decision trees and escalation triggers for informal enforcement. Moving forward, ADEQ is dedicated to refining our processes to ensure more consistent and timely enforcement actions, ultimately improving our success in returning facilities to compliance.

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## RCRA Element 5 - Penalties

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### Finding 5-1

Meets or Exceeds Expectations

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### Recurring Issue:

No

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### Summary:

No penalties were collected as ADEQ and PDEQ had no formal enforcement actions during the review period.

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### Explanation:

ADEQ and PDEQ did not have any formal enforcement actions entered into RCRAInfo for the review period. Therefore, there were no assessed penalties for us to evaluate.

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### Relevant metrics:

Metric ID Number and Description	Natl Goal	Natl Avg	State N	State D	State %
11a Gravity and economic benefit [GOAL]	100%		0	0	0
12a Documentation of rationale for difference between proposed penalty calculation and final penalty.	100%		0	0	0
12b Penalty collection [GOAL]	100%		0	0	0

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### State Response:

RCRA enforcement is currently undergoing a penalty calculation with a formal enforcement case and will include economic benefit and ability to pay assessments in case referral documentation.

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