ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Capacity Development Annual Report Fiscal Year (FY) 2025

1110 West Washington Street
Phoenix, Arizona 85007
602-771-2300
azdeq.gov

September 2025
Publication Number EQR-25-21

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List of Acronyms

A.A.C.	Arizona Administrative Code
ACC	Arizona Corporation Commission
ADEQ	Arizona Department of Environmental Quality
AOC	Approval of Construction
A.R.S.	Arizona Revised Statutes
ATC	Approval to Construct
CWS	Community Water System
DBP	Disinfection By-Products
DWID	Domestic Water Improvement District
DWSRF	Drinking Water State Revolving Fund
EPA	U.S. Environmental Protection Agency
ETT	Enforcement Tracking Tool
FY	Fiscal Year
ISA	Interagency Service Agreement
IX	Ion Exchange
MAP	Monitoring Assistance Program
MCL	Maximum Contaminant Level
MPL	Master Priority List
NTNCWS	Non-Transient Non-Community Water System
PFAS	Per- and polyfluoroalkyl substances
PN	Public Notice
PWS	Public Water System
RWIC	Rural Water Infrastructure Committee
SDWA	Safe Drinking Water Act
SDWSF	Small Drinking Water Systems Fund
SRF	State Revolving Fund
SUDC	Small, Underserved and Disadvantaged Communities
TA	Technical Assistance
TMF	Technical, Managerial, Financial Capacity
TNCWS	Transient Non-Community Water System
TTHM	Total Trihalomethanes
WIFA	Water Infrastructure Finance Authority of Arizona
WIIN	Water Infrastructure Improvements for the Nation Act

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY CAPACITY DEVELOPMENT ANNUAL REPORT JULY 1, 2024 – JUNE 30, 2025

1. INTRODUCTION

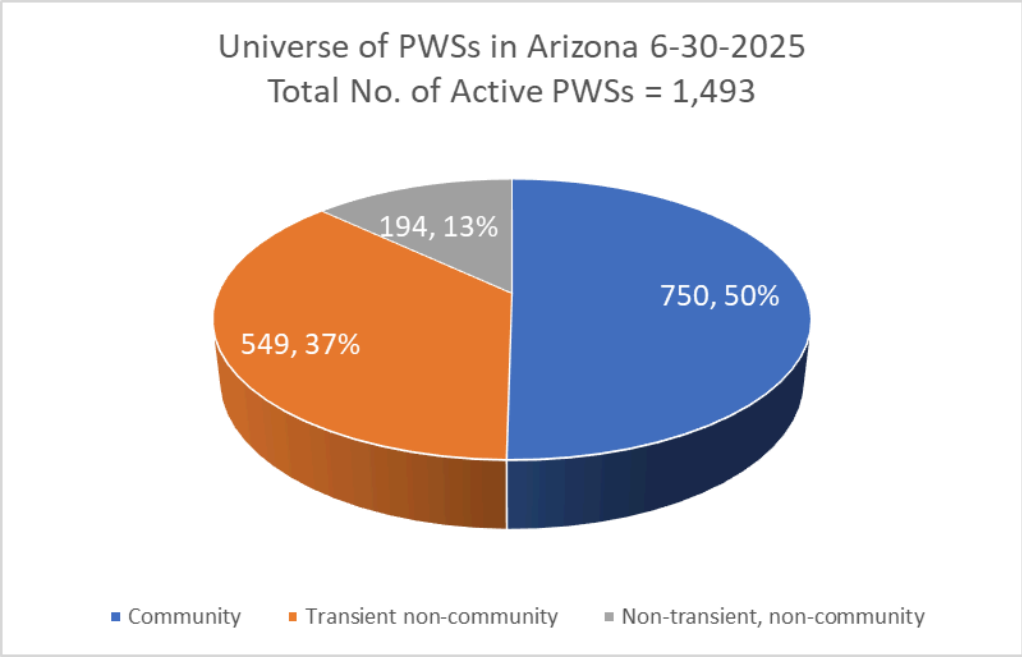
The objective of the 1996 amendments to the Safe Drinking Water Act (SDWA) is to ensure that public water systems (PWSs) have the ability to provide safe drinking water to the public. Water system capacity is the ability to plan for, achieve, and maintain compliance with all applicable state and federal drinking water standards and regulations. There are three components to capacity: technical, managerial and financial (TMF). States are to develop strategies and programs aimed at helping water systems acquire and maintain these capacities in order to properly operate, manage and finance their systems. Adequate capability in all three areas is necessary for the successful operation of a public water system. States are prohibited from providing Drinking Water State Revolving Fund (DWSRF) assistance to a PWS that lacks adequate capacity, unless that assistance is directly related to improving that system's technical, managerial or financial capabilities.

The Arizona Department of Environmental Quality's (ADEQ) Capacity Development Program works to ensure that new small community and non-transient, non-community public water systems possess the technical, managerial, and financial capabilities to operate in accordance with all federal and state drinking water rules and regulations. In addition, the program also targets both new and existing community and non-transient, non-community PWSs serving 10,000 or fewer people for technical assistance funded through set-aside monies from the U.S. Environmental Protection Agency (EPA) Capitalization Grant of the DWSRF.

The 1996 SDWA amendments also require states to prepare an annual report documenting the ongoing implementation of the Capacity Development Program for addressing capacity determinations for new systems and the application of the approved strategy for existing public water systems. This report reviews the activities conducted by ADEQ from July 1, 2024, through June 30, 2025, and provides responses to the memorandum from Cynthia C. Dougherty, Director, Office of Groundwater and Drinking Water, EPA, Washington, D.C., dated June 1, 2005, and the questions highlighted in the "Reporting Criteria for Annual State Capacity Development Program Implementation Reports".

2. ARIZONA'S WATER SYSTEM DEMOGRAPHICS

As of June 30, 2025, there are 1,493 regulated PWSs currently operating in Arizona: 750 are classified as community water systems (CWS) (50%), 194 are non-transient, non-community water systems (NTNCWS) (13%) and 549 are transient non-community water systems (TNCWS) (37%). Over 95% of Arizona's public water systems are classified as "small water systems" serving less than 10,000 persons, based on EPA's classification of drinking water systems by population served. ADEQ's Capacity Development Program is designed to help address the needs of these small water systems.



3. NEW SYSTEMS PROGRAM ANNUAL REPORTING CRITERIA

3.1 Has the state's legal authority to implement the program changed in previous year?

The legal authority to implement ADEQ's Capacity Development Program has not changed since the adoption of the capacity development rule in 1999. The Department's regulations are codified in the Arizona Administrative Code (A.A.C.) Title 18, Chapter 4, Article 6 – Capacity Development Requirements for a New Public Drinking Water System.

3.2 Have there been any modifications to the state's control points? If so, describe the modifications and any impacts these modifications have had on implementation of the new systems program. If not, no additional information on control points is necessary.

Since updating the Capacity Development Strategy in April 2022, there have been no modifications to the state's control points.

3.3 List new systems (PWSID & Name) in the state within the past three years, and indicate whether those systems have been on USEPA's Enforcement Targeting Tool (ETT) list.

Table 1 lists the 35 PWSs that were activated as new public water systems between July 1, 2022, and June 30, 2025. Thirteen of these systems were reactivated during this period and therefore are not "new". They are denoted with an asterisk next to the PWS number.

Table 1: List of PWSs Activated from July 1, 2022 through June 30, 2025

PWS Number	PWS Name	Type	County	Population	Activity Date
AZ0411565	Scotts Miracle Gro	NTNC	Pinal	25	7/18/2022
AZ0403150	Moose Ranch	NC	Coconino	30	8/31/2022
AZ0408805	White Hills Carl's Jr	NC	Mohave	500	12/5/2022
AZ0408322 *	Tri State Petroleum	NC	Mohave	35	1/5/2023
AZ0411038 *	Picacho Peak Water Company	C	Pinal	55	2/13/2023
AZ0407916	Sheraton Phoenix Downtown	NTNC	Maricopa	1804	3/6/2023
AZ0407552	The Willow Wedding Venue	NC	Maricopa	150	3/9/2023
AZ0411460	GW – Santa Cruz Water -Twin Hawks	C	Pinal	50	5/5/2023
AZ0403025 *	Mustang River Grill	NC	Coconino	250	5/19/2023
AZ0411570	Florence, Town of – Rodeo Well	NC	Pinal	500	7/21/2023
AZ0408145 *	Mohave County - Lake Juniper County Improvement District	C	Mohave	63	8/21/2023
AZ0410271	USFWS Buenos Aires National Wildlife Refuge	NTNC	Pima	54	8/27/2023
AZ0411557 *	New Saddleback Vista DWID	C	Pinal	100	9/11/2023
AZ0413485	Ventura Ranch Water System	C	Yavapai	300	9/15/2023
AZ0410501	Marana Municipal – Silverbell Gateway	C	Pima	50	9/26/2023
AZ0407549	White Tank Well, Inc	C	Maricopa	87	10/18/2023
AZ0407554	Carioca Shell #99	NC	Maricopa	500	10/31/2023
AZ0403047 *	Fort Valley Lodge	NC	Coconino	31	12/16/2023
AZ0408200	Grand Canyon Glamping Resort	NC	Mohave	60	12/18/2023
AZ0407364 *	Desert Oasis RV Park	NC	Maricopa	40	1/29/2024
AZ0404247	Whispering Hope	NC	Gila	160	2/1/2024
AZ0407553	White Tank Water	NC	Maricopa	200	2/12/2024
AZ0411560 *	Pinal County Justice Complex	C	Pinal	820	3/7/2024
AZ0411575	GWR – Santa Cruz – Maricopa Southwest	C	Pinal	596	3/11/2024
AZ0415060 *	La Paz County Parks -Centennial Park	NC	La Paz	100	3/12/2024
AZ0410250	Thim Utility Co – Parkin	C	Pima	69	4/9/2024
AZ0408195	Silver Creek Water Co	NC	Mohave	25	6/1/2024
AZ0405010 *	Naturesweet USA	NTNC	Graham	200	6/19/2024
AZ0410968	Rio Mercado Water	C	Pima	266	7/25/2024
AZ0403275	Pinyon Plain Mine	NTNC	Coconino	35	10/18/2024
AZ0413273 *	Oak Creek Vineyards	NC	Yavapai	150	12/19/2024

AZ0407538	Surprise, City of – Buena Vista	C	Maricopa	520	3/26/2025
AZ0410505 *	Marana Municipal – Tortolita Mountain	C	Pima	200	5/15/2025
AZ0413488	Bumblebee Ranch	NC	Yavapai	50	5/16/2025
AZ0411114 *	CS Carter Water Co.	C	Pinal	28	5/29/2025

Table 2 shows the new PWSs with an ETT score and the number of violations, as of June 30, 2025, and an explanation of efforts to resolve the violations. Four of the twenty-two new water systems had an ETT score or violation points. ADEQ's Compliance Assistance Coordinators are working with all of these systems in order to return them to compliance.

Table 2: List of New PWSs with ETT Scores

PWS Number / PWS Name	ETT Score	Violations	Explanation of Violation	Status of Assistance
AZ0407916 Sheraton Phoenix - Downtown	7	6	Failure to conduct routine DBP monitoring for HAA5 & TTHM (x3)	The Compliance Assistance Coordinator is working with the operator to conduct the necessary monitoring
AZ0413485 Ventura Ranch Water	8	3	Failure to conduct lead service line inventory; failure to report lead service line inventory; PN linked to violation	The Compliance Assistance Coordinator will reach out to the water system to activate their account and update their inventory
AZ0410271 USFWS – Buenos Aires National Wildlife Refuge	11	2	Failure to conduct routine nitrate monitoring (x2)	The Compliance Assistance Coordinator is working with the operator to conduct the necessary monitoring
AZ0408195 Silver Creek Water Co	10	1	Failure to address groundwater rule deficiencies	The Compliance Assistance Coordinator is working with the operator to resolve the groundwater rule deficiency

In FY25, ADEQ approved five new public water systems which required the submission of an Elementary Business Plan, in accordance with A.A.C. R18-4-602. As of June 30, 2025, one only of those, Rio Mercado Water, has been activated and is serving its customers. The others are in various stages of development.

- DL Ranch DWID (AZ0408400) community water system
- Escudilla Mountain DWID (AZ0401349) community water system
- Global Water Resources – Verano (AZ0410969) community water system
- Rio Mercado Water (AZ0410968) community water system - activated
- Yuma County Improvement District 2017-02 (AZ0414515) community water system – will replace the former Tacna Water Management Co. water system

The following water systems were activated in FY25 but had its Elementary Business Plan approved in a prior year: Pinyon Plain Mine (formerly known as Canyon Mine) (AZ0403275) – FY24; Surprise, City of – Buena Vista (AZ0407538) – was processed in FY21 as City of Surprise SPA 3.

When an unpermitted water system is discovered in operation, system inactivation is often not possible nor in the public interest while they complete the engineering and permitting processes. ADEQ drinking

water staff conducts sanitary surveys and then works closely with these systems to get all the necessary permits approved and verify their capacity to be a sustainable potable water provider.

4. EXISTING SYSTEM STRATEGY

4.1 In referencing the state's approved existing systems strategy, which programs, tools, and/or activities were used, and how did each assist existing PWSs in acquiring and maintaining TMF capacity? Discuss the target audience these activities have been directed towards.

The major focus of the Capacity Development Program is on small community and nonprofit, non-transient, non-community systems. Costs for water system operations and maintenance can be significant and have a major impact on the ability of small system operators, often with volunteer or part-time staff, to maintain the systems in compliance with the ever increasing and more complex federal and state regulatory requirements.

Therefore, the program is focused primarily on those small water systems most in need of assistance, which tend to be small rural communities and schools that are also public water systems. Primary tools used to help them acquire and maintain capacity include the Monitoring Assistance Program; the Technical Assistance program; training workshops for water system representatives including owners, managers, or operators; TMF assessment tool, utilizing federal infrastructure grant programs; the predictive analytics program; and coordination with other technical and financial assistance partners primarily through the Rural Water Infrastructure Committee (RWIC) partnerships.

4.1.1 Monitoring Assistance Program

All community and non-transient, non-community public water systems that utilize at least one of their own sources of water and that serve 10,000 or less people are required to participate in ADEQ's Monitoring Assistance Program (MAP). Currently, for a base fee of $250 per year and an additional $2.57 charge per meter or service connection, MAP conducts all baseline monitoring for regulated inorganic contaminants, volatile organic contaminants, synthetic organic contaminants, nitrate, nitrite, asbestos, nickel and radionuclides. A fee increase is on track to raise fees to a base fee of $447 and an additional $4.60 charge per service connection is slated to begin in January 2026. This cost-effective program has dramatically reduced the number of PWSs that would otherwise be in noncompliance with monitoring and reporting requirements for the various rules which increases their technical and managerial capacity.

The program has also undertaken a rulemaking to adjust the MAP fees to expand the program adding soon-to-be regulated PFAS monitoring, as well as continuing to support small systems in sampling for triggered increased monitoring when a potential issue is identified by sample results. This reassessment and adjustment of fees will keep the program solvent and able to continue assisting the small water systems to remain in compliance with monitoring regulation and keep Arizona's public consuming healthy drinking water.

4.1.2 Technical Assistance (TA) Program

Funded primarily by set-asides from the DWSRF capitalization grant, the TA program continues to assist small PWSs. The program provides a variety of assistance including: design and preparation of permitting applications in order to make necessary system improvements or to install treatment; funding assistance; asset management plans and system optimization. Table 3 provides the program results for the last three years. In FY25, the TA program provided technical assistance to 29 small PWSs; several with multiple projects.

While the overall number of projects appears to be going down over the past couple of years, some of the projects are subsequent phases of prior projects. For example, ADEQ may have funded a feasibility study in one year, the next year commissioned design and permitting, and the next year provided construction oversight in order to prepare the approval of construction and record drawings. In addition, the revamped TA program (circa 2017) has generated requests for larger scale projects than were done in the early days of the program.

Table 3: TA Program Results FY22-FY24

	FY23	FY24	FY25
Total number of projects completed	64	57	44
Number of individual PWSs assisted	50	40	29
Number of projects completed for PWSs*	54	50	37
Projects not specific to a PWS	2	0	7

*additional phases or efforts at one or more PWSs in the same fiscal year

Table 4: PWSs Receiving Technical Assistance in FY25

System Name	**PWS No**	**Technical Assistance Provided** (source of capital funding, if known, in parentheses)
Ash Fork Water Service	AZ0413008	Design and permitting for arsenic treatment system (ARPA funded)
Camp Verde - Mongini	AZ0413015	Design and permitting of an arsenic treatment system (multiple funding sources including WIFA)
Cibola Water Improvement District	AZ0415123	Memorandum of system improvements & optimization to address TTHM issues
Cienega Springs Water Co	AZ0415002	Design and permit new waterline to connected to Epcor – Lakeside (ARPA funded) (will be inactivated as a PWS)
City of Eloy	AZ0411030	Design, permitting and cost estimate for IX treatment for nitrates (APRA funded)
Coldwater Canyon Unit 1	AZ0413020	Design, permitting and cost estimate for arsenic treatment system
Coldwater Canyon Unit 2	AZ0413192	Design, permitting and cost estimate for arsenic treatment system
Coldwater Canyon Unit 3	AZ0413202	Design, permitting and cost estimate for arsenic treatment system
Coldwater Canyon Units 1,2,3	AZ0413-020, 192, & 202	Land surveys to support treatment designs

Dateland Public Service	AZ0414003	Video survey and aquifer pump test of a potential backup well
Ellison Creek Cabin Owners Assoc	AZ0404106	Design, permitting and cost estimate for new distribution system (WIFA funded)
Houston Creek RVP	AZ0404069	System evaluation/asset management plan
Jackson Acres DWID	AZ0413036	Design, permitting and cost estimate for new distribution system (WIFA funded)
Kelvin Simmons Water Co-op	AZ0411035	Land survey for new wellsite
Management Track Training Preparation	N/A	Five contractors prepared managerial and financial training materials for use in capacity development events
Mayer DWID	AZ0413039	AOC for distribution system replacement (Yavapai County ARPA funded)
Morristown Water Co	AZ0407111	Design, permitting and cost estimate for arsenic treatment system (Maricopa County CDBG funded)
New Saddleback Vista	AZ0411557	Design and permitting for evaporation ponds
New Saddleback Vista	AZ0411557	Splitting the treatment plant and ponds from larger project to solicit for funding
Parkside Community Church	AZ0413450	Design, permitting and AOC for arsenic treatment system
Pinedale Estates DWID	AZ0409040	Design, permitting and cost estimate for transmission line, new well and storage tank (WIFA funded)
Pineview RVP	AZ0404069	System evaluation/asset management plan
Pomerene DWID	AZ0402012	Video, dynamic flow profiling & depth-specific sampling for fluoride and arsenic
Pomerene DWID – North & South	AZ0402012	Land surveys to support distribution system designs
Ponderosa Park DWID	AZ0413044	System evaluation/asset management plan
San Simon WID	AZ0402027	Design and permitting for a new 1000 ft deep well (ARPA funded)
Shangri-La Ranch Resort	AZ0407660	AOC for Well #6
Shangri-La Ranch Resort	AZ0407660	AOC for radium and arsenic treatment system (WIIN funded)
Sierra Vista RVP	AZ0411383	AOC for arsenic and nitrate treatment system with disposal (WIFA funded)
Softwinds MHP	AZ0413122	Land survey to support of nitrate & PFAS treatment design
Sweet Spring MHP	AZ0402327	Design and permitting for new distribution system, storage tank and booster pumps (WIFA funded)
Sweet Springs MHP	AZ0402237	Land survey to support design of distribution system, storage and booster pumps
Tonto Creek Water	AZ0404021	Preliminary design of new distribution system

Town of Duncan	AZ0406001	Design and permit waterline and booster station to interconnect Duncan Main system (06-001) & Hunter (06-009) to resolve water supply and quality issues
Whispering Winds Apartments	AZ0413487	AOC for arsenic treatment (WIIN funded) and well, storage tank and booster pumps (existing infrastructure)

Due to the number of special projects in the Drinking Water Section including lead service line inventories, PFAS sampling and WIIN and EC-SDC grants, in FY25, the TA program did not pursue any capacity building initiatives other than capacity development training as discussed in 4.1.3.

In FY26, the TA program will continue focusing its efforts on those PWSs needing technical assistance to resolve public health related issues and help small PWSs with capacity needs specifically in the areas of fiscal sufficiency and forming the proper corporate structure.

4.1.3 Capacity Development Training

ADEQ conducts technical workshops statewide, both independently and in partnership with private consulting firms and nonprofit organizations, to improve the technical, managerial, and financial capacity of existing PWSs. In FY25, ADEQ held the following trainings:

Table 5: Capacity Development Trainings for FY25

Date(s)	Topic	Format	Location	Attendees
8/19-20/2024	PFAS Training	In person	Camp Verde	20
8/21-22/2024	PFAS Training	In person	Tucson	21
8/30/2024	Drinking Water Rule Review Part 1	Webinar	Virtual	136
9/13/2024	Water/wastewater Operator Math	In person	Phoenix	18
9/27/2024	Drinking Water Rule Review Part 2	Webinar	Virtual	99
11/8/2024	Water/wastewater Operator Math	In person	Flagstaff	10
11/14/2024	PFAS Treatment and Decision Trees	Webinar	Virtual	178
11/21/2024	Water Infrastructure Finance Authority of AZ (WIFA) Funding	Webinar	Virtual	35
12/5/2024	Chlorination and Protecting Water Quality	Webinar	Virtual	139
1/23/2025	Cybersecurity and Emergency Management Planning Part 1	Webinar	Virtual	146
2/13/2025	PFAS Forum	In person	Phoenix	200
5/1-2/2025	Capacity Development/Operator Certification Program	In person	Tempe	27
6/27/2025	Cybersecurity and Emergency Management Planning Part 2	In person	Gilbert	20
6/27/2025	Drinking Water Rule Review Part 3	Webinar	Virtual	46

In FY26, the program will create a new and expanded training track that focuses on managerial and financial capacity and aimed at managers and owners of small water systems.

4.1.4 Technical, Managerial, Financial Capacity Assessment Tool

One outcome of the capacity development strategy discussion with stakeholders was the development of a TMF assessment and query tool that ADEQ deployed in FY22. ADEQ completed baseline assessments for all public water systems by July 2022 and used the results in determining areas to focus

on improving water system capacity in FY23. In FY25, a revised version of the tool was developed to more accurately assess water system TMF capacity. For FY26, ADEQ intends to utilize the revised tool to assess TMF capacity of all systems that are under open enforcement and/or receiving technical assistance, as well as other systems as deemed necessary. The results will continue to aid in determinations regarding how to improve water system capacity.

4.1.5 Utilizing Grant Funding for Infrastructure Improvements

Water Infrastructure Improvements for the Nation Act (WIIN)

In September 2022, Arizona was awarded an additional $665,000 in WIIN Act federal grant dollars to assist in building capacity for small and disadvantaged PWSs. EPA waived the 10% match on this allocation. Using WIIN funds to help small systems with construction costs can improve their TMF capacity. ADEQ wants to ensure these systems have adequate capacity in all three areas to maintain these capital improvements over time.

The TA team originally identified five small PWS construction projects to utilize the additional funding. As of June 30, 2025, all five projects have been completed:

- Green Valley MHP (AZ0413348) ($67,298.83) – optimization of an arsenic treatment system including installation of a chlorinator and pH adjustment system in Camp Verde
- Desert Star Community School (AZ0413277) ($100,145.98) – installation of a point-of-entry arsenic treatment system for a Title 1 charter school in Cornville
- Desert Gardens RV Resort (AZ0411129) ($147,180.68) – installation of a 30,000 gallon storage tank which is needed as part of a larger project to install arsenic treatment using WIFA funding – in Florence. The storage tank will be included when the Approval of Construction for the arsenic treatment system is submitted to ADEQ
- Shangri-La Ranch Resort (AZ0407660) ($119,784.71) – installation of radium and arsenic treatment systems and stub-out plumbing for eventual installation of two PFAS treatment vessels near New River. The water system has been selected to participate in EPA's PFAS pilot project. PFAS pilot skid is in place and the water system is sampling monthly to send samples to EPA for analysis
- Whispering Winds Apartments (AZ0413487) ($206,245.50) – installation of lead-lag arsenic treatment system in Chino Valley

For FY25: EPA informed Arizona there is $929,000 in grant funding available to the State under the newly established Small, Underserved, and Disadvantaged Communities Grant (SUDC) under the WIIIN program (aka WIIN 3). For FY26, EPA indicates there is $1,172,000 available as WIIN 4. ADEQ is working with both WIFA, as the grant recipient, and ADOA, as project partner, to get the necessary Interagency Service Agreements (ISA) in place to begin work.

Small Drinking Water Systems Fund (SDWSF)

Established under A.R.S. § 49-355, the Small Drinking Water Systems Fund provides grants, including emergency grants, to small PWSs to repair, replace or upgrade water infrastructure required for compliance with ADEQ and ACC requirements. It is the only fund that can provide emergency funding to small water systems in an expedited manner.

The Legislature has not appropriated any money to the Fund since FY22. In fall, 2024, ADEQ transferred Water Quality Fee Fund monies in the amount of $413,195.00 to WIFA for two projects and for "alternate water". It is ADEQ's position that if a public water system is not meeting drinking water standards, the water being provided is a potential endangerment to the public health. As a result, ADEQ is requiring the water system to provide an alternate source of drinking water that does meet standards while the system

is addressing its compliance issues. ADEQ recognizes that many small water systems cannot afford to provide alternate water for an extended period of time. To help small water systems provide alternate water (e.g., water dispensing kiosk, bottle water, water vouchers), ADEQ has earmarked a portion of transferred funding.

Table 6: Small Drinking Water System Fund Awards FY25

PWS No	PWS Name	Issue	Award
AZ0413184	Walden Meadows Community Co-op	Two different well pump failures in five months	$50,000
AZ0415123	Cibola Mutual Water Co	Filtration skid	$20,800
AZ0414022	Wellton, Town of	Alternate water	$150,000
AZ0413393	Mountain Vu RV Park	Alternate water	$20,000
AZ04XXXXX	Reserved	Future emergency requests	$13,520
AZ04XXXXX	Reserved	Future alternate water requests	$172,395

Every summer, several small water systems will have pumps or motors fail. While there are well drilling and pump suppliers willing to assist, assurance of payment is needed for them to extend services. Many of these small water systems do not have $20,000-$40,000 in savings to pay for pulling a pump and installing a new one to provide water to their customers. While ADEQ works to improve the managerial and fiscal capacity of these small systems, the Small Drinking Water Systems Fund needs a permanent, dedicated funding source in order to help small public water systems in emergencies.

4.1.6 Analytics Program for Systems Predicted to Exceed the Arsenic MCL

Small water systems often lack the TMF resources to address an unexpected maximum contaminant level (MCL) exceedance. To assist public water systems in filling this gap, ADEQ created a program that predicts when a water system may exceed the arsenic safe drinking water standard and takes steps to prevent the exceedance. This proactive program features several key elements — forecasting model, compliance consultations and roadmap to compliance — allowing public water systems to be better financially prepared, react faster, and create smarter, long-term solutions for safe drinking water. This voluntary consultation program is free to water systems and may provide insight into how they can avoid future arsenic MCL violations.

To better leverage staff knowledge and experience, this program includes staff across all our Safe Drinking Water teams: technical assistance, source water protection, engineering review, monitoring and protection, and inspections and enforcement.

Since the start of the project in August 2019:

- 189 systems have been contacted
- 66 systems have implemented a solution/countermeasure (media change, operation/maintenance adjustments and updates to standard operating procedures)
- 11 systems are in the process of implementing a solution (such as: treatment optimization, starting discussions with decision makers based on site visit results)
- 22 systems have worked or are in the process of working with Technical Assistance staff on determining a solution (including: zonal sampling, consolidation, treatment)
- 17 systems have prevented arsenic MCL exceedances

4.1.7 Rural Water Infrastructure Committee

The Rural Water Infrastructure Committee (RWIC) is a partnership of 13 federal and state agencies and nonprofit organizations that provide technical and financial assistance to small water and wastewater facilities in Arizona. ADEQ chairs the meeting and hosts the website.

In FY25, the RWIC partners hosted a virtual Funding Forum for the public describing the committee and each partner's program, including eligibility requirements and offers of assistance. The RWIC continues to meet quarterly to hear requests from small water and wastewater systems in need of technical and financial assistance. In FY25, 6 water and 10 wastewater systems presented at RWIC meetings and received advice and/or assistance with their project needs.

4.1.8 myDEQ - Online Permitting Portal

All public drinking water systems in Arizona must permit any new public water system or the modification, alteration, or extension to an existing system through the proper government agency. In FY25 ADEQ added the drinking water engineering review process to its online permitting platform, known as myDEQ, for receiving, reviewing, and approving these permits. This project has been in progress since FY23. This online tool allows ADEQ to accept only complete applications, avoid duplicative entry, and offer a more modern method of submission. Arizona public water systems now have more access to their permits than ever before directly increasing their managerial capacity.

4.2 *Based on the existing system strategy, how has the state continued to identify systems in need of capacity development assistance?*

In rule, public water systems are initially identified for capacity development assistance based on the Master Priority List (MPL) outlined in A.A.C. R18-4-803. The criteria used to determine need are similar to the criteria used in determining existing PWS capacity. These criteria include EPA's ETT score, system classification type, population served, and violation history. The FY26 MPL was updated in the spring and published on April 25, 2025 for a 30-day comment period. As required by rule, an oral proceeding was held on May 27, 2025 to accept comments from the public. There were no comments made on the record so the FY26 MPL was finalized following the close of the proceedings and posted on the ADEQ website. In addition to identifying systems in need of technical assistance, WIFA uses the MPL to identify possible candidates for additional financial assistance (e.g., low interest loans, principal forgiveness). Once the MPL is final, ADEQ contacts the public water systems with the most points to offer technical assistance.

In addition to the MPL, in the Drinking Water Section, "priority sites" are those water systems serving water above a federal national drinking water standard, including sites that have a treatment technique violation or exceed an action level. These sites are a high priority for problem solving to determine the root cause of the impact so that a remedy can be devised and implemented.

Priority sites have created visibility, transparency, and accountability throughout the agency. From staff to the director, all known environmental or public health problems are captured into one metric or one universe and are worked on daily. Other units in the Section can refer these priority sites to the TA program to determine the need for assistance.

4.3 During the reporting period, if statewide PWS capacity concerns or capacity development needs (TMF) have been identified, what was the state's approach in offering and/or providing assistance?

When capacity needs and/or concerns are identified that may affect several water systems regionally or statewide, ADEQ offers support and assistance primarily through training, compliance assistance and

the technical assistance program. For FY26, three identified areas of need were: 1) the lead service line inventory deadline of October, 2024 has passed; in FY26 the contractors will perform limited field work to help small systems refine their initial inventories to update the inventory database; 2) reinvigorating and expanding the management track training program to reach owners, managers and water system boards to improve managerial and financial capacities; and 3) training new project managers in both the capacity development and technical assistance programs to support succession planning.

4.4 If the state performed a review of implementation of the existing systems strategy during the previous year, discuss the review and how findings have been or may be addressed.

ADEQ has not performed a formal review since the adoption of the new Capacity Development Strategy in 2022.

4.5 Did the state make any modifications to the existing system strategy? If so, describe.

ADEQ has not made any modification to the existing system strategy since the adoption of the new Capacity Development Strategy in 2022.