



Executive Director's Report

The year 2015 has been a busy one for MAG. During my Executive Director's Report, I noted there have been a number of recent activities in the economic development arena. These include the recent opening of the ProMéxico office in Phoenix. While ProMéxico has 48 offices in 41 countries, Phoenix is one of only 15 cities in North America chosen for a ProMéxico trade and investment office. This represents a significant economic development coup for Phoenix. It also provides an important symbolic message that greater Phoenix is a major player in the global network.

Pro México is a federal government organization whose mission is to promote the attraction of direct foreign investment and the export of goods and services. The organization works to internationalize Mexican companies to contribute to Mexico's economic and social development. It also seeks to strengthen the country's image as a strategic business partner. As Phoenix Mayor Greg Stanton noted during the ribbon-cutting ceremony, the new office not only spurs commerce, but also is symbolically important in the wake of Arizona's immigration controversies.

Another activity of note in our region is the upcoming Joint Planning Advisory Council (JPAC) meeting in Tucson. Representatives from the Utah Department of Transportation, Wasatch Front Regional Council, and Salt Lake Chamber will discuss Utah's Unified Transportation Plan. The Unified Plan reflects Utah's approach to providing transportation choices to its residents, responding to population and job growth, and maintaining and preserving systems already in place.

I often reference the flywheel concept described in the book "Good to Great" by Jim Collins. Innovation can be compared to a flywheel that takes a lot of effort to get moving. But once it reaches its breakthrough point, it starts turning easily due to its own momentum. That is how I see the efforts of the Maricopa Association of Governments due to the hard work of our member agencies. These efforts have been data driven. Using research, we have identified the best economic strategies for moving forward to make a difference in our region.

For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.



Meeting Report for Wednesday, December 16, 2015

Action Items

MAG 208 Water Quality Management Plan Amendment

The Regional Council approved a request by the City of Buckeye to amend the MAG 208 Water Quality Management Plan. The city had requested the plan be amended to include the Central Buckeye Wastewater Treatment Plant Arizona Pollutant Discharge Elimination System (AZPDES) Permit Discharges to the Roosevelt Canal and Buckeye Canal. The facility has a current capacity of 4.5 million gallons per day, with an ultimate capacity of 45.8 million gallons per day.

Staff reported that reclaimed water is currently disposed of through reuse and discharge to a lateral of the Buckeye Canal. This amendment would allow the treatment plant to also be able to discharge to the Roosevelt Canal and the Buckeye Canal. By discharging to the Roosevelt Canal, the city will receive long term storage credits that can be used to maintain its 100-year Assured Water Supply. Constructing the pipeline from the treatment plant to the Roosevelt Canal also will provide the city with additional opportunities for reuse and recharge. The discharge to the main Buckeye Canal would be a contingency discharge. In addition, all methods of disposal identified in the MAG 208 Plan would remain available.

Staff noted that unincorporated Maricopa County is located within three miles of the project. Maricopa County indicated that the project does not conflict with county plans for the area and is acceptable.

For more information, contact Julie Hoffman, MAG Environmental Planning Program Manager, (602) 254-6300.

Streamlining of the MAG 208 Plan Small Plant Review and Approval Process

Staff provided a report on streamlining the MAG 208 Plan Small Plant Review and Approval Process. Recognizing the importance of economic development for the region, MAG agreed to work cooperatively with the Arizona Department of Environmental Quality (ADEQ) on streamlining options that would not jeopardize the integrity of the 208 process. The goal of this effort is to make the process more efficient and the region more globally competitive. In August, the MAG Regional Council approved the Proposal for Streamlining the 208 Water Quality Management Plan Process. The 208 Process was evaluated by a small Stakeholder Group that included representatives from cities and towns, Maricopa County, private utilities, homebuilders, and ADEQ.

As part of the streamlining process, the Stakeholder Group recommended that corresponding changes be made to the MAG 208 Plan Small Plant Review and

Approval Process. This is a shortened process for wastewater treatment facilities with a capacity of 2.0 million gallons per day or less with no discharge. Staff noted that corresponding changes have now been made that streamline the Small Plant Review and Approval Process from approximately 12-17 months to approximately six months. This represents a 50 to 65 percent reduction in the overall timeline for a Small Plant Review and Approval. The Regional Council approved the proposal. **For more information, contact Julie Hoffman, MAG Environmental Planning Program Manager, (602) 254-6300.**



Information Items

EPA Proposed Revisions to the Exceptional Events Rule

On November 20, 2015, the Environmental Protection Agency (EPA) published a proposed rule with revisions to the 2007 Exceptional Events Rule. The revisions seek to address issues raised by stakeholders. They also seek to provide clarity and increase the efficiency of the criteria and process. Exceptional Events include natural events such as “dust storms, wildfires, stratospheric ozone intrusion and volcanic and seismic activities.” In addition, EPA proposed draft guidance on preparing exceptional event demonstrations for wildfires.

Staff reported that MAG is vitally interested in EPA’s pending rulemaking and possible improvements to the exceptional events process. The EPA held a hearing on the proposed changes on December 8, 2015, in Phoenix. MAG provided comments at the hearing. MAG noted that it is still reviewing the rule, but the initial assessment is that EPA has made a bona fide effort to improve the methods by which exceptional events are determined.

Past exceptional event demonstrations have cost MAG, the state, and Maricopa County considerable amounts of money and staff time. In 2011 and 2012, the cost was \$675,000 dollars. The MAG testimony emphasized that EPA should strive to reduce the burdens imposed by such demonstrations and ensure that federal, state and local interactions are conducted in the most efficient manner possible. Some revisions do appear to streamline the process for submittal and approval of future Exceptional Event demonstrations. They seem to lessen the burden on states and entities like MAG that need to document such requests.

During a past listening session, MAG stated its priorities with regard to Exceptional Events. First, more deference needs to be given to states in the Exceptional Events process. Second, and consistent with what MAG sees as an objective of the proposed rule, the process and documentation for Exceptional Events should be streamlined. MAG advocated that EPA take prompt action with respect to Exceptional Event

determinations. Third, the Agency must remain aware of differences in regional climates and conditions.

MAG thanked the Arizona Congressional Delegation for its attention to the issue. In particular, staff thanked Senator Jeff Flake for his great work, including his request for an extension of the public comment period. MAG also thanked EPA for holding the public hearing on the issue.

MAG staff is currently reviewing the proposed revisions and guidance in coordination with the MAG special Washington, D.C., legal counsel. Comments are due by January 19, 2016. U.S. Senator Jeff Flake has requested a 30-day extension of the comment period. EPA intends to finalize the rule revisions and guidance before October 1, 2016.

For more information, please contact Lindy Bauer, MAG Environmental Director, (602) 254-6300.

Legislative Update

MAG staff provided an update on legislative issues of interest. President Obama signed the Fixing America's Surface Transportation Act, or FAST Act, on December 4, 2015. It is a five-year bill totaling \$305 billion. Nationally, this marks an 11 percent increase in funding. Staff noted that much of the policy, programmatic and funding implications are still being reviewed by national associations.

The FAST Act includes an increased emphasis on streamlining and expediting project delivery, the return of a bus discretionary grant program, and new multimodal freight funding. Staff reported that unfortunately, the legislation did not include an update to formula allocations, and the formulas still use old 2000 Census data to determine funding allocations. This hurts high growth states like Arizona. The hope is that organizations like MAG have called enough attention to this issue that it can be addressed in 2020 when a new decennial census occurs.

On the highway side, Arizona is seeing an increase of funding by nearly 13 percent (2015 vs 2020), with an approximate five percent increase in federal fiscal year 2016, and an approximate two percent year-over-year thereafter. Staff noted that an amendment that would have helped MAG in an earlier version of the legislation did not pass.

The FAST Act did include some important designations, including the Sonoran Corridor, a bypass from Interstate 19 to Interstate 10 south of Tucson. This corridor will help save time and open technology and defense industry areas for development. The Act also expanded the designation of Interstate 11 from Las Vegas to Reno (Interstate 80), and south of Phoenix to Tucson and Nogales.

Staff discussed a late effort to create a pilot program to allow projects like I-11 to move forward with environmental studies with an exemption to fiscal constraint requirements. Although the program did not make it into the final legislation, staff thanked Glendale Mayor Jerry Weiers, chair of TPC, for a letter of support for the program.

Staff also noted that Congress passed the federal fiscal year 2016 budget, which includes \$500 million for the Transportation Investment Generating Economic Recovery (TIGER) competitive grant program.

Here in Arizona, the state legislative session starts next month. MAG will keep an eye on bills that would take away from the Highway User Revenue Fund. ADOT is projecting five more years of sweeps at \$120 million per year, for a total of \$600 million total over five years. If sweeps were limited to no more than \$20 million per year as required in statute, it would mean \$500 million for state transportation projects.

For more information, please contact Nathan Pryor, MAG Government Relations Manager, (602) 254-6300.

Next Meeting

Please note that the next meeting of the MAG Regional Council will be on Wednesday, January 27, 2016, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are pending.

For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.