

September 14, 2023







- Underground Injection Control In Arizona
- Status of Arizona's Primacy Package
- Regulatory Process
- Budget and Funding of Arizona's UIC Program
- Staffing and Resources
- Training and Development of Staff
- Program Benefits

The Underground Injection Control Program



EPA regulates
injection wells
used to place
fluids
underground for
Storage or
Disposal

- Construction
- Operation
- Permitting
- Closure



The Safe Drinking Water Act (SDWA) allows States to assume primacy of UIC if certain requirements are met.

 Arizona must satisfy EPA requirements to obtain and maintain UIC primacy.

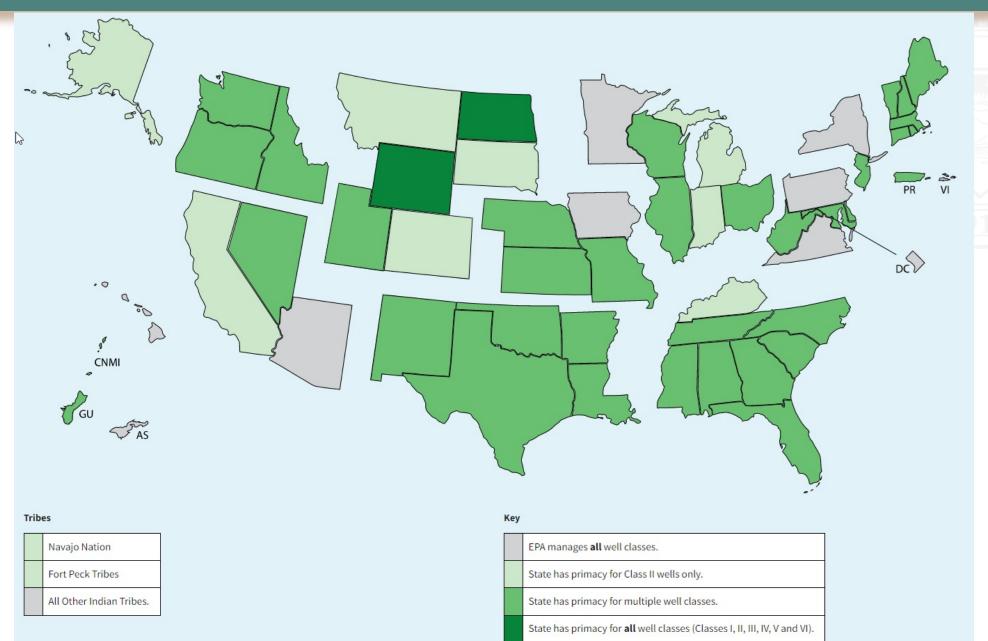
Inventory of UIC Wells in Arizona



UIC Well Class	Description	Current UIC Facilities in Arizona
I	Used to inject hazardous and non-hazardous wastes into deep, isolated rock formations.	none
II	Used exclusively to inject fluids associated with oil and natural gas production.	none
III	Used to inject fluids to dissolve and extract minerals. ✓ These facilities will be exempt from APP upon effectivity of state codified UIC rules on September 6, 2022	✓ Morton Salt✓ Florence Copper✓ Gunnison Copper
IV	Shallow wells used to inject hazardous or radioactive wastes into or above a geologic formation that contains a USDW. Injection wells used for remediation fall under this classification	none
V	Used to inject non-hazardous fluids underground (drywells, large septic systems) ✓ Individual APPs – (mainly WWTPs that inject treated wastewater). ✓ ADWR USF permitted facilities that use injection wells for aquifer recharge ✓ General APPs • Type 2.01, 2.03, 2.04, 3.03 (with subsurface disposal system) • Type 4.23 (that serve > 20 people per day)	>65,000 "authorization by rule"
VI	Used for injection of carbon dioxide (CO2) into underground subsurface rock formations for long-term storage, or geologic sequestration.	none

Primacy Map





Statute & Rule Governing Arizona's UIC Program



Establishing Statute & Rule for State Program

A.R.S. § 49-203(A)

- The director shall: ... (5) Adopt, by rule, the permit program for underground injection control described in the safe drinking water act.
- est. ~1987

A.R.S. § 49-257.01(A)

- The department shall establish an underground injection control permit program, including a permitting process.
- est. 2018

A.A.C. R18-9-A601 et seq. (through A670)

• est. 2022

UIC Rulemaking Accomplishments



Project Set-Up

High Level Rule Components Draft NPRM Rule Language

Finalize NFRM Rule Became Effective

- Spring 2018
- Features, Benefits & Proofs
- Communications Plan
- Exception Memo

- Spring 2019
- Stakeholder Meetings
- Tribal Listening Sessions
- Benchmarking
- LTF & Fee Rule
- MOA, Program Description
- Stakeholder Meetings

- Winter 2021
- Draft Rule and Crosswalk
- End User Review Period/VOC
- NDO to SOS
- EPA Review
- Stakeholder Meetings
- File NPRM with SOS

- Spring 2022
- Public Comment Period
- Final Leadership Review
- Final EPA Review
- Submitted to GRRC
- Submitted to SOS

• Fall 2022

Arizona UIC Governing Rules



A.A.C. Title 18, Chapter 9, Article 6 (Underground Injection Control)

- Part A. General Provisions
- Part B. General Program Requirements
- Part C. Authorization By Permit for Underground Injection
- Part D. Permit Conditions for Underground Injection
- Part E. Class I Injection Well Requirements
- Part F. Class II Injection Well Requirements
- Part G. Class III Injection Well Requirements
- Part H. Class IV Injection Well Requirements
- Part I. Class V Injection Well Requirements
- Part J. Class VI Injection Well Requirements

SDWA - UIC Primacy Application Requirements



40 CFR 145.22 - Elements of a [SDWA-UIC Primacy] program submission

Governor Letter

• A **letter from the Governor** of the State requesting program approval

Program Description

A complete Program Description, as required by §
145.23, describing how the State intends to carry out its
responsibilities under this part

Attorney General Statement

• An Attorney General's statement as required by § 145.24

Memorandum of Agreement

• With the Regional Administrator as required by § 145.25;

State Statutes and Regulations

• Copies of all applicable **State statutes and regulations**, including those governing State administrative procedures

Public Participation

• The showing required by § 145.31(b) of the State's public participation activities prior to program submission.

UIC Application Timeline







Rule Becomes Effective

September 2022

Primacy Package Elements

Program Description

MOA

Attorney General Statement

Governor Letter

Public Participation Process Documentation

Approved by Summer 2023

Issue Public Notice

Stakeholder 30-day Comment Period

Schedule Public Hearing

Responsiveness Summary

Completed by Summer 2023

Submit Primacy Package

Submit to EPA
Region 9 by Late
Summer 2023

EPA Region 9
Submits Package to
EPA Headquarters
by Winter 2024

EPA Review Time: 3
Months

Complete by December 2023

Expected Date of Primacy

Winter 2025

EPA Review Time: 10-12 Months

EPA HQ

Review

Programmatic Funding Structures



☐ Fee For Service Model vs. General Fund Model





- □ A.R.S. § 49-203(A)(9):
 - "The director shall set fees that are reasonably related to the department's costs of providing the service for which the fee is charged."

UIC Permit Annual Registration Fees



Table 3.1. UIC Annual Fees

Permit Type	Annual Registration Fee	Annual Waste Disposal Fee
<u>Area</u>	\$10,000 (and not subject to	N/A
	any other annual registra-	
	tion fee in Tables 3.1 and	
	3.2)	
Class I	No Annual Registration Fee	\$0.002/gallon.
		Minimum Fee: \$10,000/year
		Maximum Fee: \$25,000/year
Class II	See Table 3.2	N/A
Class III	See Table 3.2	N/A
Class V	See Table 3.2	N/A
<u>"Individual"</u>		
<u>Class VI</u>	No Annual Registration Fee	\$0.08/ton
		Minimum Fee: \$10,000/year

Table 3.2. UIC Annual Registration Fees

Design Injection Flow Rate in Gallons per day ^{1, 2}	Annual Registration Fee
3,000 to 9,999	\$600
10,000 to 99,999	\$3,000
100,000 to 999,999	\$3,000
1,000,000 to 9,999,999	\$7,000
10,000,000 or more	\$10,000

¹ A Class II, III or V Individual UIC permittee with multiple wells or multiple permits may consolidate their same-class wells for the purpose of "design injection flow rate in gallons per day" under Table 3.2.

² An Area permit is not subject to Table 3.2.

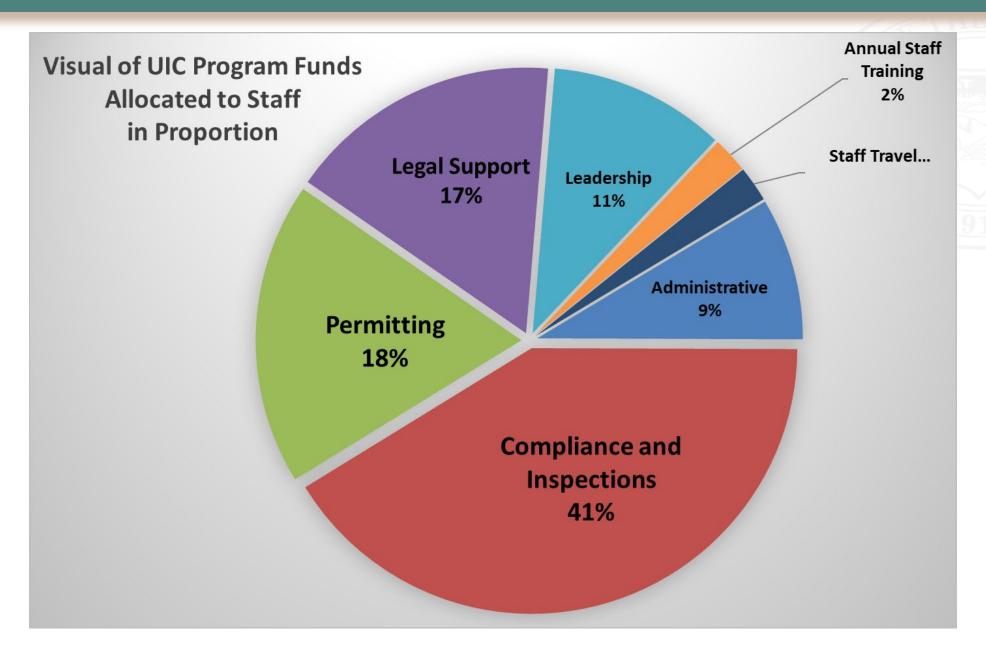
Arizona UIC Program Staffing Allocation



Program Staffing and Roles			
Role	Position		
Administrative (Inventory, LTF, Fees, Billing)	Administrative Support		
	(0.50 FTE)		
UIC Data Management	Environmental Engineer		
	(0.25 FTE)		
UIC Inspections, Compliance, Enforcement	Inspector		
	(1.25 FTE)		
UIC Permit Specialist	Environmental Engineer/Hydrogeologist		
	(0.5 FTE)		
Legal, Compliance Assurance & Enforcement	Compliance Case Manager/Legal Specialist		
Support	(0.40 FTE)		
Leadership	Unit and Section Managers/Agency		
	Director/WQD Director		
	(0.3 FTE)		
Other Program Items			
Annual Staff Training	Technical Staff		
Staff Travel	Inspector		
Attorney General Office Support (70 hrs/year)	Assistant Attorney General		

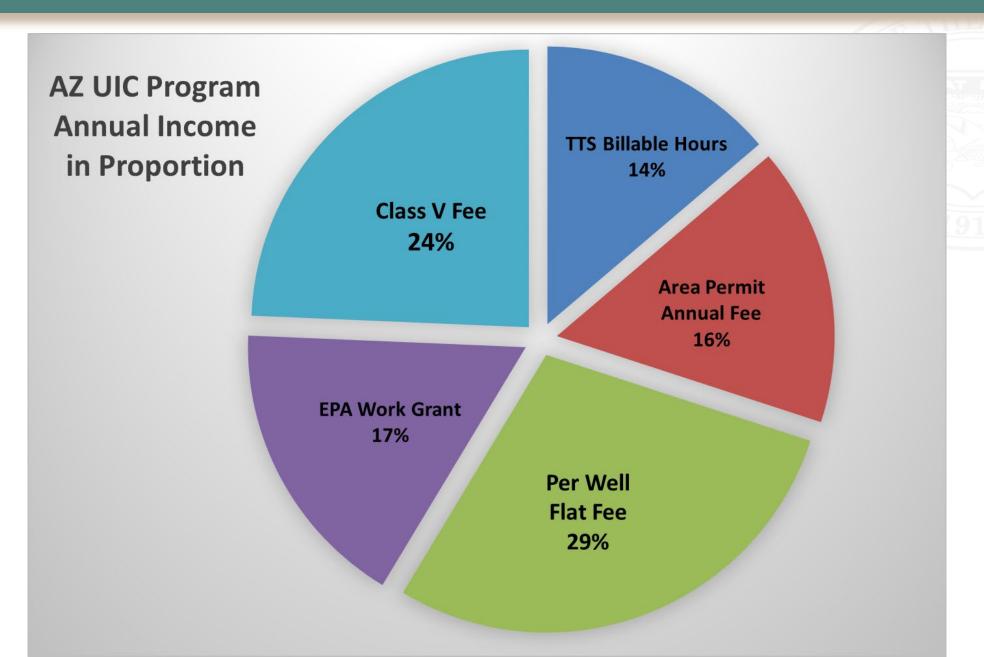
Estimated UIC Program Costs





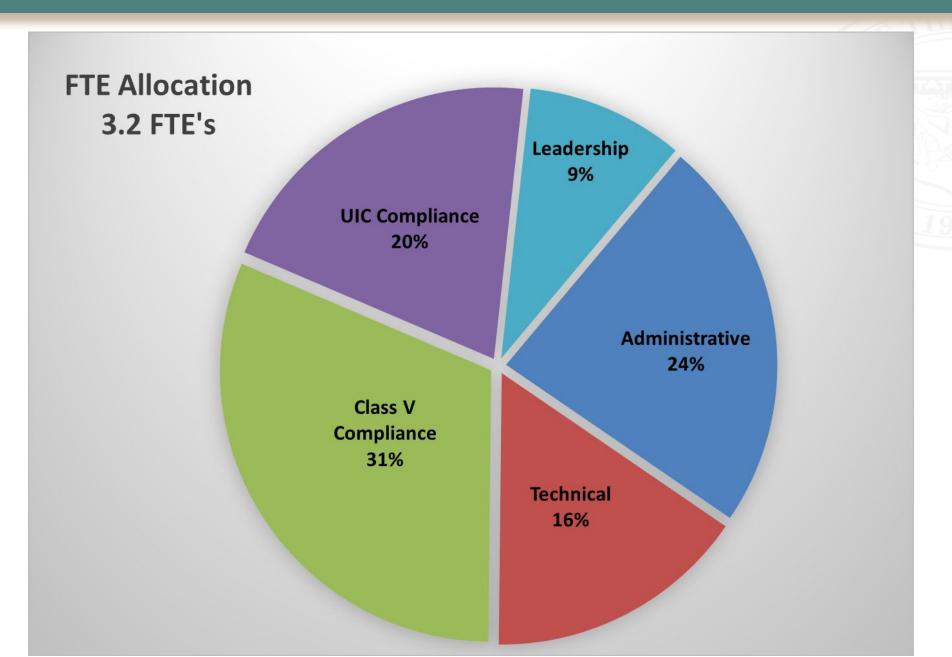
Fee Structure





Staffing: Full Time Employees (FTEs)





Basis and Assumptions for Proposed Fees



Assumptions

- 1.00 FTE: Dry Well and Class V inspections
- 0.25 FTE: Class III / Area inspections
- 1.95 FTE: Permitting, Compliance, Inspections, Enforcement, Leadership

Basis

- 500 billable hours at \$145/hour
- Area Permit Annual Fees (\$10,000/Area Permit x 3)=\$30,000
- Per Well Flat Fee = \$200
 - 126 New Class III Wells Annually on average (2023 -2028)
- EPA Work Grant = \$105,000
- Class V One-Time Fee = \$200/well

Training and Staff Development



EPA Resources

- UIC Online Interactive Training
- FedTalent Platform
- UIC Inspector Training

Professional Associations

- GWPC
- NGWA

TRRC

- Well Drilling/Well Completion
- MIT
- CCS/Cavern Storage

ADEQ Training Modules

- Area of Review
- Operations and Monitoring
- Cementing
- Determining Maximum Injection Pressures

Stakeholder Input - Pros





Streamlining

- Faster Permitting
- Duplicative Regulation Eliminated
- Permit Timeframes (LTF)

Local Control

- ADEQ expertise on state's groundwater and water laws
- Easier access to local regulator

Program Benefits



"One-stop" Program Rule

- Implements a clear, concise, and streamlined permitting process.
- Ensures AZ UIC is as careful in administering the program as EPA.
- Ensures coordination and alignment between ADEQ and EPA.
- Ensures a robust public participation process.



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Clean Air, Safe Water, Healthy Land for Everyone