

NOTICE OF PROPOSED RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 14. DEPARTMENT OF ENVIRONMENTAL QUALITY - PERMIT AND COMPLIANCE FEES

PREAMBLE

1. **Permission to proceed with this proposed rulemaking was granted under A.R.S. § 41-1039 by the governor on:**

May 15, 2026

2. **Article, Part, or Section Affected (as applicable)** **Rulemaking Action**

R18-14-301

Amend

R18-14-302

Amend

3. **Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statute: A.R.S. §§ 49-104(A)(1), (7), (8); 49-203(A)(7), (9), (10)

Implementing statute: A.R.S. § 49-211

4. **Citations to all related notices published in the *Register* that pertain to the current record of the proposed rule:**

Notice of Rulemaking Docket Opening: 32 A.A.R. 1451, June 26, 2026, Issue Number: 26, File number: (R26-99)

5. **The agency's contact person who can answer questions about the rulemaking:**

Name: Jon Rezabek

Natalie Kilker

Title: Legal Specialists

Division: Water Quality

Address: Arizona Department of Environmental Quality, 1110 W. Washington Ave., Phoenix, AZ 85007

Telephone: (602) 771-8219

(602) 771-0358

Email: awp@azdeq.gov

Website: <https://azdeq.gov/rulemaking/awp-implementation-update>

6. **An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**

Introduction:

The Arizona Department of Environmental Quality ("ADEQ") was mandated by the Arizona Legislature, pursuant to Arizona Revised Statutes (A.R.S.) § 49-211, to "adopt all rules necessary to establish and implement a direct potable reuse of treated wastewater program, including rules establishing permitting standards and a permit application process". The statute, adopted from House Bill 2861, as enacted in the Second Regular Session on June 28, 2022,

became effective on September 24, 2022. For purposes of this Notice and the proposed rule, the term “direct potable reuse” is synonymous with “Advanced Water Purification” (or “AWP”), as the program is now called.

ADEQ, in consideration of Arizona’s water supply needs and the Legislative mandate, interpreted A.R.S. § 49-211 as a call to establish an AWP program that is both protective of human health and the environment, as well as imposing minimum burden upon the stakeholder community in achieving that goal. In March of 2025, those efforts culminated in the promulgation of the AWP program rules into the *Arizona Administrative Code* at Title 18, Chapters 1, 5, 9 and 14 (31 A.A.R. 1069). Since March of 2025, ADEQ has continued to meet with its AWP stakeholders who, in those meetings, have made recommendations on rule adjustments in an effort to make the program better and more implementable. This proposed rulemaking represents ADEQ’s review of those recommendations, the internal processing and studying of the program and its rules and the agency’s determination that the program can be improved upon in a limited number of rules while maintaining its original protective standard.

Associated Rulemakings:

This proposed rulemaking, collectively, includes four NPRMs, adding or amending rules in A.A.C. Title 18.

Environmental Quality:

- Chapter 1 (Department of Environmental Quality - Administration),
- Chapter 5 (Department of Environmental Quality - Environmental Reviews and Certification),
- Chapter 9 (Department of Environmental Quality - Water Pollution Control), and
- Chapter 14 (Department of Environmental Quality - Permit and Compliance Fees).

The proposed changes to Chapter 1 are specific to updating the Licensing Time-Frame requirements in Article 5, allowing for reduced review times in rule for Demonstration permits. The proposed changes to Chapter 5 are specific to amending the Operator Certification Committee rule in Article 1 in order to expand its scope to include the AWP operator certification program. The proposed amendments to Chapter 9 focus on updating the AWP program’s Operator Certification, Demonstration Permit, Enhanced Source Control, Tier 2 Chemical Control, Minimum Design Requirements and other miscellaneous rules in order to make the program more implementable, while maintaining its protective standard. The proposed changes to Chapter 14 are specific to updating the Certified Operator Fees in Article 3 to accommodate the AWP operator certification program.

Stakeholder Engagement:

ADEQ met with its AWP stakeholders regularly since the original AWP rules became effective in March of 2025 (31 A.A.R. 1069). ADEQ published draft rules on its website in June of 2026 and solicited the general public for comment in an effort to gather specific statements and opinion on the draft rules. ADEQ has already determined which comments from that function are appropriate for integration and values the continued input of the regulated community and the public, at-large.

Explanation of Rulemaking Amendments:

R18-14-301. Certified Operator Fees

The proposed amendments to this Section would establish a fee schedule for AWP program operator certifications for the AWP program, centrally locating operator fees for the AWP, Drinking Water and Wastewater certified operator certification programs. The summarized changes are: 1) Expansion of Certified Operator Fee Oversight; 2) Addition of Certified Operator Fees; and 3) Renumbering.

- 1) Expansion of Certified Operator Fee Oversight. The Department proposes updating subsections (A), (B), and (F) (renumbered from subsection (D)) to extend the applicability and authority of certified operator fees for Drinking Water and Wastewater facilities to AWP program facilities established in 18 A.A.C. 9, Article 8; specifically, the AWP operator certification framework delineated in R18-9-B804. This change aligns the AWP program with existing water quality programs by ensuring that the fee requirements in 18 A.A.C. 14, Article 3 apply uniformly across all water quality operator categories.
- 2) Addition of Certified Operator Fees. The Department proposes new language in this section at subsections (D) and (E) to establish specific application, issuance, reciprocity, and renewal fees for AWP-related operator certifications. Most of the AWP operator fee amounts proposed in subsection (D) are based on analogous Drinking Water and Wastewater operator fees listed in subsection (C). Due to the anticipated effective date of this rule projected to occur in March of 2027, the analogous AWP operator fees listed in proposed subsection (D) will not be aligned in amount with the analogous subsection (C) fees due to the Consumer Price Index-adjustment at proposed subsection (F)) having adjusted subsection (C) fees, but not subsection (D) fees. This is because the CPI-adjustment applies annually in August. Between the projected effective date of this rule (March 2027) and the proximate annual CPI adjustment (August 2027), the proposed AWP operator fees in subsection (D) will simply not be aligned with their analogous, and CPI-adjusted, Drinking Water and Wastewater Operator Fees in subsection (C). In order to assure the AWP operator program is financially supported in the interim period between March and August of 2027, ADEQ proposes to establish a gap-filling subsection that would establish AWP operator fees (subsection (E)) matching the analogous and CPI-adjusted Drinking Water and Wastewater operator fees that would apply only during the five month period previously stated. Specifically, the proposed subsection (D) language, applying to AWP operator fees after July 31, 2027, would include a \$250 application fee for the AWP validated examination to cover Department costs for applicant vetting and exam proctoring. Proposed certification issuance fees include \$87 for an AWP provisional operator certification and AWP operator certification, modeled on existing drinking water and wastewater operator certification fees. The Department also proposes a \$334 reciprocity fee, provided AWP applicants demonstrate reciprocity for their underlying drinking water or wastewater certifications. Finally, the Department proposes a \$67

renewal fee, which aligns with renewal rates for additional drinking water and wastewater certifications and reflects reduced staff processing time compared to initial certification reviews.

The proposed subsection (E) language, applying to AWP operator fees before August 1, 2027, would include a \$250 application fee for the AWP validated examination to cover Department costs for applicant vetting and exam proctoring. Proposed certification issuance fees include \$92.04 for an AWP provisional operator certification and AWP operator certification, modeled on existing drinking water and wastewater operator certification fees. Lastly, the Department also proposes a \$353.26 reciprocity fee, provided AWP applicants demonstrate reciprocity for their underlying drinking water or wastewater certifications. A renewal fee is not included in this section as renewals will not be temporally possible during the first five months of the AWP operator fee's existence.

These proposed amendments support the Department's goal of making the AWP program efficient, effective, and operationally self-sustaining without reducing public health or environmental protections. Establishing fee structures proportional to actual administrative processing costs ensures ADEQ is adequately compensated for vetting applicants, administering examinations, and maintaining operator credentials. Furthermore, aligning AWP fee levels with established drinking water and wastewater operator certification fees maintains regulatory consistency across water programs, encourages good-faith participation from the operator community, and avoids imposing unnecessary financial barriers on regulated entities.

- 3) Renumbering. All other proposed changes to this Section consist of technical renumbering of subsections to maintain proper sequential structure following the additions and amendments described above.

R18-14-302. Fee Assessment and Collection

The proposed amendments to this Section align AWP fee collection and administration procedures with existing operator certification programs. The summarized changes are: 1) Expansion of Fee Assessment and Collection Oversight; and 2) Non-Substantive Updates for Modernization.

- 1) Expansion of Fee Assessment and Collection Oversight. The Department proposes adding subsection (D) to apply standard certification expiration fee provisions to AWP certifications. This change mirrors existing fee assessment and expiration provisions applicable to drinking water and wastewater operator certifications under 18 A.A.C. 5, Article 1.
- 2) Non-Substantive Updates for Modernization. The Department proposes revising subsection (A) to modernize payment processing requirements by specifying that fees shall be paid in a "method acceptable to the Department." This change provides operational flexibility to more clearly accommodate credit card payments and electronic fund transfers, reducing administrative friction for applicants and permittees.

- 7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

Not Applicable

- 8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Not Applicable

- 9. The preliminary summary of the economic, small business, and consumer impact:**

In accordance with A.R.S. § 41-1055 and A.A.C. R1-1-502(B)(12), the Department has evaluated the preliminary economic, small business, and consumer impacts of this proposed rulemaking. Establishing the AWP program was mandated by the Arizona State Legislature under A.R.S. § 49-211. Participation in AWP is non-compulsory, serving as an opt-in regulatory framework for water provider agencies seeking to purify treated municipal wastewater for local supply augmentation. While the comprehensive AWP regulatory structure became effective in March 2025, ongoing implementation discussions identified targeted regulatory refinements to enhance program efficiency and operational feasibility without reducing public health safeguards. While the primary operational framework for AWP resides in 18 A.A.C. 9, Article 8, this rulemaking in 18 A.A.C. 14, Article 3 amends R18-14-301 and R18-14-302 to incorporate AWP operator certification fees into the Department's existing water quality operator fee schedule. The preliminary economic assessment for the Chapter 14 amendments is summarized as follows:

- (1) Economic Impact on State Agencies, Regulated Water Providers, and Operators. The entities primarily affected by this rulemaking include the Department, public and private water provider agencies, and certified water quality operators. The proposed amendments establish certification fees for two new operator designations: AWP Operators (authorized to operate active, full-scale Advanced Water Treatment Facilities) and AWP Provisional Operators (a voluntary entry-level designation allowing prospective operators to gain required hands-on experience at demonstration, pilot, or active facilities). Incorporating these designations into Article 3 aligns AWP operator certification fee structures with the longstanding drinking water and wastewater operator certification fees under 18 A.A.C. 5, Article 1. Individuals applying for or renewing AWP certifications, or water provider agencies that elect to sponsor or reimburse certification fees for their personnel, will incur direct application and issuance costs comparable to existing operator certification programs. These fees enable the Department to recover the administrative costs of reviewing operator credentials, administering validated examinations, and maintaining certification records necessary to ensure facility oversight by qualified professionals.
- (2) Impact on Small Businesses. Pursuant to A.R.S. § 41-1035, the Department evaluated the potential impact of these proposed amendments on small businesses. Participation in the AWP program is voluntary, and the fee

requirements in 18 A.A.C. 14 apply uniformly to individuals seeking certification or utilities employing them, regardless of business size. The rule makes no distinction between a water provider agency's responsibilities to a small business versus any other customer class. Small businesses providing contract operator services will encounter predictable, standardized fee requirements identical to those already established for drinking water and wastewater operator certifications. Consequently, the Department anticipates no significant or disproportionate adverse economic impact on small businesses.

- (3) Impact on Consumers and Water Customers. Indirect impacts on consumers and water utility customers are expected to be beneficial. Certification fees directly support the Department's administrative oversight in verifying that Advanced Water Treatment Facilities (AWTFs) are managed by highly qualified, rigorously tested operators, thereby safeguarding public health and maintaining public confidence in purified water supplies. Because operator certification fees represent a minor component of overall utility operational costs, any indirect impact on consumer water rates will be negligible and fully offset by the assurance of safe, resilient, and reliable local drinking water supplies.

10. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Jon Rezabek
Natalie Kilker
Title: Legal Specialists
Division: Water Quality
Address: Arizona Department of Environmental Quality, 1110 W. Washington Ave., Phoenix, AZ 85007
Telephone: (602) 771-8219
(602) 771-0358
Email: awp@azdeq.gov
Website: <https://azdeq.gov/rulemaking/awp-implementation-update>

11. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Comments about this proposed rulemaking will be accepted via email at the email address provided below. Written comments about this proposed rulemaking will also be accepted in person at the address provided below, Monday through Friday from 8 a.m. to 5 p.m. except for state holidays. Mailed written comments shall be postmarked within 30 days of this published notice.

Email: awp@azdeq.gov

Mailing Address:

ADEQ

Attn: Bernice Shabi

Groundwater Section

Water Quality Division

#160

1110 W. Washington St.

Phoenix, AZ 85007

An oral proceeding is scheduled on this proposed rulemaking.

Date: October 20, 2026

Time: 1:00 PM MST

Location: GoToWebinar hosted by Arizona Department of Environmental Quality

Webinar Registration Link: <https://attendee.gotowebinar.com/register/5960573937949306462>

For those who wish to join by phone only:

Call: 415-655-0052

Access Code: 858-310-727

Important Note: Phone-only access does NOT provide the option for the participant to speak. Audio PINs are provided to participants once they have logged into the webinar via their computers. Without this PIN, participants will not have the option to unmute themselves if they join by phone only.

Nature: Virtual

Public comment period ends: October 19, 2026

- 12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

There are no other matters prescribed by statute applicable specifically to ADEQ or this specific rulemaking.

- a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

Yes, this collective rulemaking proposes to amend the Advanced Water Purification regulatory program, which includes issuing individual permits, pursuant to A.R.S. § 49-211. While the product (advanced treated water or finished water) of an Advanced Water Purification regulatory program facility is substantially the same, the facilities, activities and practices regulated by the program are substantially different in nature due to the treated wastewater source, a multitude of viable technological process configurations, a swift pace of technological progress in the field and the custom nature of the regulated parties and their circumstances.

Moreover, general permits are not “technically feasible” for the Advanced Water Purification regulatory program under A.R.S. § 41-1037(A)(3), and not used in the program.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

While the Safe Drinking Water Act (SDWA) (40 USC § 300f et seq.) does regulate the treatment and delivery of drinking water from public water systems across the United States, it does not explicitly regulate the treatment of “treated wastewater” (see proposed rule R18-9-A801) as a source, which is the subject of this proposed rule. In fact, SDWA only contemplates surface and ground water as sources for public water systems. Some Advanced Water Purification facilities will be considered public water systems for the purposes of the SDWA and regulated in accordance with the SDWA in addition to the proposed AWP program.

c. Whether a person submitted an analysis to the agency that compares the rule’s impact of the competitiveness of business in this state to the impact on business in other states:

Not Applicable.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not Applicable

14. The full text of the rules follows:

Rule text begins on the next page.

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 14. DEPARTMENT OF ENVIRONMENTAL QUALITY - PERMIT AND COMPLIANCE FEES

ARTICLE 3. CERTIFIED OPERATOR FEES

Section

R18-14-301. Certified Operator Fees

R18-14-302 Fee Assessment and Collection

ARTICLE 3. CERTIFIED OPERATOR FEES

R18-14-301. Certified Operator Fees

- A. Definition terms from A.A.C. R18-5-101 apply to this Article; except for subsection D of this section where definition terms from R18-9-B804(A) apply.
- B. The Department shall assess and collect a flat rate fee for a certification or renewal under the operator certification ~~program~~ programs in 18 A.A.C. 5, Article 1 and 18 A.A.C. 9, Article 8.
- C. A person shall submit the applicable fee when requesting a certification or renewal under 18 A.A.C. 5, Article 1, as described below:
1. An applicant that seeks new certification shall submit a \$87 fee, adjusted annually under subsection ~~(D)(F)~~ (F), per certification.
 2. An operator that has not held a lower grade level for the required amount of time, ~~requests~~ requesting the Department's determination on experience and education in order to be admitted to a higher grade certification examination, shall submit a fee of \$201, adjusted annually under subsection ~~(D)(F)~~ (F), per application.
 3. An applicant that requests a certificate based on reciprocity with another jurisdiction shall submit a fee of \$334, adjusted annually under subsection ~~(D)(F)~~ (F), per application.
 4. An operator submitting a certificate renewal shall submit a \$201, adjusted annually under subsection ~~(D)(F)~~ (F), fee for each certificate. If the operator has multiple certificates, the first certificate is \$201, adjusted annually under subsection ~~(D)(F)~~ (F), and each additional certificate, including AWP operator certificates pursuant to R18-9-B804, with the same expiration date is \$67, adjusted annually under subsection ~~(D)(F)~~ (F).
- D. ~~Beginning August 1, 2026, the Director shall adjust the certification or renewal fees listed in subsection (C) annually by multiplying certification or renewal fees by the June Consumer Price Index (CPI) for the most recent year, then dividing by the June CPI for the year 2023 and then rounding down to the nearest cent. The June CPI for any year is the CPI for All Urban Consumers, Phoenix-Mesa-Scottsdale, AZ, all items published by the United States Department of Labor, for June of that year. After July 31, 2027, a person shall submit the applicable fee when requesting AWP operator examination, operator certification, provisional operator certification, or certification renewal under R18-9-B804, as described below:~~
1. An applicant for an AWP operator certification examination shall submit a \$250 fee, adjusted annually under subsection (F).

2. An applicant that passes the AWP operator certification examination, but does not have the required advanced water treatment qualifying experience, shall submit a \$87 fee to receive the AWP provisional operator certification, adjusted annually under subsection (F).
 3. An applicant that passes the AWP operator certification examination, that has the required advanced water treatment qualifying experience, shall submit a \$87 fee to receive the AWP operator certification, adjusted annually under subsection (F).
 4. An applicant that requests an AWP operator certification based on reciprocity with another jurisdiction shall submit a fee of \$334, adjusted annually under subsection (F), per application.
 5. An AWP operator submitting an AWP operator certificate renewal shall submit the additional certificate fee in subsection (C)(4), adjusted annually under subsection (F).
- E.** Before August 1, 2027, a person shall submit the applicable fee when requesting AWP operator examination, operator certification, provisional operator certification, or certification renewal under R18-9-B804, as described below:
1. An applicant for an AWP operator certification examination shall submit a \$250 fee.
 2. An applicant that passes the AWP operator certification examination, but does not have the required advanced water treatment qualifying experience, shall submit a \$92.04 fee to receive the AWP provisional operator certification.
 3. An applicant that passes the AWP operator certification examination, that has the required advanced water treatment qualifying experience, shall submit a \$92.04 fee to receive the AWP operator certification.
 4. An applicant that requests an AWP operator certification based on reciprocity with another jurisdiction shall submit a fee of \$353.36 per application.
- F.** Beginning August 1, 2026, the Director shall adjust the certification or renewal fees listed in subsections (C) and (D) annually by multiplying certification or renewal fees by the June Consumer Price Index (CPI) for the most recent year, then dividing by the June CPI for the year 2023 and then rounding down to the nearest cent. The June CPI for any year is the CPI for All Urban Consumers, Phoenix-Mesa-Scottsdale, AZ, all items published by the United States Department of Labor, for June of that year.

R18-14-302. Fee Assessment and Collection

- A. Fees for examination, certification, or renewal shall be paid in a method prescribed by the Department ~~U.S. dollars by cash, check, cashier's check, money order, or any other method acceptable to the Department.~~
- B. The Department shall not accept a request for a certification, examination or renewal without the appropriate fee.
- C. For the 18 A.A.C. 5, Article 1 operator certification program, if ~~if~~ the Department does not accept an operator certificate renewal form, required according to A.A.C. R18-5-107(B), the certificate expires for failure to renew according to A.A.C. R18-5-108.
- D. For the 18 A.A.C. 9, Article 8 operator certification program, if the Department does not accept an operator certificate renewal form, required according to A.A.C. R18-9-B804(H), the certificate expires for failure to renew according to A.A.C. R18-9-B804(I).