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From the Publisher

ABOUT THIS PUBLICATION

The paper copy of the *Administrative Register* (A.A.R.) is the official publication for rules and rulemaking activity in the state of Arizona.

Rulemaking is defined in Arizona Revised Statutes known as the Arizona Administrative Procedure Act (APA), A.R.S. Title 41, Chapter 6, Articles 1 through 10.

The Office of the Secretary of State does not interpret or enforce rules published in the *Arizona Administrative Register* or *Code*. Questions should be directed to the state agency responsible for the promulgation of the rule as provided in its published filing.

The *Register* is cited by volume and page number. Volumes are published by calendar year with issues published weekly. Page numbering continues in each weekly issue.

In addition, the *Register* contains the full text of the Governor's Executive Orders and Proclamations of general applicability, summaries of Attorney General opinions, notices of rules terminated by the agency, and the Governor's appointments of state officials and members of state boards and commissions.

ABOUT RULES

Rules can be: made (all new text); amended (rules on file, changing text); repealed (removing text); or renumbered (moving rules to a different Section number). Rules activity published in the *Register* includes: proposed, final, emergency, expedited, and exempt rules as defined in the APA.

Rulemakings initiated under the APA as effective on and after January 1, 1995, include the full text of the rule in the *Register*. New rules in this publication (whether proposed or made) are denoted with underlining; repealed text is stricken.

WHERE IS A "CLEAN" COPY OF THE FINAL OR EXEMPT RULE PUBLISHED IN THE REGISTER?

The *Arizona Administrative Code* (A.A.C.) contains the codified text of rules. The A.A.C. contains rules promulgated and filed by state agencies that have been approved by the Attorney General or the Governor's Regulatory Review Council. The *Code* also contains rules exempt from the rulemaking process.

The printed *Code* is the official publication of a rule in the A.A.C., and is prima facie evidence of the making, amendment, or repeal of that rule as provided by A.R.S. § 41-1012. Paper copies of rules are available by full Chapter or by subscription. The *Code* is posted online for free.

LEGAL CITATIONS AND FILING NUMBERS

On the cover: Each agency is assigned a Chapter in the *Arizona Administrative Code* under a specific Title. Titles represent broad subject areas. The Title number is listed first; with the acronym A.A.C., which stands for the *Arizona Administrative Code*; following the Chapter number and Agency name, then program name. For example, the Secretary of State has rules on rulemaking in Title 1, Chapter 1 of the *Arizona Administrative Code*. The citation for this chapter is 1 A.A.C. 1, Secretary of State, Rules and Rulemaking

Every document filed in the office is assigned a file number. This number, enclosed in brackets, is located at the top right of the published documents in the *Register*. The original filed document is available for 10 cents a page.

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This publication is available online for free at www.azsos.gov.

ADMINISTRATIVE CODE
A price list for the *Arizona Administrative Code* is available online. You may also request a paper price list by mail. To purchase a paper Chapter, contact us at (602) 364-3223.

PUBLICATION DEADLINES
Publication dates are published in the back of the *Register*. These dates include file submittal dates with a three-week turnaround from filing to published document.

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Participate in the Process

Look for the Agency Notice

Review (inspect) notices published in the *Arizona Administrative Register*. Many agencies maintain stakeholder lists and would be glad to inform you when they proposed changes to rules. Check an agency's website and its newsletters for news about notices and meetings.

Feel like a change should be made to a rule and an agency has not proposed changes? You can petition an agency to make, amend, or repeal a rule. The agency must respond to the petition. (See A.R.S. § 41-1033)

Attend a public hearing/meeting

Attend a public meeting that is being conducted by the agency on a Notice of Proposed Rulemaking. Public meetings may be listed in the Preamble of a Notice of Proposed Rulemaking or they may be published separately in the *Register*. Be prepared to speak, attend the meeting, and make an oral comment.

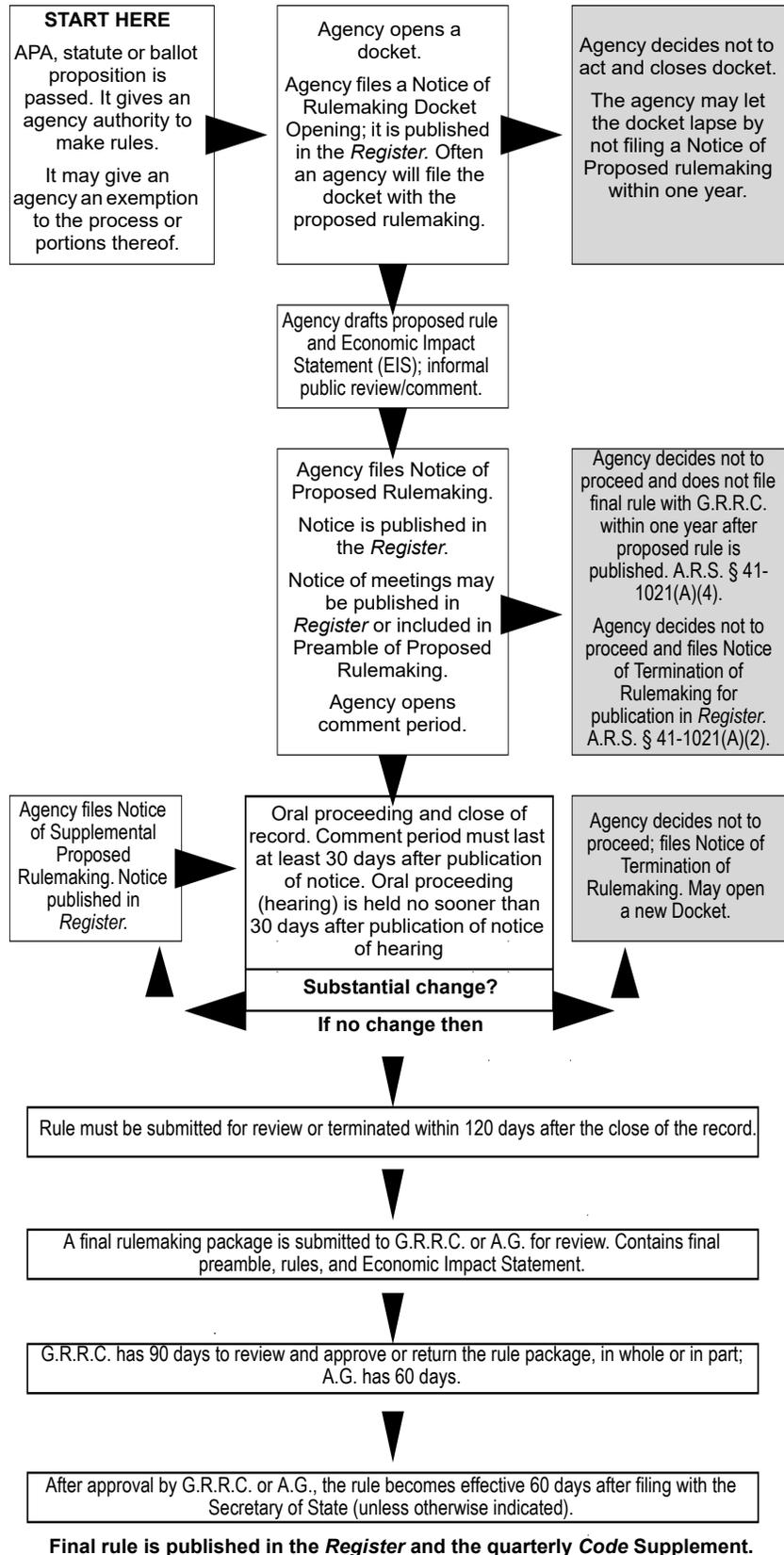
An agency may not have a public meeting scheduled on the Notice of Proposed Rulemaking. If not, you may request that the agency schedule a proceeding. This request must be put in writing within 30 days after the published Notice of Proposed Rulemaking.

Write the agency

Put your comments in writing to the agency. In order for the agency to consider your comments, the agency must receive them by the close of record. The comment must be received within the 30-day comment timeframe following the *Register* publication of the Notice of Proposed Rulemaking.

You can also submit to the Governor's Regulatory Review Council written comments that are relevant to the Council's power to review a given rule (A.R.S. § 41-1052). The Council reviews the rule at the end of the rulemaking process and before the rules are filed with the Secretary of State.

Arizona Regular Rulemaking Process



Definitions

Arizona Administrative Code (A.A.C.): Official rules codified and published by the Secretary of State's Office. Available online at www.azsos.gov.

Arizona Administrative Register (A.A.R.): The official publication that includes filed documents pertaining to Arizona rulemaking. Available online at www.azsos.gov.

Administrative Procedure Act (APA): A.R.S. Title 41, Chapter 6, Articles 1 through 10. Available online at www.azleg.gov.

Arizona Revised Statutes (A.R.S.): The statutes are made by the Arizona State Legislature during a legislative session. They are compiled by Legislative Council, with the official publication codified by Thomson West. Citations to statutes include Titles which represent broad subject areas. The Title number is followed by the Section number. For example, A.R.S. § 41-1001 is the definitions Section of Title 41 of the Arizona Administrative Procedures Act. The “§” symbol simply means “section.” Available online at www.azleg.gov.

Chapter: A division in the codification of the *Code* designating a state agency or, for a large agency, a major program.

Close of Record: The close of the public record for a proposed rulemaking is the date an agency chooses as the last date it will accept public comments, either written or oral.

Code of Federal Regulations (CFR): The *Code of Federal Regulations* is a codification of the general and permanent rules published in the *Federal Register* by the executive departments and agencies of the federal government.

Docket: A public file for each rulemaking containing materials related to the proceedings of that rulemaking. The docket file is established and maintained by an agency from the time it begins to consider making a rule until the rulemaking is finished. The agency provides public notice of the docket by filing a Notice of Rulemaking Docket Opening with the Office for publication in the *Register*.

Economic, Small Business, and Consumer Impact Statement (EIS): The EIS identifies the impact of the rule on private and public employment, on small businesses, and on consumers. It includes an analysis of the probable costs and benefits of the rule. An agency includes a brief summary of the EIS in its preamble. The EIS is not published in the *Register* but is available from the agency promulgating the rule. The EIS is also filed with the rulemaking package.

Governor's Regulatory Review (G.R.R.C.): Reviews and approves rules to ensure that they are necessary and to avoid unnecessary duplication and adverse impact on the public. G.R.R.C. also assesses whether the rules are clear, concise, understandable, legal, consistent with legislative intent, and whether the benefits of a rule outweigh the cost.

Incorporated by Reference: An agency may incorporate by reference standards or other publications. These standards are available from the state agency with references on where to order the standard or review it online.

Federal Register (FR): The *Federal Register* is a legal newspaper published every business day by the National Archives and Records Administration (NARA). It contains federal agency regulations; proposed rules and notices; and executive orders, proclamations, and other presidential documents.

Session Laws or “Laws”: When an agency references a law that has not yet been codified into the Arizona Revised Statutes, use the word “Laws” is followed by the year the law was passed by the Legislature, followed by the Chapter number using the abbreviation “Ch.,” and the specific Section number using the Section symbol (§). For example, Laws 1995, Ch. 6, § 2. Session laws are available at www.azleg.gov.

United States Code (U.S.C.): The Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. The Code does not include regulations issued by executive branch agencies, decisions of the federal courts, treaties, or laws enacted by state or local governments.

Acronyms

A.A.C. – *Arizona Administrative Code*

A.A.R. – *Arizona Administrative Register*

APA – *Administrative Procedure Act*

A.R.S. – *Arizona Revised Statutes*

CFR – *Code of Federal Regulations*

EIS – *Economic, Small Business, and Consumer Impact Statement*

FR – *Federal Register*

G.R.R.C. – *Governor's Regulatory Review Council*

U.S.C. – *United States Code*

About Preambles

The Preamble is the part of a rulemaking package that contains information about the rulemaking and provides agency justification and regulatory intent.

It includes reference to the specific statutes authorizing the agency to make the rule, an explanation of the rule, reasons for proposing the rule, and the preliminary Economic Impact Statement.

The information in the Preamble differs between rulemaking notices used and the stage of the rulemaking.



NOTICES OF FINAL RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor's Regulatory Review Council or the Attorney General's Office. Certificates of Approval are on file with the Office.

text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated them. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the Arizona Administrative Code.

The final published notice includes a preamble and

**NOTICE OF FINAL RULEMAKING
TITLE 18. ENVIRONMENTAL QUALITY
CHAPTER 15. WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA**

[R18-09]

PREAMBLE

<u>1. Article, Part, or Section Affected (as applicable)</u>	<u>Rulemaking Action</u>
R18-15-101	Amend
R18-15-102	Amend
R18-15-103	Amend
R18-15-104	Amend
R18-15-105	Amend
R18-15-106	Amend
R18-15-107	Amend
R18-15-201	Amend
R18-15-203	Amend
R18-15-204	Amend
R18-15-205	Amend
R18-15-206	Amend
R18-15-207	Amend
R18-15-303	Amend
R18-15-304	Amend
R18-15-305	Amend
R18-15-306	Amend
R18-15-307	Amend
R18-15-401	Amend
R18-15-402	Repeal
R18-15-402	Renumber
R18-15-402	Amend
R18-15-403	Renumber
R18-15-403	Amend
R18-15-404	Renumber
R18-15-404	Amend
R18-15-405	Repeal
R18-15-405	Renumber
R18-15-405	Amend
R18-15-406	Renumber
R18-15-406	Amend
R18-15-407	Renumber
R18-15-408	Renumber
R18-15-501	Amend
R18-15-502	Amend
R18-15-503	Amend
R18-15-504	Amend
R18-15-505	Amend
R18-15-602	Amend
R18-15-701	Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing Statutes: A.R.S. §§ 49-1203 and 49-1274

Implementing Statutes: A.R.S. §§ 41-5356, 49-1202, 49-1203, 49-1222, 49-1224, 49-1242, 49-1244, 49-1267, 49-1268, 49-1269, 49-1275



3. The effective date of the rules:

March 11, 2018

4. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 23 A.A.R. 615, March 17, 2017

Notice of Proposed Rulemaking: 23 A.A.R. 2464, September 15, 2017

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Trish Incognito, Executive Director
 Address: Water Infrastructure Finance Authority of Arizona
 100 N. 15th Ave., Suite 103
 Phoenix, AZ 85007
 Telephone: (602) 364-1310
 Fax: (602) 364-1327
 E-mail: pincognito@azwifa.gov

6. An explanation of the rule, including the agency's reasons for initiating the rulemaking:

A. Reasons for Initiating the Rulemaking

The Water Infrastructure Finance Authority of Arizona (WIFA) is initiating this rulemaking to reflect recent changes to its governing statutes. The Authority proposes to modify the existing rule so the rule supports and complements state statutory changes to A.R.S. Title 49, Chapter 8 and the addition of A.R.S. Title 41, Chapter 53.

On August 6, 2016, Arizona House Bill 2666 (Fifty-second Legislature, Second Regular Session, 2016) became effective, transferring the Water Infrastructure Finance Authority (WIFA) to the newly established Arizona Finance Authority (AFA) which is governed by a newly created AFA Board of Directors.

Major changes addressed in the rule making include:

1. The WIFA Board of Directors was dissolved by HB 2666. Governance of the Authority is now under the AFA Board of Directors. The addition of A.R.S. § 41-5356 established a WIFA Advisory Board which provides recommendations to the AFA Board. References to the now-defunct WIFA Board are found throughout WIFA's current rules. The rule making reflects the new governance of the Clean Water and Drinking Water Revolving Fund programs.
2. The Water Supply Development Revolving Fund (WSDRF) Committee was struck from statute by HB 2666. References to the now-defunct Water Supply Development Revolving Fund Committee are found throughout WIFA's current rules, particularly in Article 4 Water Supply Development Revolving Fund. This rule making updates the rules to reflect the new governance of the Water Supply Development Revolving Fund. References to the Committee have been removed and replaced with the Board, as appropriate.
3. In its 2007 session, the Legislature established the WSDRF to be administered by WIFA in A.R.S. § 49-1271. Rules for the WSDRF were promulgated as part of WIFA's 2010 rulemaking, paralleling the rules for the Drinking Water Revolving Fund program. This program is federally funded, and its rules are based on federal requirements which do not apply to the WSDRF, a state program. This rule making improves the rule by reducing the regulatory burden associated with the non-applicable federal requirements currently applied to a state program.
4. Recent changes to the Clean Water Act (Water Resources Reform and Development Act of 2014) have affected the Clean Water Revolving Fund Program. These changes expanded the eligibilities of the types of recipients and the types of projects for the Clean Water Revolving Fund and allow for forgivable principal to be awarded. WIFA has evaluated these changes and revised its rules to provide flexibility so that WIFA may provide assistance to these expanded eligibilities, once WIFA's statutes are similarly revised.
5. Other clarifying edits have been made throughout A.A.C. Title 18, Chapter 15 to improve the comprehension and legal certainty of the rules.

B. Article-by-Article Explanation of the Rule

ARTICLE 1

The definitions that apply to all of Chapter 15 are located in R18-15-101. This Section is revised by amending or adding those definitions necessary to interpret the requirements of this rule and by eliminating definitions that are no longer necessary or applicable to this rule.

This rulemaking amends the following definitions: "applicant," "application," "Board," "Certified Water Quality Management Plan," "drinking water facility," "grant applicant," "grant application," "Intended Use Plan," "planning and design assistance grant," "planning and design assistance grant agreement," "planning and design loan repayment agreement," "project priority list," "recipient," "technical assistance," "wastewater treatment facility," "water provider," and "water supply development."

The following is a new term which has been added to this Section: "Advisory Board."

The following terms are no longer applicable and have been eliminated from this rule: "Committee," and "Priority Value." Throughout the rules, references to the Water Supply Development Revolving Fund Committee were removed, and as applicable, were replaced with references to the Board. In Articles 2, 3 and 4, the term "Priority Value" was replaced with the words "total score" and "priority" to increase clarity.

The current Section R18-15-102(B)(2) does not provide any further clarification than the statute A.R.S. §§ 49-1203 (16) and (17), and the content of this Section is included within the financial assistance loan repayment agreements described in Section R18-15-102(B)(1). Therefore, to remove redundancy with statute and to make the rules more concise and clear, this Section was removed from the new rule.



R18-15-104 was amended to clarify the application process, including replacing the term “fiscal year” with “financial operating year (fiscal or calendar)” to clarify the timeframes to non-governmental borrowers who may not follow a “fiscal year.” This revision was also made in Articles 2, 3 and 4. Section R18-15-104(B)(5) was revised because the terms and conditions of the loan for which the beneficiaries are consenting to are not known at the time of application.

Additionally, this rulemaking revises Section R18-15-104 to clarify the differing requirements of the resolutions approved by governing bodies which are submitted at two separate times in the process to receive financial assistance. (An applicant to WIFA frequently chooses to submit two separate resolutions, one to authorize the application for financial assistance, and another to execute the loan. If its governing body allows, an applicant may choose to prepare one resolution addressing both sets of requirements.)

Most of the content in the previous Section R18-15-105(A) was incorporated into Section R18-15-106(A) as it applies to the environmental review process. The language was also expanded to include technical assistance projects.

In Section R18-15-105 and in three locations in Article 5, revisions were made to reflect current WIFA practice that canceled checks are not acceptable documentation of incurred cost.

ARTICLES 2 AND 3

The eligibility criteria in Section 18-15-201 were amended to accommodate recent changes to federal law which expanded borrower eligibility for the Clean Water Revolving Fund to include private and non-profit entities for certain types of projects. This revision to WIFA's rules is being made in anticipation of an eventual amendment to state statute to allow these new types of borrowers.

No changes were made to R18-15-301, R18-15-202 or R18-15-302.

Sections R18-15-203 and R18-15-303 were amended in the same manner to clarify the requirements and processes of the Project Priority Lists (PPLs). A few minor terminology edits (“priority value” and “subsidy rate index”) were made. Because an application must be submitted for inclusion on the Project Priority List, the references to projects requested by regulatory authorities and all plans prepared according to the Clean Water Act (R18-15-203(C)) or the Safe Drinking Water Act (R18-15-303(C)) were removed. These projects and plans are considered by WIFA staff in the consideration of possible projects, however, placing a project on the PPL without the potential borrower's involvement is not appropriate. Sections R18-15-203(E) and R18-15-303(E) were revised to clarify that projects may be removed from PPL because the project was financed by another source, not necessarily long-term indebtedness, and to clarify that projects may not be transitioned to a new funding cycle's Project Priority List without resubmittal.

The public comment process for the Project Priority Lists was revised in Sections R18-15-203 and R18-15-303. The current rules require the Authority to hold public meetings to receive comments on the Project Priority Lists. However, current practice, as required by rule in Sections R18-15-202(B) and R18-15-302(B), is that the Authority annually publicly notices the Intended Use Plans which include the Project Priority Lists for 14 days. Updates to the Project Priority Lists occur on consent agenda at the Arizona Finance Authority Board meetings. Therefore, the rules were amended to only include a public notice for the Project Priority Lists, while keeping the requirement in R18-15-202 and R18-15-302 for a public comment period and a public meeting for the Intended Use Plans.

The procedures for ranking projects with tied scores were amended in R18-15-204(B) and R18-15-304(B) to clarify that two or more projects may receive the same total points, and that the tie breaking procedures will only be utilized when there is insufficient funding.

Sections R18-15-205 and R18-15-305 were revised to clarify the requirements to be included on the fundable range. A project only needs evidence of debt authorization according to R18-15-104 to move forward with applying for WIFA funding. This is because WIFA may fund projects which include the planning and design phases of an infrastructure project, and for these projects, the applicant cannot yet obtain applicable permits, receive approval of the project plans and specifications or initiate the bid process. For the same reason, R18-15-206 and R18-15-306 were revised to remove the requirement that the applicant has obtained or is in the process of obtaining all permits and approvals before presenting the application to the Board. These revisions reflect current WIFA practice and improve the comprehension and legal certainty of the rules.

In addition to the using the clearer term “financial operating years” in place of “fiscal year”, Sections R18-15-207 and R18-15-307 were revised to include an opportunity for public comment before the Board makes a determination on an applicant's request for financial assistance.

ARTICLE 4

In its 2007 session, the Legislature established the WSDRF to be administered by WIFA in A.R.S. § 49-1271. Rules for the WSDRF were promulgated as part of WIFA's 2010 rulemaking, paralleling the rules in Article 3 for the Drinking Water Revolving Fund program. The Drinking Water Revolving Fund program is federally funded, and its rules are based on federal requirements which do not apply to the WSDRF, a state program. This rulemaking eliminates the current rules R18-15-402 and R18-15-405 which mandated the federal requirement of an Intended Use Plan and Fundable Range for the WSDRF. These eliminations reduce the regulatory burden associated with a state program. The term “Project Priority List” in the renumbered Section R18-15-403, a condition of the Drinking Water Revolving Fund, has been replaced with the generic term, “project list.”

The WSDRF Committee was struck from statute by House Bill 2666 (Fifty-second Legislature, Second Regular Session, 2016). The rules have been updated to reflect the new governance of the Fund by removing references to the Committee and replacing them with the Board as applicable.

Other minor edits were made to remove the connection to the Drinking Water Revolving Fund and to return to consistency with the statute, including removing the reference to “subsidy rate index”, and replacing “rank” and “priority value” with “order and priority”, and “value” with “score.”

The renumbered Section R18-15-402(F) was revised to clarify that projects may not be transitioned to the new funding cycle's project list without resubmittal.

The procedures for ranking projects with tied scores were amended in the renumbered Section R18-15-403(B) to clarify that two or more projects may receive the same total points, and that the tie breaking procedures will only be utilized when there is insufficient funding.



The renumbered Section R18-15-404 was revised to remove the requirement that the applicant has obtained or is in the process of obtaining all permits and approvals before presenting the application to the Board. This is because WIFA may fund projects which include the planning and design phases of an infrastructure project, and for these projects, the applicant cannot yet obtain applicable permits and approvals. This revision improves the comprehension and legal certainty of the rules.

ARTICLE 5

Article 5 is amended to provide a clearer understanding of the technical assistance available and the required actions and process for applying for, evaluating and receiving planning and design assistance.

Throughout the rules, the Clean Water and Drinking Water State Revolving Fund planning and design technical assistance grant programs have been renamed to remove the word "grant." This revision was made to clarify terminology between federal recipients and state sub-recipients (recipients of WIFA's planning and design technical assistance). Federal grant recipients are subject to additional federal requirements which do not apply to recipients of WIFA funds (subrecipients of federal funds). Funds available through WIFA's technical assistance program are not loan funds or "financial assistance." This change of terminology reduces the regulatory burden associated with a state program. The terminology for the Water Supply Development Revolving Fund grant program is unchanged as this program is not federally funded.

Consistent with the amendments proposed in Article 4, this rule making amends Sections R18-15-501, R18-15-502 and R18-15-505 to remove all references to Intended Use Plan for Water Supply Development Revolving Fund Technical Assistance and to remove all references to Water Supply Development Revolving Fund Committee and replace them with the Arizona Finance Authority Board, as appropriate.

Section R18-15-503 has been revised to reflect the expanded eligibilities of applicants and project types as a result of recent changes to federal law.

Sections R18-15-503(J), R18-15-504(J) and R18-15-505(J) have been eliminated to allow WIFA to consider special circumstances in which project costs incurred prior to execution of a planning and design assistance agreement may be eligible for reimbursement.

Consistent with Section R18-15-105, Sections R18-15-503(K), R18-15-504(K) and R18-15-505(K) have been revised to remove the reference to "canceled checks."

ARTICLE 6

Initial funding for the Hardship Grant Fund was provided as a one-time grant by U.S. Environmental Protection Agency, and these grant funds have been allocated or committed to projects. WIFA does not anticipate receiving additional funds for the Hardship Grant Fund; however, this Article remains in the new rulemaking to preserve WIFA's authority if additional future funds are received for the Hardship Grant Fund Program. Specific criteria for award in Section R18-15-602 have been eliminated as any future funding for the Hardship Grant would likely have new specific criteria, which would be different from those currently in rule.

ARTICLE 7

This rule making amends Section R18-15-701 to clarify differences in interest rate setting between projects funded by the Clean Water and Drinking Water State Revolving Funds and projects funded by the Water Supply Development Revolving Fund. The rule is being revised to clarify that within the Clean Water and Drinking Water State Revolving Funds, an applicant's local fiscal capacity score is the primary factor in determining the interest rate, while in the Water Supply Development Revolving Fund, an applicant's financial need is the primary factor.

The current rule does not allow forgivable principal to be awarded to Clean Water State Revolving Fund loans. The Water Resources Reform and Development Act of 2014 amended the Clean Water Act to allow for forgivable principal for Clean Water loans. The amount of forgivable principal required to be awarded is a condition of the annual federal capitalization grant. This rule making gives the Authority the flexibility to adhere to the federal requirements which may change from year to year. The rule making also clarifies that forgivable principal is only available for projects funded through either the Clean Water and Drinking Water State Revolving Funds, not the Water Supply Development Revolving Fund. The criteria for which applicants and projects are eligible for forgivable principal were revised to broadly match the criteria in the annual federal capitalization grants.

7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not 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:

None

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

Not applicable

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

A. Proposed rulemaking

The rulemaking will ensure that WIFA is in conformance with recent statutory changes, thereby reducing confusion among the AFA Board, WIFA Advisory Board, WIFA staff, applicants to the programs, and other stakeholders. Leaving the rules unchanged will result in statutory inconsistencies and misalignment with the current processes used by WIFA staff. WIFA believes that the information in the new rules will help reduce misunderstanding.

B. Information contained in this report

WIFA is a public financing agency; it does not regulate any consumer or business. WIFA's primary purpose is to provide financial and technical assistance through the Clean Water Revolving Fund for publicly held wastewater treatment projects and the Drinking Water Revolving Fund for both publicly and privately held drinking water systems. Both funds were established by the U.S. Environ-



mental Protection Agency and are funded by federal capitalization grants, state matching funds (provided in recent years by WIFA) and WIFA bond proceeds.

In the state of Arizona, there are hundreds of community water systems and publicly-owned wastewater systems who are eligible to apply for funding from WIFA. In fiscal year 2017, WIFA provided financial assistance to five drinking water systems and three wastewater systems. Through the Drinking Water Revolving Fund, \$63 million was lent in the form of financial assistance to drinking water systems around the state, while \$4.6 million was lent through the Clean Water Revolving Fund. Technical assistance was provided to five drinking water systems and four wastewater systems in fiscal year 2017, totaling \$121,631 and \$134,324 respectively.

WIFA believes that the proposed rule will result in minimal costs to the Authority and other state agencies, including the Arizona Corporation Commission, Arizona Department of Environmental Quality and Arizona Department of Water Resources. The proposed rule has a beneficial impact and is expected to have no cost or minimal cost impact to the regulated industries, including wastewater treatment facilities, drinking water facilities, and water providers; as well as small businesses and small communities. WIFA provides significant savings to wastewater and drinking water systems through below-market interest rates, forgivable principal and reduced transaction costs. Without the financial and technical assistance available through WIFA, many wastewater and drinking water systems would otherwise find it difficult, if not impossible, to obtain funding to achieve compliance or correct problems associated with water quality standards. Customers of the wastewater facility, drinking water facility, or water provider receive the ultimate benefit from improved water quality and having an adequate water supply. Furthermore, the proposed rule amendments will not have an impact on state revenues.

10. A description of the changes between the proposed rule making, including supplemental notices, and final rule making:

It was discovered that the title and acronym of the Water Supply Development Revolving Fund was not consistent throughout the preamble and the rule. The word "Revolving", and the corresponding "R" in the acronym were added throughout the preamble and in one location in the rule.

Following the advice of a staff rule writer at the Arizona Department of Environmental Quality, a sentence was added in the preamble to clarify that funds available through WIFA's technical assistance program are not loan funds.

11. A summary of the comments made regarding the rulemaking and the agency response to them:

An oral proceeding on the Notice of Proposed Rulemaking was held on November 6, 2017. Erika Coombs representing Stifel Financial Corp attended the hearing. Ms. Coombs did not provide any comments. No other verbal or written comment was received.

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:

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:

The amended rules do not require issuance of a regulatory permit or license.

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:

This rulemaking is consistent with federal law. The state revolving funds are regulated at the federal level under the Clean Water Act and the Safe Drinking Water Act.

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:

No analysis has been submitted.

13. A list of any incorporated by reference material and its location in the rules:

None

14. Whether the rule was previously made, amended, or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:

The rule was not previously made, amended or repealed as an emergency rule.

15. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 15. WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

ARTICLE 1. GENERAL PROVISIONS

Section

R18-15-101.	Definitions
R18-15-102.	Types of Assistance Available
R18-15-103.	Application Process
R18-15-104.	General Financial Assistance Application Requirements
R18-15-105.	General Financial Assistance Conditions
R15-15-106. R18-15-106.	Environmental Review
R18-15-107.	Disputes



ARTICLE 2. CLEAN WATER REVOLVING FUND

Section

- R18-15-201. Clean Water Revolving Fund Financial Assistance Eligibility Criteria
- R18-15-203. Clean Water Revolving Fund Project Priority List
- R18-15-204. Clean Water Revolving Fund Project Priority List Ranking
- R18-15-205. Clean Water Revolving Fund Fundable Range for Financial Assistance
- R18-15-206. Clean Water Revolving Fund Application for Financial Assistance
- R18-15-207. Clean Water Revolving Fund Application Review for Financial Assistance

ARTICLE 3. DRINKING WATER REVOLVING FUND

Section

- R18-15-303. Drinking Water Revolving Fund Project Priority List
- R18-15-304. Drinking Water Revolving Fund Project Priority List Ranking
- R18-15-305. Drinking Water Revolving Fund Fundable Range for Financial Assistance
- R18-15-306. Drinking Water Revolving Fund Application for Financial Assistance
- R18-15-307. Drinking Water Revolving Fund Application Review for Financial Assistance

ARTICLE 4. WATER SUPPLY DEVELOPMENT REVOLVING FUND

Section

- R18-15-401. Water Supply Development Revolving Fund Financial Assistance Eligibility Criteria
- ~~R18-15-402. Water Supply Development Revolving Fund Intended Use Plan~~ Repealed
- ~~R18-15-403. R18-15-402. Water Supply Development Revolving Fund Project Priority List~~
- ~~R18-15-404. R18-15-403. Water Supply Development Revolving Fund Project Priority List Ranking~~
- ~~R18-15-405. Water Supply Development Revolving Fund Fundable Range for Financial Assistance~~ Repealed
- ~~R18-15-406. R18-15-404. Water Supply Development Revolving Fund Application for Financial Assistance~~
- ~~R18-15-407. R18-15-405. Water Supply Development Revolving Fund Application Review for Financial Assistance~~
- ~~R18-15-408. R18-15-406. Water Supply Development Revolving Fund Requirements~~

ARTICLE 5. TECHNICAL ASSISTANCE

Section

- R18-15-501. Technical Assistance
- R18-15-502. Technical Assistance Intended Use Plan
- R18-15-503. Clean Water Planning and Design Assistance ~~Grants~~
- R18-15-504. Drinking Water Planning and Design Assistance ~~Grants~~
- R18-15-505. Water Supply Development Planning and Design Assistance Grants

ARTICLE 6. HARDSHIP GRANT FUND PROGRAM

Section

- R18-15-602. Hardship Grant Fund Financial Assistance

ARTICLE 7. INTEREST RATE SETTING AND FORGIVABLE PRINCIPAL

Section

- R18-15-701. Interest Rate Setting and Forgivable Principal

ARTICLE 1. GENERAL PROVISIONS

R18-15-101. Definitions

In addition to the definitions prescribed in A.R.S. § 49-1201, the terms of this Chapter, unless otherwise specified, have the following meanings:

“Advisory Board” has same meaning as prescribed in A.R.S. § 41-5356(A)(5).

“Applicant” means a governmental unit, a non-point source project sponsor, a drinking water facility, or a water provider that is seeking financial or technical assistance from the Authority under the provisions of this Chapter.

“Application” means a request for financial or technical assistance submitted to the Board or Committee by an applicant.

“Authority” means the Water Infrastructure Finance Authority of Arizona pursuant to A.R.S. § 49-1201(1).

“Board” means the Board of Directors of the Authority pursuant to A.R.S. § 49-1201(2); means the board of directors of the Arizona finance authority established by A.R.S. Title 41, Chapter 53, Article 2.

“Certified Water Quality Management Plan” means a plan prepared by a single representative organization designated by the Governor according to Section 208 of the Clean Water Act, 33 U.S.C. 1288; means a plan prepared by a designated Water Quality Management Planning Agency under Section 208 of the Federal Water Pollution Control Act (P.L. 92-500) as amended by the Water Quality Act of 1987 (P.L. 100-4), certified by the Governor or the Governor’s designee, and approved by the United States Environmental Protection Agency.

“Clean Water Revolving Fund” means the fund established by A.R.S. § 49-1221.

“Committee” means the Water Supply Development Fund Committee as defined in A.R.S. § 49-1201(5).

“DBE” means EPA’s Disadvantaged Business Enterprise Program.



- “Dedicated revenue source for repayment” means a source of revenue pledged by a borrower to repay the financial assistance.
- “Department” means the Arizona Department of Environmental Quality.
- “Disbursement” means the transfer of cash from a fund to a recipient.
- “Discharge” has same meaning as prescribed in A.R.S. § 49-201(12).
- “Drinking water facility” has same meaning as prescribed in A.R.S. ~~§ 49-1201(6)~~ § 49-1201(5).
- “Drinking Water Revolving Fund” means the fund established by A.R.S. § 49-1241.
- “EA” means an environmental assessment.
- “EID” means an environmental information document.
- “EIS” means an environmental impact statement.
- “EPA” means the United States Environmental Protection Agency.
- “Executive director” means the executive director of the Water Infrastructure Finance Authority of Arizona.
- “Federal capitalization grant” means the assistance agreement by which the EPA obligates and awards funds allotted to the Authority for purposes of capitalizing the Clean Water Revolving Fund and the Drinking Water Revolving Fund.
- “Financial assistance” means the use of monies for any of the purposes identified in R18-15-102(B).
- “Financial assistance agreement” means any agreement that defines the terms for financial assistance provided according to this Chapter.
- “FONSI” means a finding of no significant impact.
- “Fundable range” means a subset of the project priority list that demarcates the ranked projects which have been determined to be ready to proceed and will be provided with a project finance application.
- “Governmental unit” means a political subdivision or Indian tribe that may receive technical or financial assistance from the Authority pursuant to A.R.S. § 49-1203.
- “Impaired water” means a navigable water for which credible scientific data exists that satisfies the requirements of A.R.S. § 49-232 and that demonstrates that the water should be identified pursuant to 33 U.S.C. 1313(d) and the regulations implementing that statute.
- “Intended Use Plan” means the document prepared by the Authority identifying the intended uses of Clean Water Revolving Fund and Drinking Water Revolving Fund federal capitalization grants according to R18-15-202 and R18-15-302, ~~the intended uses of the Water Supply Development Revolving Fund according to R18-15-402,~~ and the intended uses of funds for technical assistance according to R18-15-502.
- “Master priority list” means the master priority list for Capacity Development developed by the Arizona Department of Environmental Quality under A.A.C. R18-4-803, which ranks public water systems according to their need for technical assistance.
- “Onsite system” means a conventional septic tank system or alternative system that is installed at a site to treat and dispose of wastewater of predominantly human origin that is generated at that site.
- “Planning and design assistance ~~grant~~” means a technical assistance ~~grant~~ that provides for the use of monies for a specific water ~~facility~~, wastewater treatment facility, or water supply delivery system for planning or design to facilitate the design, construction, acquisition, improvement, or consolidation of a drinking water project, wastewater project, or water supply development project.
- “Planning and design assistance ~~grant~~ agreement” means any agreement that defines the terms for a technical assistance ~~grant~~ provided according to Article 5 of this Chapter.
- “~~Grant~~ Planning and design technical assistance applicant” means a governmental unit, a nonpoint source project sponsor, a drinking water facility, or a water provider that is seeking a planning and design assistance ~~grant~~ from the Authority under the provisions of this Chapter.
- “~~Grant~~ Planning and design technical assistance application” means a request for a planning and design assistance ~~grant~~ submitted to the Board ~~or Committee~~ by a ~~an~~ ~~grant~~ applicant in a format prescribed by the Authority.
- “Planning and design loan repayment agreement” means the same as technical assistance loan repayment agreement and has the meaning at A.R.S. ~~§ 49-1201(12)~~ § 49-1201(11).
- “Priority value” ~~means the total points a project received during the evaluation of its project priority list application.~~
- “Professional assistance” means the use of monies by or on behalf of the Authority to conduct research, conduct studies, conduct surveys, develop guidance, and perform related activities that benefit more than one water or wastewater treatment facility.
- “Project” means any distinguishable segment or segments of a wastewater treatment facility, drinking water facility, water supply delivery system, or nonpoint source pollution control that can be bid separately and for which financial or technical assistance is being requested or provided.
- “Project priority list” means the document developed by the Board ~~or Committee~~ according to R18-15-203, ~~or R18-15-303,~~ ~~or R18-15-403~~ that ranks projects according to R18-15-204, ~~or R18-15-304,~~ ~~or R18-15-404.~~
- “Recipient” means an applicant who has entered into a financial assistance agreement or planning and design assistance ~~grant~~ agreement with the Authority.
- “ROD” means a record of decision.



“Staff assistance” means the use of monies for a specific water or wastewater treatment facility to assist that system to improve its operations or assist a specific water provider with a water supply delivery system. For water providers, staff assistance is limited to planning and design of water supply development projects according to A.R.S. § 49-1203(B)(17).

“Technical assistance” means assistance provided by the Authority in the form of staff assistance, professional assistance and planning and design assistance ~~grants~~.

“Wastewater treatment facility” has the same meaning as prescribed in A.R.S. ~~§ 49-1201(13)~~ § 49-1201(12).

“Water provider” has the same meaning as prescribed in A.R.S. ~~§ 49-1201(14)~~ § 49-1201(13).

“Water supply development” has the same meaning as prescribed in A.R.S. ~~§ 49-1201(15)~~ § 49-1201(14).

“Water Supply Development Revolving Fund” means the fund established by A.R.S. § 49-1271.

R18-15-102. Types of Assistance Available

- A. The Authority may provide financial and technical assistance under the following programs if the Board ~~or Committee, as applicable,~~ determines funding is available:
 1. Clean Water Revolving Fund Program and Clean Water Technical Assistance Program,
 2. Drinking Water Revolving Fund Program and Drinking Water Technical Assistance Program,
 3. Water Supply Development Revolving Fund Program and Water Supply Development Technical Assistance Program, and
 4. Hardship Grant Fund Program.
- B. Financial assistance available from the Authority includes any of the following:
 1. Financial assistance loan repayment agreements;
 - ~~2. Planning and design loan repayment agreements in accordance with A.R.S. § 49-1203(16) and (17);~~
 - ~~3. 2.~~ The purchase or refinancing of local debt obligations;
 - ~~4. 3.~~ The guarantee or purchase of insurance for local obligations to improve credit market access or reduce interest rates;
 - ~~5. 4.~~ Short-term emergency loan agreements in accordance with A.R.S. § 49-1269; and
 - ~~6. 5.~~ Providing linked deposit guarantees through third-party lenders as authorized by A.R.S. §§ 49-1223(A)(6), 49-1243(A)(6), and 49-1273(A)(6).
- C. Technical assistance available from the Authority includes planning and design assistance ~~grants~~, staff assistance, and professional assistance. Technical assistance may be offered at the Board’s ~~or Committee’s~~ discretion ~~and shall be identified in the annual Technical Assistance Intended Use Plan as described in R18-15-502.~~

R18-15-103. Application Process

- A. An applicant requesting assistance shall apply to the Authority for ~~each type of the~~ financial or technical assistance described in R18-15-102 on forms provided by the Authority.
- B. An applicant seeking financial assistance through the Clean Water Revolving Fund Program shall apply for financial assistance according to Articles 1 and 2 of this Chapter.
- C. An applicant seeking financial assistance through the Drinking Water Revolving Fund Program shall apply for financial assistance according to Articles 1 and 3 of this Chapter.
- D. An applicant seeking financial assistance through the Water Supply Development Revolving Fund Program shall apply for financial assistance according to Articles 1 and 4 of this Chapter.
- E. An applicant seeking technical assistance available through the technical assistance programs shall apply for technical assistance according to Articles 1 and 5 of this Chapter.
- F. An applicant shall mark any confidential information with the words “confidential information” on each page of the material containing such information. A claim of confidential information may be asserted for a trade secret or information that, upon disclosure, would harm a person’s competitive advantage. The Authority shall not disclose any information determined confidential. Upon receipt of a claim of confidential information, the Authority shall make one of the following written determinations:
 1. The designated information is confidential and the Authority shall not disclose the information except to those individuals deemed by the Authority to have a legitimate interest.
 2. The designated information is not confidential.
 3. Additional information is required before a final confidentiality determination can be made.

R18-15-104. General Financial Assistance Application Requirements

- A. The applicant shall provide in the financial assistance application the information in subsections (B), (C), (D), and (E).
- B. The applicant shall demonstrate the applicant is legally authorized to ~~enter into~~ apply for long-term indebtedness, and is legally authorized to ~~pledge~~ declare its intent to obligate a dedicated revenue source for repayment under subsection (C).
 1. If the applicant is a political subdivision and the long-term indebtedness is authorized through an election, the applicant shall provide all of the following:
 - a. One copy of the sample election ballot and election pamphlet, if applicable,
 - b. One copy of the governing body resolution calling for the election, and
 - c. Official evidence of the election results following the election.
 2. If the applicant is a political subdivision and the long-term indebtedness is not required by law to be authorized through an election, the applicant shall provide one copy of the approved governing body resolution authorizing the application for long-term indebtedness and an identification of the dedicated revenue source.
 3. If the applicant is a political subdivision and the long-term indebtedness is authorized through a special taxing district creation process, the applicant shall provide one copy of ~~all~~ the final documentation, notices, petitions, and related information authorizing the long-term indebtedness.
 4. If the applicant is regulated by the Arizona Corporation Commission, the applicant shall provide evidence that the financial assistance from the Authority to the applicant is authorized by the Arizona Corporation Commission.



5. All other applicants shall demonstrate that a majority of the beneficiaries consent to ~~the terms and conditions of the~~ apply to the Authority for financial assistance. The Authority shall assist each applicant to devise a process by which this consent is documented.
- C. The applicant shall identify a dedicated revenue source for repayment of the financial assistance and demonstrate that the dedicated revenue source is sufficient to repay the financial assistance.
 1. The applicant shall provide the following information:
 - a. Amount of the financial assistance requested;
 - b. One copy of each financial statement, audit, or comprehensive financial statement from at least the previous three ~~fiscal years~~ financial operating years (fiscal or calendar);
 - c. One copy of each budget, business plan, management plan, or financial plan from the ~~previous and current fiscal years~~ financial operating years (fiscal or calendar);
 - d. One copy of the proposed budget, business plan, management plan, or financial plan for the next ~~fiscal year~~ financial operating year (fiscal or calendar);
 - e. ~~A projection of revenue anticipated to be collected over the next five fiscal years from the dedicated revenue source for repayment;~~
 - fe. A summary Documentation of current rates and fees for drinking or wastewater services including, as applicable, any resolutions related to rates and fees passed by the governing body of a political subdivision; and
 - gf. Copies of documentation relating to outstanding indebtedness pledged to the dedicated source for repayment, including official statements, financial assistance agreements, and amortization schedules.
 2. If any of the required information listed in subsection (C)(1) is not available, the Authority may assist the applicant in determining alternative documentation to support the applicant's financial capability.
 3. The Authority may ask for additional financial information as necessary to evaluate the applicant's financial capability.
- D. The applicant shall demonstrate the applicant is technically capable to construct, operate, and maintain the proposed project.
 1. The applicant shall provide the following information:
 - a. An estimate of the project costs in as much detail as possible, including an estimate of applicable planning, design, construction, and material costs;
 - b. The number of connections to be served by the proposed project;
 - c. The most recent version of the applicant's capital improvement plan or other plan explaining proposed infrastructure investments;
 - d. One copy of each feasibility study, engineering report, design memorandum, set of plans and specifications, and other technical documentation related to the proposed project and determined applicable by the Authority for the stage of project completion;
 - e. ~~Copies of resués, biographies,~~ Biographies or related information of the certified operators, system employees, or contractors employed by the applicant to operate and maintain the existing facilities and the proposed project;
 - f. A description of the service area, including maps; and
 - g. A description of the existing physical facilities.
 2. The Authority may ask for additional information as necessary to evaluate the applicant's technical capability.
- E. The applicant shall demonstrate the applicant is capable ~~to manage of managing the system and the~~ proposed project.
 1. The applicant shall provide the following information:
 - a. Years of experience and related information regarding the owners, managers, chief elected officials, and governing body members of the applicant; and
 - b. A list of professional and outside services retained by the applicant ~~and the proposed project~~.
 2. If any of the required information listed in subsection (E)(1) is not available, the Authority may assist the applicant in determining alternative documentation to support the applicant's managerial capability.
 3. The Authority may ask for additional information as necessary to evaluate the applicant's managerial capability.

R18-15-105. General Financial Assistance Conditions

- A. The Authority shall not execute a financial assistance agreement with an applicant until the applicant provides all documentation specified by the Authority ~~and the requirements of R18-15-106 are met. Projects under the Water Supply Development Revolving Fund Program are not subject to the requirements of R18-15-106. For planning and design loans that include an environmental information document or an environmental impact statement, the Authority may execute a financial assistance agreement with an applicant prior to the completion of the conditions of R18-15-106, provided that the applicant meets the requirements of R18-15-106 before proceeding with the design of the selected alternative.~~
- B. The documentation required prior to execution of the financial assistance agreement shall at a minimum include:
 1. ~~One~~ If there is a governing body, one copy of the governing body resolution approving the execution of the financial assistance agreement,
 2. A project budget, and
 3. An estimated disbursement schedule.
- C. The financial assistance agreement between the recipient and the Authority shall at a minimum specify:
 1. Rates of interest, fees, and any costs as determined by the Authority;
 2. Project details;
 3. The maximum amount of principal and interest due on any payment date;
 4. Debt service coverage requirements;
 5. Reporting requirements;
 6. Debt service reserve fund and repair and replacement reserve fund requirements;
 7. The dedicated source for repayment and pledge;
 8. The requirement that the recipient comply with applicable federal, state and local laws;



- 9. A schedule for repayment; and
- 10. Any other agreed-upon conditions.
- D. The Authority may require a recipient to pay a proportionate share of the expenses of the Authority’s operating costs.
- E. The recipient shall maintain the project account in accordance with generally accepted government accounting standards. After reasonable notice by the Authority, the recipient shall make available any project records reasonably required to determine compliance with the provisions of this Chapter and the financial assistance agreement.
- F. The Authority shall release loan proceeds subject to a disbursement request if the request is consistent with the financial assistance agreement and the disbursement schedule.
 - 1. The applicant shall submit each disbursement request on the forms provided by the Authority. Each disbursement request shall include a certification and signature document, a cost-incurred report, and a DBE report. The Authority shall not process a disbursement until the applicant provides a completed disbursement form.
 - 2. The applicant shall include copies of invoices, ~~cancelled checks~~, or other documents that show proof of eligible costs incurred with each disbursement request.
- G. The recipient shall make repayments according to an agreed-upon schedule in the financial assistance agreement. The Authority may charge a late fee for any loan repayment not paid when due. The Authority may refer any loan repayment past due to the Office of the Attorney General for appropriate action.

R18-15-106. Environmental Review

- A. The Authority shall conduct an environmental review according to this Section for impacts of the design or construction of water infrastructure. ~~Projects under the Water Supply Development Revolving Fund Program are not subject to the requirements of R18-15-106.~~ As part of the application process, the Authority shall request information from the applicant to conduct an environmental review consistent with 40 CFR 35.3140 and 40 CFR 35.3580. The Authority shall determine whether the project meets the criteria for categorical exclusion under subsections (B) and (C), or whether the project requires the preparation of an environmental assessment (EA) or an environmental impact statement (EIS) to identify and evaluate its environmental impacts.
 - 1. The Authority shall not execute a technical or financial assistance agreement with an applicant until the requirements of this section are met. For projects that include an environmental information document or an environmental impact statement, the Authority may execute a technical or financial assistance agreement with an applicant prior to the completion of the conditions of this section, provided that the applicant meets the requirements of this section before proceeding with the design of the selected alternative.
 - 2. Projects under the Water Supply Development Revolving Fund Program are not subject to the requirements of this section.
- B. A project may be categorically excluded from environmental review if the project fits within a category that is eligible for exclusion and the project does not involve any of the extraordinary circumstances listed in subsection (C). If, based on the application and other information submitted by the applicant, the Authority determines that a categorical exclusion from an environmental review is warranted, the project is exempt from the requirements of this Section, except for the public notice and participation requirements in subsection (J). The Authority may issue a categorical exclusion if information and documents demonstrate that the project qualifies under one or more of the following categories:
 - 1. Any project relating to existing infrastructure systems that involves minor upgrading, minor expansion of system capacity, rehabilitation (including functional replacement) of the existing system and system components, or construction of new minor ancillary facilities adjacent to or on the same property as existing facilities. This category does not include projects that:
 - a. Involve new or relocated discharges to surface water or groundwater,
 - b. Will likely result in the substantial increase in the volume or the loading of pollutant to the receiving water,
 - c. Will provide capacity to serve a population 30% greater than the existing population,
 - d. Are not supported by the state or other regional growth plan or strategy, or
 - e. Directly or indirectly involve or relate to upgrading or extending infrastructure systems primarily for the purposes of future development.
 - 2. Any clean water project in unsewered communities involving the replacement of existing onsite systems, providing the new onsite systems do not result in substantial increases in the volume of discharge or the loadings of pollutants from existing sources, or relocate an existing discharge.
- C. The Authority shall deny a categorical exclusion if any of the following extraordinary circumstances apply to the project:
 - 1. The project is known or expected to have potentially significant adverse environmental impacts on the quality of the human environment either individually or cumulatively over time.
 - 2. The project is known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority communities, low-income communities, or federally-recognized Indian tribal communities.
 - 3. The project is known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.
 - 4. The project is known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric, archaeological, or cultural value, including but not limited to, property listed on or eligible for the Arizona or National Registers of Historic Places.
 - 5. The project is known or expected to significantly affect environmentally important natural resource areas such as wetlands, floodplains, significant agricultural lands, aquifer recharge zones, wild and scenic rivers, and significant fish or wildlife habitat.
 - 6. The project is known or expected to cause significant adverse air quality effects.
 - 7. The project is known or expected to have a significant effect on the pattern and type of land use or growth and distribution of population, including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use or federal land management plans.
 - 8. The project is known or expected to cause significant public controversy about a potential environmental impact of the proposed action.
 - 9. The project is known or expected to be associated with providing financial assistance to a federal agency through an interagency agreement for a project that is known or expected to have potentially significant environmental impacts.



10. The project is known or expected to conflict with federal, state, or local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws or regulations.
- D.** If the Authority denies the categorical exclusion under subsection (C), the Authority shall conduct an EA according to subsection (E), unless the Authority decides to prepare an EIS according to subsections (F) and (G) without first undertaking an EA. If the Authority conducts an EA, the applicant shall:
1. Prepare an environmental information document (EID) in a format prescribed by the Authority. The EID shall be of sufficient scope to undertake an environmental review and to allow development of an EA under subsection (E); or
 2. Provide documentation, upon Authority approval, in another format if the documentation is of sufficient scope to allow the development of an EA under subsection (E).
- E.** The Authority shall conduct the EA that includes:
1. A brief discussion of:
 - a. The need for the project;
 - b. The alternatives, including a no action alternative;
 - c. The affected environment, including baseline conditions that may be impacted by the project and alternatives;
 - d. The environmental impacts of the project and alternatives, including any unresolved conflicts concerning alternative uses of available resources; and
 - e. Other applicable environmental laws.
 2. A listing or summary of any coordination or consultation undertaken with any federal agency, state or local government, or federally-recognized Indian tribe regarding compliance with applicable laws and executive orders;
 3. Identification and description of any mitigation measures considered, including any mitigation measures that must be adopted to ensure the project will not have significant impacts; and
 4. Incorporation of documents by reference, if appropriate, including the EID.
- F.** Upon completion of the EA required by subsection (E), the Authority shall determine whether an environmental impact statement (EIS) is necessary.
1. The Authority shall prepare or direct the applicant to prepare an EIS in the manner prescribed in subsection (G) if any of the following conditions exist.
 - a. The project would result in a discharge of treated effluent from a new or modified existing facility into a body of water and the discharge is likely to have a significant effect on the quality of the receiving water.
 - b. The project is likely to directly, or through induced development, have significant adverse effect upon local ambient air quality or local ambient noise levels.
 - c. The project is likely to have significant adverse effects on surface water reservoirs or navigation projects.
 - d. The project would be inconsistent with state or local government, or federally-recognized Indian tribe approved land use plans or regulations, or federal land management plans.
 - e. The project would be inconsistent with state or local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws and regulations for the protection of the environment.
 - f. The project is likely to significantly affect the environment through the release of radioactive, hazardous, or toxic substances, or biota.
 - g. The project involves uncertain environmental effects or highly unique environmental risks that are likely to be significant.
 - h. The project is likely to significantly affect national natural landmarks or any property on or eligible for the Arizona or National Registers of Historic Places.
 - i. The project is likely to significantly affect environmentally important natural resources such as wetlands, significant agricultural lands, aquifer recharge zones, wild and scenic rivers, and significant fish or wildlife habitat.
 - j. The project in conjunction with related federal, state, or local government, or federally-recognized Indian tribe projects is likely to produce significant cumulative impacts.
 - k. The project is likely to significantly affect the pattern and type of land use or growth and distribution of population, including altering the character of existing residential areas.
 - l. The project is a new regional wastewater treatment facility or water supply system for a community with a population greater than 100,000.
 - m. The project is an expansion of an existing wastewater treatment facility that will increase existing discharge to an impaired water by more than 10 million gallons per day (mgd).
 2. The Authority may issue a finding of no significant impact (FONSI) if the EA supports the finding that the project will not have a significant impact on the environment. The FONSI shall include the submitted EA and a brief description of the project, alternatives considered, and project impacts. The FONSI must also include any commitments to mitigation that are essential to render the impacts of the project not significant. The Authority shall issue the FONSI for public comment in accordance with subsection (J).
- G.** The Authority shall prepare or direct the applicant to prepare an EIS required by subsection (F)(1) when the project will significantly impact the environment, including any project for which the EA analysis demonstrates that significant impacts will occur and not be reduced or eliminated by changes to, or mitigation of, the project. The Authority shall perform the following actions:
1. As soon as practicable after its decision to prepare an EIS and before the scoping process, the Authority shall prepare a notice of intent. The notice of intent shall briefly describe the project and possible alternatives and the proposed scoping process. The Authority shall distribute the notice of intent to affected federal, state, and local agencies, any affected Indian tribe, the applicant, and other interested parties. The Authority shall issue the notice of intent for public comment in accordance with subsection (J)(3).
 2. As soon as possible after the distribution and publication of the notice of intent required by subsection (G)(1), the Authority shall convene a meeting of affected federal, state, and local agencies, affected Indian tribes, the applicant, and other interested parties.



At the meeting, the parties attending the meeting shall determine the scope of the EIS by considering a number of factors, including all of the following:

- a. The significant issues to be analyzed in depth in the EIS,
 - b. The preliminary range of alternatives to be considered,
 - c. The potential cooperating agencies and information or analyses that may be needed from cooperating agencies or other parties, and
 - d. The method for EIS preparation and the public participation strategy.
3. Upon completion of the process described in subsection (G)(2), the Authority shall identify and evaluate all potentially viable alternatives to adequately address the range of issues identified. Additional issues also may be addressed, or others eliminated, and the reasons documented as part of the EIS.
 4. After the analysis of issues is conducted according to subsection (G)(3), the Authority shall issue a draft EIS for public comment according to subsection (J)(4).
 5. Following public comment according to subsection (J), the Authority shall prepare a final EIS, consisting of all of the following:
 - a. The draft EIS;
 - b. An analysis of all reasonable alternatives and the no action alternative;
 - c. A summary of any coordination or consultation undertaken with any federal, state, or local government, or federally-recognized Indian tribe;
 - d. A summary of the public participation process;
 - e. Comments received on the draft EIS;
 - f. A list of persons commenting on the draft EIS;
 - g. The Authority's responses to significant comments received;
 - h. A determination of consistency with the Certified Water Quality Management Plan, if applicable;
 - i. The names and qualifications of the persons primarily responsible for preparing the EIS; and
 - j. Any other information added by the Authority.
 6. The Authority shall prepare or direct the applicant to prepare a supplemental EIS when appropriate, including when substantial changes are made to the project that are relevant to environmental concerns, or when there are significant new circumstances or information relevant to environmental concerns bearing on the project.

H. After issuance of a final EIS under subsection (G)(5), the Authority shall prepare and issue a record of decision (ROD) containing the Authority's decision whether to proceed or not proceed with a project. A ROD issued with a decision to proceed shall include a brief description of the project, alternatives considered, and project impacts. In addition, the ROD must include any commitments to mitigation, an explanation if the environmental preferred alternative was not selected, and any responses to substantive comments on the final EIS. A ROD issued with a decision not to proceed shall preclude the project from receiving financial assistance under this Article.

I. For all determinations (categorical exclusions, FONSI, or RODs) that are five years old or older and for which the project has not been implemented, the Authority shall re-evaluate the project, environmental conditions, and public views to determine whether to conduct a supplemental environmental review of the project and complete an appropriate environmental review document or reaffirm the Authority's original determination. The Authority shall provide public notice of the re-evaluation according to subsection (J)(5).

- J.** The Authority shall conduct public notice and participation under this Section as follows:
1. If a categorical exclusion is granted under subsection (B), the Authority shall provide public notice of that fact by publishing the notice as a legal notice at least once, in one or more newspapers of general circulation in the county or counties concerned.
 2. If a FONSI is issued under subsection (F)(2), the Authority shall provide public notice that the FONSI is available for public review by publishing the notice as a legal notice at least once in one or more newspapers of general circulation in the county or counties concerned. The notice shall provide that comments on the FONSI may be submitted to the Authority for a period of 30 days from the date of publication of the notice. If no comments are received, the FONSI shall immediately become effective. The Authority may proceed with the project subject to any mitigation measures described in the FONSI after responding to any substantive comments received on the FONSI during the 30-day comment period, or 30 days after issuance of the FONSI if no substantive comments are received.
 3. If a notice of intent is prepared and distributed under subsection (G)(1), the Authority shall publish it as a legal notice at least once, in one or more newspapers of general circulation in the county or counties concerned.
 4. If a draft EIS is issued under subsection (G)(4), the Authority shall provide public notice by publishing the notice as a legal notice at least once, in one or more newspapers of general circulation in the county or counties concerned, that the draft EIS is available for public review. The notice shall provide that comments on the draft EIS may be submitted to the Authority for a period of 45 days from the date of publication of the notice. When the Authority determines that a project may be controversial, the notice shall provide for a general public hearing to receive public comments.
 5. If the Authority reaffirms or revises a decision according to subsection (I), the Authority shall provide public notice of that fact by publishing the notice as a legal notice at least once, in one or more newspapers of general circulation in the county or counties concerned.

R18-15-107. Disputes

- A.** Any interested party having a substantial financial interest in or suffering a substantial adverse financial impact from an action taken under this Chapter, excluding actions taken under R18-15-503, R18-15-504, and R18-15-505, may file a formal letter of dispute with the executive director according to subsections (B), (C), (D), and (E). Any interested party having a substantial financial interest in or suffering a substantial adverse financial impact from an action taken under R18-15-503, R18-15-504 or R18-15-505 shall proceed under R18-15-503(H), R18-15-504(H) or R18-15-505(H), as applicable.
- B.** The interested party shall file the formal letter of dispute with the executive director within 30 days of the action and provide a copy to each member of the Board or Committee. The formal letter of dispute shall include the following information:
 1. The name, address, and telephone number of the interested party;



2. The signature of the interested party or the interested party's representative;
 3. A detailed statement of the legal and factual grounds of the dispute including:
 - a. Copies of relevant documents, and
 - b. The nature of the substantial financial interest or the nature of the substantial adverse financial impact of the interested party; and
 4. The form of relief requested.
- C. Within 30 days of receipt of a dispute letter, the Authority shall issue a preliminary decision in writing, to be forwarded by certified mail to the party.
- D. Any party filing a dispute under subsection (B) that disagrees with a preliminary decision of the Authority may file a formal letter of appeal, explaining why the party disagrees with the preliminary decision, with the Board, provided the letter is received by the executive director not more than 15 days after the receipt by the party of the preliminary decision.
- E. The Board shall issue a final decision on issues appealed under subsection (D) not more than 60 days after receipt of the formal letter of appeal.

ARTICLE 2. CLEAN WATER REVOLVING FUND

R18-15-201. Clean Water Revolving Fund Financial Assistance Eligibility Criteria

To be eligible to receive financial assistance from the Clean Water Revolving Fund, the applicant shall demonstrate the applicant is ~~a governmental unit requesting~~ eligible under A.R.S. § 49-1224(A) to request financial assistance for a purpose as defined in A.R.S. § 49-1223(A); the proposed project is to design, construct, acquire, improve, or refinance a publicly owned wastewater treatment facility, or for any other purpose permitted by the Clean Water Act including nonpoint source projects; and the proposed project appears on the Clean Water Revolving Fund Project Priority List developed under R18-15-203.

R18-15-203. Clean Water Revolving Fund Project Priority List

- A. The Authority annually shall prepare a Clean Water Revolving Fund Project Priority List as part of the Intended Use Plan described in R18-15-202. The Board may waive the requirement to develop a Clean Water Revolving Fund Project Priority List if funds are not adequate to assist any projects or if the Board determines that no financial assistance will be offered for the annual funding cycle.
- B. An applicant pursuing financial assistance from the Authority for a project shall request to have the project included on the Clean Water Revolving Fund Project Priority List. The applicant may request that multiple projects be placed on the Clean Water Revolving Fund Project Priority List. An applicant shall make a request for placement of a project on the Clean Water Revolving Fund Project Priority List on or before a date specified by the Authority and in an application format specified by the Authority. The Authority shall include with the project priority list application form the criteria under each ranking category in R18-15-204(A), by which the project will be evaluated and the relative importance of each of the criterion.
- C. In preparing the Clean Water Revolving Fund Project Priority List, the Authority shall consider all project priority list applications submitted under subsection (B), ~~all projects requested by regulatory authorities, and all plans prepared according to the Clean Water Act, 33 U.S.C. 1251 to 1387.~~ The Authority shall evaluate the merits of each project with respect to water quality issues and determine the ~~priority value~~ total points of each project according to R18-15-204. At a minimum, the Clean Water Revolving Fund Project Priority List shall identify:
1. The applicant,
 2. Project title,
 3. Type of project,
 4. The amount requested for financial assistance,
 5. The subsidy ~~rate index~~ according to R18-15-204(C),
 6. Whether the project is within the fundable range according to R18-15-205, and
 7. The rank of each project by ~~the priority value~~ its total points, determined according to R18-15-204.
- D. After adoption of the annual Intended Use Plan and project priority list according to R18-15-202, the Board may allow:
1. Updates and corrections to the adopted Clean Water Revolving Fund Project Priority List, if the updates and corrections are adopted by the Board after ~~an opportunity for public comment at a public meeting~~ public notice; or
 2. Additions to the Clean Water Revolving Fund Project Priority List, if the additions are adopted by the Board after ~~an opportunity for public comment at a public meeting~~ public notice.
- E. After ~~an opportunity for public comment at a public meeting~~ public notice, the Board may remove a project from the Clean Water Revolving Fund Project Priority List under one or more of the following circumstances:
1. The recipient has received all financial assistance identified in the executed financial assistance agreement with the Authority;
 2. The project was financed ~~with long-term indebtedness~~ from another source;
 3. The project is no longer an eligible project;
 4. The applicant requests removal;
 5. The applicant is no longer an eligible applicant; or
 6. The applicant did not update, modify, correct or resubmit a project ~~that remained on~~ from the project priority list ~~for more than 365 days~~ developed for the previous funding cycle.

R18-15-204. Clean Water Revolving Fund Project Priority List Ranking

- A. The Authority shall rank each project on the Clean Water Revolving Fund Project Priority List based on the ~~priority value~~ total points of each project. The Authority shall consider the following categories to determine the ~~priority value~~ total points of each project:
1. The Authority shall evaluate the current conditions of the project, including existing environmental, structural, and regulatory integrity and the degree to which the project is consistent with the Clean Water Act, 33 U.S.C. 1251 to 1387.
 2. The Authority shall evaluate the degree to which the project improves or protects water quality.
 3. The Authority shall evaluate the degree to which the project addresses water or energy efficiency or environmentally innovative approaches.



- 4. The Authority shall evaluate the degree to which the project promotes any of the following:
 - a. Consolidation of facilities, operations, and ownership;
 - b. Extending service to existing areas currently served by another facility; or
 - c. A regional approach to operations, management, or new facilities.
- 5. The Authority shall determine whether the project received assistance from the Authority in a previous funding cycle.
- 6. The Authority shall evaluate the applicant's local fiscal capacity.
- B. ~~If two or more projects have the same rank according to subsection (A),~~ Two or more projects may receive the same total points. If sufficient clean water revolving loan funds are not available to fund the projects, the Authority shall give priority to the project with the highest current condition ~~value score~~ value score under subsection (A)(1). If projects remain tied, priority will be given to the project with the highest water quality improvement ~~value score~~ value score under subsection (A)(2). If projects remain tied, this process shall continue through the categories under subsections (A)(3) through (6), sequentially. If projects continue to have the same ~~priority value total points,~~ the Board shall determine the priority of the tied projects.
- C. The Authority shall determine the subsidy ~~rate index~~ for each project on the Clean Water Revolving Fund Project Priority List based on the applicant's local fiscal capacity ~~value score~~ value score under subsection (A)(6) and the ~~overall priority value total points~~ total points of the project. The Authority shall incorporate the subsidy ~~rate index~~ in the financial assistance agreement.

R18-15-205. Clean Water Revolving Fund Fundable Range for Financial Assistance

- A. Prior to adoption by the Board of the Clean Water Revolving Fund Project Priority List, the Authority shall determine which projects are within the fundable range.
- B. In determining the fundable range, the Authority shall evaluate each project for evidence ~~that the project is ready to proceed of debt authorization according to R18-15-104(B).~~ The Authority shall consider the following indicators when evaluating whether the project is within the fundable range:
 - ~~1. Evidence of debt authorization according to R18-15-104(B);~~
 - ~~2. Evidence that the applicant has obtained applicable local, state, or federal project permits, as applicable;~~
 - ~~3. Evidence of approval by the appropriate authority of project plans and specifications; and~~
 - ~~4. Evidence that the applicant has initiated the bid or solicitation process.~~

R18-15-206. Clean Water Revolving Fund Application for Financial Assistance

- A. The Authority shall accept an application for financial assistance from an eligible applicant for a project that appears on the Clean Water Revolving Fund Project Priority List and is determined to be in the fundable range. At the Authority's discretion, the Authority may accept an application for financial assistance prior to the project appearing on a Board-adopted Clean Water Revolving Fund Project Priority List and in the fundable range.
- B. The Authority shall not ~~forward~~ present an application to the Board for consideration until all the following conditions are met:
 - 1. The project is on the Clean Water Revolving Fund Project Priority List, including the Project Priority List to be adopted at the Board meeting;
 - 2. The applicant has provided supporting documentation according to R18-15-205(B);
 - 3. The applicant has demonstrated legal capability, financial capability, technical capability, and managerial capability as described in R18-15-104;
 - 4. For nonpoint source projects, the applicant has provided evidence that the project is consistent with Section 319 and Title VI of the Clean Water Act, 33 U.S.C. 1329, 1381 to 1387; and
 - ~~5. The applicant has obtained or is in the process of obtaining all permits and approvals required by federal, state, and local authorities; and~~
 - ~~6. The proposed project is consistent with the Certified Water Quality Management Plan.~~
- C. The application criteria required under subsections (A) and (B) shall not apply to financial assistance requests for short-term emergency loans under A.R.S. § 49-1269.

R18-15-207. Clean Water Revolving Fund Application Review for Financial Assistance

- A. The Authority shall evaluate and summarize each application received and develop an analysis that provides recommendations to the Board. The analysis shall at a minimum include:
 - 1. The scope, size, and budget of the proposed project, including as much cost detail as possible;
 - 2. A summary of the applicant's legal capability including authorization to enter into long-term indebtedness and to pledge the specified dedicated revenue source for repayment;
 - 3. A summary of the applicant's technical capability including its ability to construct, operate, and maintain the proposed project;
 - 4. A summary of the applicant's managerial capability, including the experience of elected officials and management team in managing similar organizations and similar projects;
 - 5. A summary of the applicant's financial capability, including:
 - a. The amount of money collected through the dedicated revenue source for repayment for each of the previous three ~~fiscal years~~ financial operating years (fiscal or calendar),
 - b. An estimate of the amount of money that will be collected through the dedicated revenue source for repayment for the current ~~fiscal year~~ financial operating year (fiscal or calendar), and
 - c. A projection of the amount of money that will be collected through the dedicated revenue source for repayment for each of the next five ~~fiscal years~~ financial operating years (fiscal or calendar);
 - 6. The applicant's history of compliance with, as applicable, the Clean Water Act, 33 U.S.C. 1251 to 1387, related Arizona statutes, and related rules, regulations, and policies; and
 - 7. A summary of any previous assistance provided by the Authority to the applicant.
- B. After an opportunity for public comment, ~~The~~ Board shall make a determination regarding the applicant's request for financial assistance at a public meeting. The Board shall base this determination on the information provided in the application, the analysis



prepared by the Authority, and any other information provided at the public meeting. The Authority shall inform the applicant of the Board's determination, which may include recommended modifications to any of the following:

1. The proposed project,
 2. The applicant's legal structure and organization,
 3. The dedicated revenue source for repayment, or
 4. The structure of the financial assistance request.
- C. If the Board determines at any time during a funding cycle that funds are limited or are not available to provide financial assistance, the Authority shall notify applicants on the current Clean Water Revolving Fund Project Priority List that the Authority is no longer accepting applications. The Board shall determine the amount of funding available, if any, to provide financial assistance for the applications already accepted by the Authority. The Board shall consider each application in the order the project appears within the fundable range on the current Clean Water Revolving Fund Project Priority List. The Board shall make a determination as described in subsection (B) on each application until the available funds are committed.
- D. Upon Board approval of the applicant's request for financial assistance, the Authority shall prepare a financial assistance agreement for execution by the applicant and the Authority.

ARTICLE 3. DRINKING WATER REVOLVING FUND

R18-15-303. Drinking Water Revolving Fund Project Priority List

- A. The Authority annually shall prepare a Drinking Water Revolving Fund Project Priority List as part of the Intended Use Plan described in R18-15-302. The Board may waive the requirement to develop an annual Drinking Water Revolving Fund Project Priority List if funds are not adequate to assist any projects or if the Board determines that no financial assistance will be offered for the annual funding cycle.
- B. An applicant pursuing financial assistance from the Authority for a project shall request to have the project included on the Drinking Water Revolving Fund Project Priority List. The applicant may request that multiple projects be placed on the Drinking Water Revolving Fund Project Priority List. An applicant shall make a request for placement of a project on the Drinking Water Revolving Fund Project Priority List on or before a date specified by the Authority and in an application format specified by the Authority. The Authority shall include with the project priority list application form the criteria under each ranking category in R18-15-304(A) by which the project will be evaluated and the relative importance of each of the criterion.
- C. In preparing the Drinking Water Revolving Fund Project Priority List, the Authority shall consider all project priority list applications submitted under subsection (B), ~~all projects requested by regulatory authorities, and all plans prepared under the Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26.~~ The Authority shall evaluate the merits of each project with respect to water quality issues and determine the ~~priority value~~ total points of each project according to R18-15-304. At a minimum, the Drinking Water Revolving Fund Project Priority List shall identify:
1. The applicant;
 2. Project title;
 3. Type of project;
 4. Population of service area;
 5. The amount requested for financial assistance;
 6. The subsidy ~~rate index~~ according to R18-15-304(C);
 7. Whether the project is within the fundable range according to R18-15-305; and
 8. The rank of each project by ~~the priority value~~ its total points, determined according to R18-15-304.
- D. After adoption of the annual Intended Use Plan and project priority list according to R18-15-302, the Board may allow:
1. Updates and corrections to the adopted Drinking Water Revolving Fund Project Priority List, if the updates and corrections are adopted by the Board after ~~an opportunity for public comment at a public meeting~~ public notice; or
 2. Additions to the Drinking Water Revolving Fund Project Priority List, if the additions are adopted by the Board after ~~an opportunity for public comment at a public meeting~~ public notice.
- E. After ~~an opportunity for public comment at a public meeting~~ public notice, the Board may remove a project from the Drinking Water Revolving Fund Project Priority List under one or more of the following circumstances:
1. The recipient has received all financial assistance identified in the executed financial assistance agreement with the Authority;
 2. The project was financed ~~with long-term indebtedness~~ from another source;
 3. The project is no longer an eligible project;
 4. The applicant requests removal;
 5. The applicant is no longer an eligible applicant; or
 6. The applicant did not update, modify, correct or resubmit a project ~~that remained on from~~ from the project priority list ~~for more than 365 days~~ developed for the previous funding cycle.

R18-15-304. Drinking Water Revolving Fund Project Priority List Ranking

- A. The Authority shall rank each project listed on the Drinking Water Revolving Fund Project Priority List based on the ~~priority value~~ total points of each project. The Authority shall consider the following categories to determine the ~~priority value~~ total points of each project:
1. The Authority shall evaluate the current conditions of the system through the system's ~~rank scores~~ on the Department's master priority list.
 2. The Authority shall evaluate the degree to which the project will result in improvement to the water system.
 3. The Authority shall evaluate the degree to which the project addresses water or energy efficiency or environmentally innovative approaches.
 4. The Authority shall evaluate the degree to which the project promotes any of the following:
 - a. Consolidation of facilities, operations, and ownership;
 - b. Extending service to existing areas currently served by another facility; or



- c. A regional approach to operations, management, or new facilities.
- 5. The Authority shall determine whether the project received assistance from the Authority in a previous funding cycle.
- 6. The Authority shall evaluate the applicant's local fiscal capacity.
- B. ~~If two or more projects have the same rank according to subsection (A),~~ Two or more projects may receive the same total points. If sufficient clean water revolving loan funds are not available to fund the projects, the Authority shall give priority to the project with the highest current condition ~~value score~~ value score under subsection (A)(1). If projects remain tied, priority will be given to the project with the highest water system improvement ~~value score~~ value score under subsection (A)(2). If projects remain tied, this process shall continue through the categories under subsections (A)(3) through (6), sequentially. If projects continue to have the same ~~priority value total points,~~ total points, the Board shall determine the priority of the tied projects.
- C. The Authority shall determine the subsidy ~~rate index~~ rate index for each project on the Drinking Water Revolving Fund Project Priority List based on the applicant's local fiscal capacity ~~value score~~ value score and the ~~overall priority value total points~~ total points of the project. The Authority shall incorporate the subsidy ~~rate index~~ rate index in the financial assistance agreement.

R18-15-305. Drinking Water Revolving Fund Fundable Range for Financial Assistance

- A. Prior to adoption by the Board of the Drinking Water Revolving Fund Project Priority List, the Authority shall determine which projects are within the fundable range.
- B. In determining the fundable range the Authority shall evaluate each project for evidence ~~that the project is ready to proceed. The Authority shall consider the following indicators when evaluating whether the project is within the fundable range:~~
 - 1- ~~Evidence of debt authorization according to R18-15-104(B);~~
 - 2- ~~Evidence that the applicant has obtained applicable local, state, or federal project permits, as applicable;~~
 - 3- ~~Evidence of approval by the appropriate authority of project plans and specifications; and~~
 - 4- ~~Evidence that the applicant has initiated the bid or solicitation process.~~

R18-15-306. Drinking Water Revolving Fund Application for Financial Assistance

- A. The Authority shall accept an application for financial assistance from an eligible applicant for a project that appears on the Drinking Water Revolving Fund Project Priority List and is determined to be within the fundable range. At the Authority's discretion, the Authority may accept an application for financial assistance prior to the project appearing on a Board-adopted Drinking Water Revolving Fund Project Priority List.
- B. The Authority shall not ~~forward present~~ forward an application to the Board for consideration until all the following conditions are met:
 - 1. The project is on the Drinking Water Revolving Fund Project Priority List, ~~including the Project Priority List to be adopted at the Board meeting;~~
 - 2. The applicant has provided supporting documentation according to R18-15-305(B); ~~and~~
 - 3. The applicant has demonstrated legal capability, financial capability, technical capability and managerial capability as described in R18-15-104; ~~and~~
 - 4. ~~The applicant has obtained or is in the process of obtaining all permits and approvals required by federal, state, and local authorities.~~
- C. The application criteria required under subsections (A) and (B) shall not apply to financial assistance requests for short-term emergency loans under A.R.S. § 49-1269.

R18-15-307. Drinking Water Revolving Fund Application Review for Financial Assistance

- A. The Authority shall evaluate and summarize each application received and develop an analysis that provides recommendations to the Board. At a minimum, the analysis shall include:
 - 1. The scope, size, and budget of the proposed project, including as much cost detail as possible;
 - 2. A summary of the applicant's legal capability, including authorization to enter into long-term indebtedness and to pledge the specified dedicated revenue source for repayment;
 - 3. A summary of the applicant's technical capability, including its ability to construct, operate, and maintain the proposed project;
 - 4. A summary of the applicant's managerial capability, including the experience of elected officials and management team in managing similar organizations and similar projects;
 - 5. A summary of the applicant's financial capability, including:
 - a. The amount of money collected through the dedicated revenue source for repayment for each of the previous three ~~fiscal years~~ financial operating years (fiscal or calendar),
 - b. An estimate of the amount of money that will be collected through the dedicated revenue source for repayment for the current ~~fiscal year~~ financial operating year (fiscal or calendar), and
 - c. A projection of the amount of money that will be collected through the dedicated revenue source for repayment for each of the next five ~~fiscal years~~ financial operating years (fiscal or calendar);
 - 6. The applicant's history of compliance with, as applicable, the Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26, related Arizona statutes, and related rules, regulations and policies; and
 - 7. A summary of any previous assistance provided by the Authority to the applicant.
- B. ~~After an opportunity for public comment, the~~ The Board shall make a determination regarding the applicant's request for financial assistance at a public meeting. The Board shall base this determination on the information provided in the application, the analysis prepared by the Authority, and any other information provided at the public meeting. The Authority shall inform the applicant of the Board's determination, which may include recommended modifications to any of the following:
 - 1. The proposed project,
 - 2. The applicant's legal structure and organization,
 - 3. The dedicated revenue source for repayment, or
 - 4. The structure of the financial assistance request.



- C. If the Board determines at any time during a funding cycle that funds are limited or are not available to provide financial assistance, the Authority shall notify applicants on the current Drinking Water Revolving Fund Project Priority List that the Authority is no longer accepting applications. The Board shall determine the amount of funding available, if any, to provide financial assistance for the applications already accepted by the Authority. The Board shall consider each application in the order the project appears within the fundable range on the current Drinking Water Revolving Fund Project Priority List. The Board shall make a determination as described in subsection (B) on each application until the available funds are committed.
- D. Upon Board approval of the applicant's request for financial assistance, the Authority shall prepare a financial assistance agreement for execution by the applicant and the Authority.

ARTICLE 4. WATER SUPPLY DEVELOPMENT REVOLVING FUND

R18-15-401. Water Supply Development Revolving Fund Financial Assistance Eligibility Criteria

To be eligible to receive financial assistance from the Water Supply Development Revolving Fund, the applicant shall demonstrate the applicant is a water provider as defined by A.R.S. § 49-1201(14) § 49-1201(13) requesting financial assistance for a purpose as defined in A.R.S. § 49-1273(A); the water provider meets the requirements of A.R.S. § 49-1273(C); and the proposed project appears on the Water Supply Development Revolving Fund ~~Project Priority List project list~~ developed under ~~R18-15-403~~ R18-15-402.

~~R18-15-402. Water Supply Development Revolving Fund Intended Use Plan~~ Repealed

- ~~A.~~ The Authority annually shall develop and publish a Water Supply Development Revolving Fund Intended Use Plan that identifies the intended uses of funds available in the Water Supply Development Revolving Fund Program. The Intended Use Plan shall include the project priority list according to R18-15-403 and specify whether funds are available to subsidize the projects. The Authority is not required to prepare a Water Supply Development Revolving Fund Intended Use Plan if funds are not adequate to assist any projects or if the Committee determines that no financial assistance will be offered for the annual funding cycle.
- ~~B.~~ The Authority shall provide for a public review and written comment period of the draft Water Supply Development Revolving Fund Intended Use Plan for a minimum of 14 calendar days. The Authority shall summarize all written comments submitted and prepare responses for Committee review. After review of the summary, the Committee shall make any appropriate changes to the Plan and then adopt the Water Supply Development Revolving Fund Intended Use Plan at a public meeting.

~~R18-15-403~~ R18-15-402. Water Supply Development Revolving Fund Project Priority List

- A. The Authority annually shall prepare a Water Supply Development Revolving Fund ~~Project Priority List project list~~ as part of the Intended Use Plan described in R18-15-402. The Authority is not required to prepare a Water Supply Development Revolving Fund ~~Project Priority List project list~~ if funds are not adequate to assist any projects or if the ~~Committee~~ Board determines that no financial assistance will be offered for the annual funding cycle.
- B. An applicant pursuing financial assistance from the Authority for a water supply development project shall request to have the project included on the Water Supply Development Revolving Fund ~~Project Priority List project list~~. The applicant may request that multiple projects be placed on the Water Supply Development Revolving Fund ~~Project Priority List project list~~. An applicant shall make a request for placement of a project on the Water Supply Development Revolving Fund ~~Project Priority List project list~~ on or before a date specified by the Authority and in an application format specified by the Authority. The Authority shall include with the project ~~priority list~~ application form the criteria under each ranking category in ~~R18-15-404(A)~~ R18-15-403(A) by which the project will be evaluated and the relative importance of each of the criterion.
- C. In preparing the Water Supply Development Revolving Fund ~~Project Priority List project list~~, the Authority shall consider all project ~~priority list~~ applications submitted under subsection (B). The Authority shall evaluate the merits of each project with respect to water supply development issues and determine the ~~order and priority value~~ of each project according to ~~R18-15-404~~ R18-15-403. At a minimum, the Water Supply Development Revolving Fund ~~Project Priority List project list~~ shall identify:
1. The applicant;
 2. Project title;
 - ~~3. Type of project;~~
 - ~~4.~~ 3. Population of water provider's service area;
 - ~~5.~~ 4. The amount requested for financial assistance; and
 - ~~6. The subsidy rate index according to R18-15-404(C);~~
 - ~~7. Whether the project is within the fundable range according to R18-15-405; and~~
 - ~~8.~~ 5. The ~~rank order and priority~~ of each project by the ~~priority value~~, determined according to ~~R18-15-404~~ R18-15-403.
- ~~D.~~ The Authority shall provide for a public comment period of the draft Water Supply Development Revolving Fund project list for a minimum of 14 calendar days. The Authority shall summarize all written comments submitted and prepare responses for Board review. After review of the summary, the Board shall make any appropriate changes to the project list and then adopt the Water Supply Development Revolving Fund project list at a public meeting.
- ~~DE.~~ After adoption of the annual ~~Intended Use Plan and Water Supply Development Revolving Fund Project Priority List project list~~ according to ~~R18-15-402~~, the ~~Committee~~ Board may allow:
1. Updates and corrections to the adopted Water Supply Development Revolving Fund ~~Project Priority List project list~~, if the updates and corrections are adopted by the ~~Committee~~ Board after an opportunity for ~~public comment at a public meeting~~ public notice; or
 2. Additions to the Water Supply Development Revolving Fund ~~Project Priority List project list~~, if the additions are adopted by the ~~Committee~~ Board after an opportunity for ~~public comment at a public meeting~~ public notice.
- ~~EF.~~ After an opportunity for ~~public comment at a public meeting~~ public notice, the ~~Committee~~ Board may remove a project from the Water Supply Development Revolving Fund ~~Project Priority List project list~~ under one or more of the following circumstances:
1. The recipient has received all financial assistance identified in the executed financial assistance agreement with the Authority;
 2. The project was financed with ~~long-term indebtedness~~ from another source;
 3. The project is no longer an eligible project;



- 4. The applicant requests removal;
- 5. The applicant is no longer an eligible applicant; or
- 6. The applicant did not update, modify, correct or resubmit a project ~~that remained on from~~ the project priority list for more than 365 days developed for the previous funding cycle.

~~R18-15-404~~R18-15-403. Water Supply Development Revolving Fund Project Priority List Ranking

- A. ~~The Authority shall rank each project listed on the Water Supply Development Revolving Fund Project Priority List based on the priority value of each project.~~ The Authority shall consider the following categories to determine the order and priority value of each project on the Water Supply Development Revolving Fund project list.
 - 1. The Authority shall evaluate the existing, near-term, and long-term water demands of the water provider as compared to the existing water supplies of the water provider.
 - 2. The Authority shall evaluate the existing and planned conservation and water management programs of the water provider.
 - 3. The Authority shall evaluate the current conditions of the water provider’s facilities and the water provider’s water supply needs, and evaluate how effectively the project will benefit the infrastructure or water supply needs.
 - 4. The Authority shall evaluate the sustainability of the water supply to be developed through the project.
 - 5. The Authority shall evaluate the applicant’s local fiscal capacity need for financial assistance.
- B. ~~If two or more projects have the same rank according to subsection (A).~~ Two or more projects may receive the same total points. If sufficient water supply development revolving loan funds are not available to fund the projects, the Authority shall give priority to the project with the highest water demand value score under subsection (A)(1). If projects remain tied, priority will be given to the project with the highest conservation and water management value score under subsection (A)(2). If projects remain tied, this process shall continue through the categories under subsections (A)(3) through (5), sequentially. If projects continue to ~~have the same priority value remain tied,~~ the Committee Board shall determine the priority of the tied projects.
- C. ~~If monies are available to provide a subsidy to the project, the Authority shall determine the subsidy rate index for each project on the Water Supply Development Revolving Fund Project Priority List based on the applicant’s local fiscal capacity value and the overall priority value of the project. The Authority shall incorporate the subsidy rate index in the financial assistance agreement.~~

~~R18-15-405. Water Supply Development Revolving Fund Fundable Range for Financial Assistance~~Repealed

- ~~A. Prior to adoption by the Committee of the Water Supply Development Revolving Fund Project Priority List, the Authority shall determine which projects are within the fundable range.~~
- ~~B. In determining the fundable range the Authority shall evaluate each project for evidence that the project is ready to proceed. The Authority shall consider any of the following indicators when evaluating whether the project is within the fundable range:~~
 - ~~1. Evidence of debt authorization according to R18-15-104(B);~~
 - ~~2. Evidence that the applicant has obtained applicable local, state, or federal project permits, as applicable;~~
 - ~~3. Evidence of approval by the appropriate authority of project plans and specifications; and~~
 - ~~4. Evidence that the applicant has initiated the bid or solicitation process.~~

~~R18-15-406~~R18-15-404. Water Supply Development Revolving Fund Application for Financial Assistance

- A. The Authority shall accept an application for financial assistance from an eligible applicant for a project that appears on the Water Supply Development Revolving Fund ~~Project Priority List project list~~ and is determined to be within the fundable range. At the Authority’s discretion, the Authority may accept an application for financial assistance prior to the project appearing on a Committee Board-adopted Water Supply Development Revolving Fund Project Priority List project list.
- B. The Authority shall not forward an application for financial assistance to the Committee Board for consideration until all the following conditions are met:
 - 1. The water supply development project has been prioritized;
 - 2. The applicant has provided supporting documentation according to ~~R18-15-405(B)~~ R18-15-104;
 - 3. The applicant has demonstrated legal capability, financial capability, technical capability, and managerial capability under R18-15-104; and
 - ~~4. The applicant has obtained or is in the process of obtaining all permits and approvals required by federal, state, and local authorities; and~~
 - ~~5.~~ The applicant has demonstrated the ability to meet any applicable environmental requirements imposed by federal, state, or local agencies.

~~R18-15-407~~R18-15-405. Water Supply Development Revolving Fund Application Review for Financial Assistance

- A. The Authority shall evaluate and summarize each application for financial assistance received and develop an analysis that provides recommendations to the Committee Board. The analysis shall at a minimum include:
 - 1. The scope, size, and budget of the proposed project, including as much cost detail as possible;
 - 2. A summary of the applicant’s legal capability including authorization to enter into long-term indebtedness and to pledge the specified dedicated revenue source for repayment;
 - 3. A summary of the applicant’s technical capability, including its ability to construct, operate and maintain the proposed project;
 - 4. A summary of the applicant’s managerial capability, including the experience of elected officials and management team in managing similar organizations and similar projects;
 - 5. A summary of the applicant’s financial capability, including:
 - a. The amount of money collected through the dedicated revenue source for repayment for each of the previous three ~~fiscal years~~ financial operating years (fiscal or calendar),
 - b. An estimate of the amount of money that will be collected through the dedicated revenue source for repayment for the current ~~fiscal year~~ financial operating year (fiscal or calendar), and
 - c. A projection of the amount of money that will be collected through the dedicated revenue source for repayment for each of the next five ~~fiscal years~~ financial operating years (fiscal or calendar);



6. A summary of any previous assistance provided by the Authority to the applicant; and
 7. A summary of the applicant's ability to meet any applicable permitting and environmental requirements imposed by federal, state, or local agencies.
- B.** The Committee Board shall make a determination regarding the applicant's request for financial assistance at a public meeting. The Committee Board shall base this determination on the information provided in the application, the analysis prepared by the Authority, and any other information provided at the public meeting. The Authority shall inform the applicant of the Committee's Board's determination, which may include recommended modifications to any of the following:
1. The proposed project,
 2. The applicant's legal structure and organization,
 3. The dedicated revenue source for repayment, or
 4. The structure of the financial assistance request.
- C.** If the Committee Board determines at any time during a funding cycle that funds are limited or are not available to provide financial assistance, the Authority shall notify applicants on the current Water Supply Development Revolving Fund ~~Project Priority List project list~~ that the Authority is no longer accepting applications. The Committee Board shall determine the amount of funding available, if any, to provide financial assistance for the applications by the Authority. The Committee Board shall consider each application in the order the project appears ~~within the fundable range~~ on the current Water Supply Development Revolving Fund ~~Project Priority List project list~~. The Committee Board shall make a determination as described in subsection (B) on each application until the available funds are committed.
- D.** Upon Committee Board approval of the applicant's request for financial assistance, the Authority shall prepare a financial assistance agreement for execution by the applicant and the Authority.

~~R18-15-408.~~R18-15-406. Water Supply Development Revolving Fund Requirements

The duly authorized agent, principal or officer of the applicant shall certify the applicant has not violated any federal, state, or local law pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest, or other unlawful or corrupt practices relating to or in connection with facilities planning, design, or construction work on a project.

ARTICLE 5. TECHNICAL ASSISTANCE

R18-15-501. Technical Assistance

The Authority may provide Clean Water technical assistance, Drinking Water technical assistance, and Water Supply Development technical assistance ~~if funding is approved in the Technical Assistance Intended Use Plan according to R18-15-502~~. The Authority shall provide technical assistance in compliance with A.R.S. § 49-1203(B)(16) and (17).

R18-15-502. Technical Assistance Intended Use Plan

- A.** The Authority annually shall develop and publish one or more Technical Assistance Intended Use Plans that identify intended uses of funds available for Clean Water technical assistance and Drinking Water technical assistance. ~~The Authority shall develop a Water Supply Development Technical Assistance Intended Use Plan if funds are available or if the Committee determines that Water Supply Development technical assistance will be offered.~~ The Intended Use Plan shall identify whether funds are available and the amount of funds available for planning and design assistance ~~grants~~, staff assistance, and professional assistance for Clean Water, ~~and Drinking Water, and Water Supply Development~~. The Authority may develop Technical Assistance Intended Use Plans separately for Clean Water, ~~and Drinking Water, and Water Supply Development~~ or as parts of the Intended Use Plans required under R18-15-202, ~~and R18-15-302, and R18-15-402~~. If the Technical Assistance Intended Use Plan is to be submitted as a document required to obtain a federal capitalization grant, the Technical Assistance Intended Use Plan shall include any additional information required by federal law. ~~The Authority is not required to prepare a Water Supply Development Technical Assistance Intended Use Plan if funds are not adequate to assist any projects or if the Committee determines that no Water Supply Development technical assistance will be offered for the annual funding cycle.~~
- B.** The Authority shall provide for a public review and written comment period of any draft Technical Assistance Intended Use Plan for a minimum of 14 calendar days. The Authority shall summarize all written comments received and prepare responses. The Authority shall provide a summary of the written comments and the Authority's responses regarding the Clean Water and Drinking Water Technical Assistance Intended Use Plans to the Board ~~and provide a summary of the written comments and the Authority's responses regarding any Water Supply Development Technical Assistance Intended Use Plan to the Committee~~. After review of the comments and the Authority's responses to comments received during the public review and written comment period, the Board ~~or the Committee~~, as applicable, shall adopt the applicable Technical Assistance Intended Use Plan or Plans at a public meeting with any changes made in response to public comments or comments by members of the Board ~~or Committee~~.

R18-15-503. Clean Water Planning and Design Assistance Grants

- A.** Planning and design assistance ~~grants~~ to a specific wastewater treatment facility shall assist that system to achieve or enhance its legal, financial, technical, or managerial capability to facilitate the design, construction, acquisition, improvement, or consolidation of the wastewater treatment facility. ~~Projects for any other purpose permitted by the Clean Water Act including nonpoint source projects are also eligible.~~ The Board shall approve funds available for planning and design assistance ~~grants~~ in the annual Clean Water Technical Assistance Intended Use Plan. The Board may determine that no assistance will be offered for the annual funding cycle.
- B.** To be eligible to receive a planning and design assistance ~~grant~~ under the Clean Water Technical Assistance Program, the ~~grant~~ applicant shall demonstrate the applicant is eligible under R18-15-201 a governmental unit that owns a wastewater treatment facility, or a non-governmental unit requesting technical assistance specifically for the purpose of forming a political subdivision. An eligible ~~grant~~ applicant shall apply for a planning and design assistance ~~grant~~ on or before a date specified by the Authority and on a an grant application form specified by the Authority.
- C.** A An grant applicant shall commit to a matching contribution toward the total project cost as specified in the Request for Grant Applications. The matching contribution may include cash contributions or in-kind contributions. The Board may waive or modify the ~~grant~~ applicant's match requirement according to criteria established in the Request for Grant Applications.



- D. The Authority shall solicit, evaluate, and award planning and design assistance grants in accordance with A.R.S. § 41-2702.
- E. The Authority shall evaluate the grant applications received to determine which projects are eligible under the Clean Water Act, 33 U.S.C. 1381 to 1387. Eligible grant applications shall specify a demonstrated need of the grant applicant for assistance in securing financial assistance for development and implementation of a wastewater capital improvement project or stormwater or nonpoint source project.
- F. The Authority shall determine planning and design assistance grant awards based on the amount of funding available. If funding is limited, all eligible projects may not be funded. The Authority shall provide the planning and design assistance grant award recommendations to the Board for review and approval at a public meeting. The Board may adopt, modify, or reject the Authority's recommendations in whole or in part.
- G. Within 30 days after the adoption of the planning and design assistance grant awards at a public meeting, the Authority shall notify all grant applicants whether or not they received an award.
- H. An unsuccessful grant applicant may submit an appeal in writing in accordance with A.R.S. § 41-2704.
- I. The Authority and the grant applicant shall enter into a planning and design assistance grant agreement that shall include at a minimum:
 1. A scope of work,
 2. The amount of the grant awarded,
 3. The amount of the local match required,
 4. A final project budget and timeline, and
 5. Reporting requirements.
- ~~J. Project costs incurred prior to execution of a planning and design assistance grant agreement shall not be eligible for grant funding.~~
- ~~J.K.~~ The Authority shall release grant proceeds subject to a disbursement request if the request is consistent with the planning and design assistance grant agreement and the disbursement schedule.
 1. The grant recipient shall request each disbursement on the forms provided by the Authority. Each disbursement request shall include a certification and signature document, a cost-incurred report, and a DBE report. The Authority shall not process a disbursement until the applicant recipient provides a completed disbursement form.
 2. The grant recipient shall include copies of invoices, canceled checks, or other documents that show proof of eligible costs incurred with each disbursement request.

R18-15-504. Drinking Water Planning and Design Assistance Grants

- A. Planning and design assistance grants to a specific drinking water facility, excluding a nonprofit noncommunity water system, shall assist that facility to achieve or enhance its legal, financial, technical, or managerial capability to facilitate the design, construction, acquisition, improvement, or consolidation of a community water system. The Board shall approve funds available for planning and design assistance grants in the annual Drinking Water Technical Assistance Intended Use Plan. The Board may determine that no assistance will be offered for the annual funding cycle.
- B. To be eligible to receive a planning and design assistance grant under the Drinking Water Technical Assistance Program, the grant applicant shall demonstrate the applicant owns a drinking water facility, excluding a nonprofit noncommunity water system. An eligible grant applicant shall apply for a planning and design assistance grant on or before a date specified by the Authority and on a grant application form specified by the Authority.
- C. A grant applicant shall commit to a matching contribution toward the total project cost as specified in the Request for Grant Applications. The matching contribution may include cash contributions or in-kind contributions. The Board may waive or modify the grant applicant's match requirement according to criteria established in the Request for Grant Applications.
- D. The Authority shall solicit, evaluate, and award planning and design assistance grants in accordance with A.R.S. § 41-2702.
- E. The Authority shall evaluate the grant applications received to determine which projects are eligible under the Safe Drinking Water Act, 42 U.S.C. 300f to 300j-26. Eligible grant applications shall specify a demonstrated need of the grant applicant for assistance in securing financial assistance for development and implementation of a drinking water capital improvement project.
- F. The Authority shall determine planning and design assistance grant awards based on the amount of funding available. If funding is limited, all eligible projects may not be funded. The Authority shall provide the planning and design assistance grant award recommendations to the Board for review and approval at a public meeting. The Board may adopt, modify, or reject the Authority's recommendations in whole or in part.
- G. Within 30 days after the adoption of the planning and design assistance grant awards at a public meeting, the Authority shall notify all grant applicants whether or not they received an award.
- H. An unsuccessful grant applicant may submit an appeal in writing according to A.R.S. § 41-2704.
- I. The Authority and the grant applicant shall enter into a planning and design assistance grant agreement that shall include at a minimum:
 1. A scope of work,
 2. The amount of the grant awarded,
 3. The amount of the local match required,
 4. A final project budget and timeline, and
 5. Reporting requirements.
- ~~J. Project costs incurred prior to execution of a planning and design assistance grant agreement shall not be eligible for grant funding.~~
- ~~J.K.~~ The Authority shall release grant proceeds subject to a disbursement request if the request is consistent with the planning and design assistance grant agreement and the disbursement schedule.
 1. The grant recipient shall request each disbursement on the forms provided by the Authority. Each disbursement request shall include a certification and signature document, a cost-incurred report, and a DBE report. The Authority shall not process a disbursement until the applicant recipient provides a completed disbursement form.



2. The grant recipient shall include copies of invoices, ~~canceled checks~~, or other documents that show proof of eligible costs incurred with each disbursement request.

R18-15-505. Water Supply Development Planning and Design Assistance Grants

- A. Planning and design assistance grant funding to a water provider shall assist the water provider in the planning or design of a water supply development project. A single planning and design assistance grant award shall not exceed \$100,000. ~~The Committee shall approve funds available for planning and design assistance grants in the annual Water Supply Development Technical Assistance Intended Use Plan. The Committee Board~~ may determine that no assistance will be offered for the annual funding cycle.
- B. To be eligible to receive a planning and design assistance grant under the Water Supply Development Technical Assistance Program, the grant applicant shall demonstrate the applicant is a water provider as defined in A.R.S. § 49-1201 and meet the requirements of A.R.S. § 49-1273(C). An eligible grant applicant shall apply for a planning and design assistance grant on or before a date specified by the Authority and on a grant application form specified by the Authority.
- C. A grant applicant shall commit to a matching contribution toward the total project cost as specified in the Request for Grant Applications. The matching contribution may include cash contributions or in-kind contributions. The Board may waive or modify the grant applicant's match requirement according to criteria established in the Request for Grant Applications.
- D. The Authority shall solicit, evaluate, and award planning and design assistance grants in accordance with A.R.S. § 41-2702.
- E. The Authority shall evaluate the grant applications received to determine which projects are eligible. Eligible grant applications shall specify a demonstrated need of the grant applicant for assistance in securing financial assistance for planning and design of a water supply capital improvement project.
- F. The Authority shall determine planning and design assistance grant awards based on the amount of funding available. If funding is limited, all eligible projects may not be funded. The Authority shall provide the planning and design assistance grant award recommendations to the ~~Committee Board~~ for review and approval at a public meeting. The ~~Committee Board~~ may adopt, modify, or reject the Authority's recommendations in whole or in part.
- G. Within 30 days after the adoption of the planning and design assistance grant awards at a public meeting, the Authority shall notify all grant applicants whether or not they received an award.
- H. An unsuccessful grant applicant may submit an appeal in writing according to A.R.S. § 41-2704.
- I. The Authority and the grant applicant shall enter into a planning and design assistance grant agreement that shall include at a minimum:
 1. A scope of work,
 2. The amount of the grant awarded,
 3. The amount of the local match required,
 4. A final project budget and timeline, and
 5. Reporting requirements.
- ~~J. Project costs incurred prior to execution of a planning and design assistance grant agreement shall not be eligible for grant funding.~~
- ~~J.K.~~ The Authority shall release grant proceeds subject to a disbursement request if the request is consistent with the planning and design assistance grant agreement and the disbursement schedule.
 1. The grant recipient shall request each disbursement on the forms provided by the Authority. Each disbursement request shall include a certification and signature document, and a cost-incurred report. The Authority shall not process a disbursement until the applicant recipient provides a completed disbursement form.
 2. The grant recipient shall include copies of invoices, ~~canceled checks~~, or other documents that show proof of eligible costs incurred with each disbursement request.

ARTICLE 6. HARDSHIP GRANT FUND PROGRAM

R18-15-602. Hardship Grant Fund Financial Assistance

- A. If funding is available in the Hardship Grant Fund Program, the Authority shall determine if any of the applicants requesting placement on the Clean Water Revolving Fund Project Priority List meet the requirements according to A.R.S. § 49-1268(A)(2). Criteria by which assistance will be awarded shall be based on criteria established in the capitalization grant providing the funding. In addition to meeting the requirements of A.R.S. § 49-1268(A)(2), the applicant shall meet the following:
 - ~~1. On the date the applicant applies for financial assistance, the per capita annual income of the community's residents does not exceed 80% of national per capita income as reported by the U.S. Census Bureau.~~
 - ~~2. On the date the applicant applies for financial assistance, the community's local unemployment rate exceeds by one percentage point or more the most recently reported average yearly national unemployment rate as reported by the U.S. Department of Labor's Bureau of Labor Statistics.~~
- B. The Authority shall make the determination of applicant's eligibility for the Hardship Grant Fund Program during the ranking of the project under R18-15-204. Of the applicants eligible to receive financial assistance from the Hardship Grant Fund Program, the Authority shall award the hardship grant monies based on an applicant's financial capability and ability to generate sufficient revenues to pay for debt service.
- C. The Authority shall proceed according to Article 2 of this Chapter for any applicant meeting the eligibility requirements for the Hardship Grant Fund Program. In addition to proceeding under R18-15-207, the Authority shall identify any applicant that qualifies for Hardship Grant Fund Program financial assistance and shall make a recommendation to the Board regarding the amount of funding to provide the applicant from the Hardship Grant Fund Program.

ARTICLE 7. INTEREST RATE SETTING AND FORGIVABLE PRINCIPAL

R18-15-701. Interest Rate Setting and Forgivable Principal

- A. The Authority shall prescribe the rate of interest, including interest rates as low as 0% on Authority loans, bond purchase agreements, and linked deposit guarantees based on the applicant's local fiscal capacity under R18-15-204(A)(6); or R18-15-304(A)(6), or financial need under R18-15-404(A)(5), and an applicant's ability to generate sufficient revenues to pay debt service.



- B. The Authority may forgive principal on ~~Authority Clean Water and Drinking Water~~ loans, bond purchase agreements, and linked deposit guarantees ~~made to local units of government to plan, acquire, construct, or improve drinking water facilities~~ based on:
1. ~~An~~ The applicant's local fiscal capacity under R18-15-204(A)(6) and R18-15-304(A)(6), and
 2. ~~An applicant's ability to generate sufficient revenues to pay debt service~~ Whether the applicant cannot otherwise afford the project,
 3. Whether the project qualifies for the Green Project Reserve as defined by EPA, and
 4. Whether the project mitigates stormwater runoff.



- 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:**
The Department did not review or rely on any study for this rulemaking.
- 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. **A summary of the economic, small business, and consumer impact:**
Under A.R.S. § 41-1055(D)(2), the Department is not required to provide an economic, small business, and consumer impact statement.
- 10. **A description of any changes between the proposed expedited rulemaking, including supplemental notices, and the final expedited rulemaking:**
Between the proposed expedited rulemaking and the final expedited rulemaking, no changes were made to the rulemaking.
- 11. **Agency's summary of the public or stakeholder comments or objections made about the rulemaking and the agency response to the comments:**
The Department did not receive public or stakeholder comments about the rulemaking.
- 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 the Department 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:**
The rule does not require the issuance of a regulatory permit. Therefore, a general permit is not applicable.
 - 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:**
Federal laws do not apply to the rule.
 - 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:**
No such analysis was submitted.
- 13. **A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**
None
- 14. **The full text of the rule follows:**

**TITLE 9. HEALTH SERVICES
CHAPTER 6. DEPARTMENT OF HEALTH SERVICES
COMMUNICABLE DISEASES AND INFESTATIONS**

ARTICLE 6. REPORTING POST-EXPOSURE RABIES PROPHYLAXIS

Section
R9-6-601. Reporting Requirements

ARTICLE 6. REPORTING POST-EXPOSURE RABIES PROPHYLAXIS

R9-6-601. Reporting Requirements

A physician or an authorized designee, shall submit a written or electronic report to the Department of all patients for each individual exposed who receive post-exposure rabies prophylaxis. ~~The report shall include that includes:~~

1. Name, age, address, and telephone number of the ~~person~~ individual exposed;
2. Date of report;
3. Reporting institution or physician;
4. Date of exposure;
5. Body part exposed;
6. Type of exposure: Bite or saliva contact (non-bite);
7. Species of animal;
8. Animal disposition: quarantined, euthanized, died, unable to locate;
9. Animal rabies test results, if any: positive or negative;
10. Treatment regimen; and
11. Date treatment was initiated.



9. A summary of the economic, small business, and consumer impact

The agency is excluded from providing an economic, small business, and consumer impact statement under A.R.S. § 41-1055(D)(2).

10. A description of any changes between the proposed expedited rulemaking, including supplemental notices, and the final expedited rulemaking:

Between the proposed expedited rulemaking and the final expedited rulemaking, no changes were made to the expedited rulemaking.

11. Agency's summary of the public or stakeholder comments or objections made about the expedited rulemaking and the agency response to the comments:

The Department did not receive public or stakeholder comments about the expedited rulemaking.

12. Any agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rules 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 the Department or this specific expedited 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:

The rule does not require issuance of a general permit.

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:

There are no federal rules applicable to the subject of the rule.

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:

No such analysis was submitted.

13. Incorporations by reference and their location in the rules:

The following is incorporated by reference in R9-8-201(4):

21 CFR 165.110(a)(1) (2003), incorporated by reference, on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

The following is incorporated by reference in R9-8-201(13):

21 CFR 165.110(b) (2003), incorporated by reference and on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

The following is incorporated by reference in R9-8-201(17):

21 CFR 165.110(b)(i) (2003), incorporated by reference, on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

The following is incorporated by reference in R9-8-203(B):

21 CFR 165.110(b) (2003), incorporated by reference, on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

The following is incorporated by reference in R9-8-205(A):

21 CFR 129.80(g) (2003), incorporated by reference, on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

The following is incorporate by reference in R9-8-206:

21 CFR 129.80(e) (2003), incorporated by reference, on file with the Department, and including no future editions or amendments, available at <http://www.gpoaccess.gov/cfr/index.html> and from U.S. Government Printing Office, 732 N. Capital Street, NW Washington, DC 20401.

14. The full text of the rule follows:

**TITLE 9. HEALTH SERVICES
CHAPTER 8. DEPARTMENT OF HEALTH SERVICES
FOOD, RECREATIONAL, AND INSTITUTIONAL SANITATION**

ARTICLE 2. BOTTLED WATER

Section	
R9-8-201.	Definitions
R9-8-203.	Application for an Approval of a Source



- R9-8-205. Quality Testing Requirements
R9-8-206. Labeling Requirements

ARTICLE 2. BOTTLED WATER

R9-8-201. Definitions

In this Article, unless the context otherwise requires:

1. "Applicant" has the same meaning as in R9-8-101.
2. "Aquifer" means a layer of underground sand, gravel or porous rock where water collects.
3. "Artesian well" means a drilled well that accesses an aquifer with a water level that stands above the bottom of the confining bed of the aquifer.
4. "Bottled water" has the same meaning as in ~~21 CFR 165.110(a)(1) (2003)~~ 21 CFR 165.110(a)(1) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.
5. "Bottled water plant" means a food establishment that processes and sells bottled water.
6. "CFR" means the Code of Federal Regulations.
7. "Confining bed" means a layer of ground that resists water penetration.
8. "Department" means the Arizona Department of Health Services.
9. "Drilled well" means a hole bored into the ground to reach underground water.
10. "Food establishment" has the same meaning as in A.A.C. Title 9, Chapter 8, Article 1.
11. "Licensed laboratory" means a laboratory licensed by the Department under A.R.S. Title 36, Chapter 4.3, Article 1.
12. "Plant operator" means an individual designated by the applicant to operate a specific bottled water plant.
13. "Processes" means the steps taken to ensure source water meets the quality standards for bottled water in ~~21 CFR 165.110(b) (2003)~~ 21 CFR 165.110(b) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.
14. "Public water system" has the same meaning as in ~~A.A.C. R18-4-101~~ A.R.S. § 49-352(B)(1).
15. "Source" means an artesian well, drilled well, public water system, or spring.
16. "Source water" means water from an artesian well, drilled well, public water system, or spring.
17. "Spring" has the same meaning as "spring water" in ~~21 CFR 165.110(a)(2)(vi) (2003)~~ 21 CFR 165.110(a)(2)(vi) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.

R9-8-203. Application for an Approval of a Source

- A. An applicant shall complete and submit to the Department, an application for an approval of a source on a form provided by the Department that includes:
 1. The name, mailing address, and telephone number of the applicant;
 2. The name, street address, and telephone number of the bottled water plant;
 3. The location of the source used at the bottled water plant;
 4. The applicant's signature; and
 5. The date the application is signed.
- B. With the completed application, an applicant shall include test results from a licensed laboratory that has tested the bottled water according to the quality requirements for bottled water in ~~21 CFR 165.110(b) (2003)~~ 21 CFR 165.110(b) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.
- C. An applicant shall comply with subsections (A) and (B) for each source used at the bottled water plant.

R9-8-205. Quality Testing Requirements

- A. To maintain approval of its source, a plant operator shall have a licensed laboratory test the quality of the bottled water at the times stated in ~~21 CFR 129.80(e) (2003)~~ 21 CFR 129.80(e) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.
- B. A plant operator shall maintain records of the quality testing of the bottled water on the bottled water plant premises for two years from the date the bottled water is tested and ensure that the records are readily available for inspection by the Department.

R9-8-206. Labeling Requirements

In addition to the labeling requirements in 9 A.A.C. 8, Article 1, a plant operator shall ensure the bottled water processed and sold is labeled according to ~~21 CFR 129.80(e) (2003)~~ 21 CFR 129.80(e) (2016), incorporated by reference, on file with the Department, including no future editions or amendments, and available at ~~http://www.gpoaccess.gov/cfr/index.html~~ and from the U.S. Government Printing Office, 732 N. Capitol Street, N.W. Washington, D.C. 20401-001.



NOTICE OF FINAL EXPEDITED RULEMAKING
TITLE 9. HEALTH SERVICES
CHAPTER 8. DEPARTMENT OF HEALTH SERVICES
FOOD, RECREATIONAL, AND INSTITUTIONAL SANITATION

[R18-12]

PREAMBLE

- 1. Article, Part, or Section Affected (as applicable) Rulemaking Action
2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):
3. The effective date of the rules:
4. Citations to all related notices published in the Register that pertain to the record of the final expedited rulemaking:
5. The agency's contact person who can answer questions about the rulemaking:
6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:
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:
8. A showing of good cause why the expedited rulemaking is necessary to promote a statewide interest if the expedited rulemaking will diminish a previous grant of authority of a political subdivision of this state:
9. A summary of the economic, small business, and consumer impact



10. A description of any changes between the proposed rulemaking, including supplemental notices, and the final rulemaking:

Between the proposed expedited rulemaking and the final expedited rulemaking, no changes were made to the rulemaking.

11. Agency's summary of the public or stakeholder comments or objections made about the expedited rulemaking and the agency response to the comments:

The Department did not receive public or stakeholder comments about the rulemaking.

12. Any agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rules 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 the Department 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:

The rule does not require issuance of a general permit.

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:

There are no federal rules applicable to the subject of the rule.

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:

No such analysis was submitted.

13. Incorporations by reference and their location in the rules:

Not applicable

14. The full text of the rule follows:

**TITLE 9. HEALTH SERVICES
CHAPTER 8. DEPARTMENT OF HEALTH SERVICES
FOOD, RECREATIONAL, AND INSTITUTIONAL SANITATION**

ARTICLE 4. CHILDREN'S CAMPS

Section

R9-8-401. Definitions

R9-8-402. Initial and Renewal License Application Process

ARTICLE 4. CHILDREN'S CAMPS

R9-8-401. Definitions

In this Article, unless otherwise requires:

1. "Applicant" means an individual requesting a license from the Department or a county to operate a children's camp.
2. "Bathing place" has the same meaning as in 9 A.A.C. 8, Article 8.
3. "Camp director" means an individual who runs, maintains, or otherwise controls or directs the functions of a children's camp.
4. "Children's camp" has the same meaning as in ~~A.R.S. § 8-551~~ A.R.S. § 36-3901.
5. "County" means a governmental entity that has a delegation agreement with the Department as prescribed in ~~A.R.S. § 8-568~~ A.R.S. § 36-3915.
6. "Delegation agreement" has the same meaning as in A.R.S. § 41-1001.
7. "Department" means the Arizona Department of Health Services.
8. "Food establishment" has the same meaning as in 9 A.A.C. 8, Article 1.

R9-8-402. Initial and Renewal License Application Process

- A. An applicant shall submit a completed license application form in subsection (B) to:
 1. The county in which the children's camp is located, if the county has a delegation agreement with the Department under ~~A.R.S. § 8-568~~ A.R.S. § 36-3915; or
 2. The Department, if there is no delegation agreement.
- B. An applicant shall submit a completed license application form provided by the Department or a county that contains:
 1. The name, mailing address, and telephone number of the children's camp;
 2. The county in which the children's camp is located;
 3. The name, telephone number, and mailing address of the applicant;
 4. The name, telephone number, and if applicable, e-mail address of the camp director;
 5. The dates of operation of the children's camp;
 6. The number of individuals the children's camp can accommodate;
 7. Whether there is a food establishment in the children's camp;
 8. Whether there is a bathing place in the children's camp;



- 9. The potable water supply source at the children's camp;
 - 10. The type of sewage disposal system;
 - 11. Whether the application is for an initial or a renewal license; and
 - 12. The signature of the applicant.
- C. With the completed license application, an applicant shall include a map that specifies the location of the children's camp, and:
- 1. For an initial license:
 - a. If applying to the Department, a fee of \$100, or
 - b. If applying to a county, a fee established according to ~~A.R.S. § 8-553(B)~~ A.R.S. § 36-3903.
 - 2. For a renewal license:
 - a. If applying to the Department, a fee of \$25 or
 - b. If applying to a county, a fee established according to ~~A.R.S. § 8-553(B)~~ A.R.S. § 36-3903.
- D. The Department or a county begins reviewing applications on May 1 of each year.

**NOTICE OF FINAL EXPEDITED RULEMAKING
TITLE 9. HEALTH SERVICES
CHAPTER 25. DEPARTMENT OF HEALTH SERVICES
EMERGENCY MEDICAL SERVICES**

[R18-13]

PREAMBLE

- | | |
|---|---------------------------------|
| <u>1. Article, Part, or Section Affected (as applicable)</u> | <u>Rulemaking Action</u> |
| Article 1 | Amend |
| R9-25-301 | Amend |
| R9-25-305 | Amend |
| R9-25-306 | Amend |
| R9-25-401 | Amend |
| R9-25-402 | Amend |
| R9-25-403 | Amend |
| R9-25-405 | Amend |
| R9-25-406 | Amend |
| R9-25-407 | Amend |
| R9-25-408 | Amend |
| R9-25-409 | Amend |
| Table 12.1 | Amend |
- 2. Citations to the agency's statutory authority for the rulemaking to include the authorizing statute (general) and the implementing statute (specific):**
 Authorizing Statutes: A.R.S. §§ 36-136(A)(7), 36-136(G), 36-2202, and 36-2209(A)(2)
 Implementing Statutes: A.R.S. §§ 36-2202, 36-2204, and 41-1072 through 41-1079
- 3. The effective date of the rules:**
 January 9, 2018
- 4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final expedited rulemaking:**
 Notice of Rulemaking Docket Opening: 23 A.A.R. 2951, October 20, 2017
 Notice of Proposed Expedited Rulemaking: 23 A.A.R. 2919, October 20, 2017
- 5. The agency's contact person who can answer questions about the expedited rulemaking:**
- Name: Terry Mullins, Bureau Chief
 Address: Arizona Department of Health Services
 Bureau of Emergency Medical Services and Trauma System
 150 N. 18th Ave., Suite 540
 Phoenix, AZ 85007-3248
 Telephone: (602) 364-3150
 Fax: (602) 364-3568
 E-mail: Terry.Mullins@azdhs.gov
 or
 Name: Robert Lane, Chief
 Address: Arizona Department of Health Services
 Office of Administrative Counsel and Rules
 150 N. 18th Ave., Suite 200
 Phoenix, AZ 85007
 Telephone: (602) 542-1020



Fax: (602) 364-1150
E-mail: Robert.Lane@azdhs.gov

6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, under A.R.S. § 41-1027, to include an explanation about the rulemaking:

As part of the five-year-review reports for 9 A.A.C. 25, Articles 1, 3, 4, and 12, the Arizona Department of Health Services (Department) identified several minor factors that affect the clarity of the rules. The five-year-review report for 9 A.A.C. 25, Articles 1 and 12 was approved by the Governor's Regulatory Review Council (Council) on April 4, 2017, and the five-year-review report for 9 A.A.C. 25, Articles 3 and 4 was approved by the Council on May 2, 2017. The following changes are proposed in this rulemaking:

- The title of Article 1 should be changed from "Definitions" to "General" because the Article now contains more than a Section of definitions.
- Article 3:
 - R9-25-301 – correct the title to reflect its content and clarify a requirement in subsection (D)
 - R9-25-305 – remove a redundant requirement, correct cross-references, and remove obsolete requirements
 - R9-25-306 – correct a cross-reference and clarify the retention period for records
- Article 4:
 - R9-25-401 – correct a statutory reference
 - R9-25-402 – correct a statutory reference
 - R9-25-403 – correct a statutory reference
 - R9-25-405 – correct a statutory reference
 - R9-25-406 – correct a statutory reference
 - R9-25-407 – clarify a requirement
 - R9-25-408 – correct a statutory reference
 - R9-25-409 – correct a statutory reference
- Article 12 – correct statutory references in Table 12.1

The Department believes that these changes are consistent with the purpose for A.R.S. § 41-1027 in that this rulemaking does not increase the cost of regulatory compliance, does not increase a fee, or reduce a procedural right of regulated persons, and either implements changes identified in a five-year-review report, removes obsolete subsections, or clarifies language of a rule without changing its effect.

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:

The Department did not review or rely on any study for this rulemaking.

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. A summary of the economic, small business, and consumer impact:

Under A.R.S. § 41-1055(D)(2), the Department is not required to provide an economic, small business, and consumer impact statement.

10. A description of any changes between the proposed expedited rulemaking, including supplemental notices, and the final expedited rulemaking:

Between the proposed expedited rulemaking and the final expedited rulemaking, no changes were made to the rulemaking.

11. Agency's summary of the public or stakeholder comments or objections made about the rulemaking and the agency response to the comments:

The Department did not receive public or stakeholder comments about the rulemaking.

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 the Department 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:

The rules in Article 1 do not require the issuance of a regulatory permit. The rules in Articles 3 and 4 require the issuance of a specific agency authorization, which is authorized by A.R.S. § 36-2204(3) for training programs and A.R.S. § 36-2202 (A)(2) and (H) for EMCT certification, so a general permit is not applicable. The rules in Article 12 explain the process and timeframes for the review of applications for certifications, licenses, registrations, and requests for approval, all of which require the issuance of a specific agency authorization, which is authorized by A.R.S. § 36-2204(5) for ALS base hospitals, A.R.S. § 36-2204(3) for training programs, A.R.S. § 36-2202 (A)(2) and (H) for EMCT certification, A.R.S. §§ 36-2213 and 36-2214 for air ambulances and air ambulance services, and A.R.S. Title 36, Chapter 21.1, Article 2 for ground ambulances and ambulance services. Therefore, a general permit is not applicable.

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:

Federal laws do not apply to the rules in 9 A.A.C. 25.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitive-



ness of business in this state to the impact on business in other states:

No such analysis was submitted.

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

None

14. The full text of the rule follows:

**TITLE 9. HEALTH SERVICES
CHAPTER 25. DEPARTMENT OF HEALTH SERVICES
EMERGENCY MEDICAL SERVICES**

ARTICLE 1. DEFINITIONS GENERAL

ARTICLE 3. TRAINING PROGRAMS

Section

- R9-25-301. Definitions; Application for Certification (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))
- R9-25-305. Supplemental Requirements for Specific Courses (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))
- R9-25-306. Training Program Notification and Recordkeeping (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))

ARTICLE 4. EMCT CERTIFICATION

Section

- R9-25-401. EMCT General Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (6), and (7))
- R9-25-402. EMCT Certification and Recertification Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (6), and (7))
- R9-25-403. Application Requirements for EMCT Certification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), and ~~(G)~~ (H) and 36-2204(1) and (6))
- R9-25-405. Extension to File an Application for EMCT Recertification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (4), (5), and (7))
- R9-25-406. Requirements for Downgrading of Certification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), and ~~(G)~~ (H) and 36-2204(1) and (6))
- R9-25-407. Notification Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3) and (A)(4), 36-2204(1) and (6), and 36-2211)
- R9-25-408. Unprofessional Conduct; Physical or Mental Incompetence; Gross Incompetence; Gross Negligence (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H), 36-2204(1), (6), and (7), and 36-2211)
- R9-25-409. Enforcement Actions (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H), 36-2204(1), (6), and (7), and 36-2211)

ARTICLE 12. TIME-FRAMES FOR DEPARTMENT APPROVALS

Section

- Table 12.1. Time-frames (in days)

ARTICLE 1. DEFINITIONS GENERAL

ARTICLE 3. TRAINING PROGRAMS

R9-25-301. Definitions; Application for Certification (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))

- A. To apply for certification as a training program, an applicant shall submit an application to the Department, in a Department-provided format, including:
 1. The applicant's name, address, and telephone number;
 2. The name, telephone number, and e-mail address of the applicant's chief administrative officer;
 3. The name of each course the applicant plans to provide;
 4. Attestation that the applicant has the equipment and facilities that meet the requirements established according to A.R.S. § 36-2204 and available through the Department at www.azdhs.gov for the courses specified in subsection (A)(3);
 5. The name, telephone number, and e-mail address of the training program medical director;
 6. The name, telephone number, and e-mail address of the training program director;
 7. Attestation that the applicant will comply with all requirements in A.R.S. Title 36, Chapter 21.1 and 9 A.A.C. 25;
 8. Attestation that all information required as part of the application has been submitted and is true and accurate; and
 9. The signature or electronic signature of the applicant's chief administrative officer or the chief administrative officer's designated representative and date of signature or electronic signature.
- B. An applicant may submit to the Department a copy of an accreditation report if the applicant is currently accredited by a national accrediting organization.



- C. The Department shall certify a training program if the applicant:
 1. Has not operated a training program that has been decertified by the Department within five years before submitting the application,
 2. Submits an application that is complete and compliant with requirements in this Article, and
 3. Has not knowingly provided false information on or with an application required by this Article.
- D. The Department, ~~according to A.R.S. § 41-1009:~~
 1. Shall assess a training program at least once every 24 months after certification to determine ongoing compliance with the requirements of this Article; and
 2. May inspect a training program according to A.R.S. § 41-1009:
 - a. As part of the substantive review time-frame required in A.R.S. §§ 41-1072 through 41-1079, or
 - b. As necessary to determine compliance with the requirements of this Article.
- E. The Department shall approve or deny an application under this Article according to Article 12 of this Chapter.
- F. A training program certificate is valid only for the name of the training program certificate holder and the courses listed by the Department on the certificate and may not be transferred to another person.

R9-25-305. Supplemental Requirements for Specific Courses (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))

- A. Except as specified in subsection (B), a training program certificate holder shall ensure that a certification course offered by the training program:
 1. Covers knowledge, skills, and competencies comparable to the national education standards established for a specific EMCT classification level;
 2. Prepares a student for:
 - a. A national certification organization examination for the specific EMCT classification level, or
 - b. A standardized certification test under the state certification process;
 3. Has no more than 24 students enrolled in each session of the course; and
 4. Has a minimum course length of:
 - a. For an EMT certification course, 130 hours;
 - b. For an AEMT certification course, 244 hours, including:
 - i. A minimum of 100 contact hours of didactic instruction and practical skills training, and
 - ii. A minimum of 144 contact hours of clinical training and field training; and
 - c. For a Paramedic certification course, 1000 hours, including:
 - i. A minimum of 500 contact hours of didactic instruction and practical skills training, and
 - ii. A minimum of 500 contact hours of clinical training and field training.
- B. A training program director shall ensure that, for an AEMT certification course or a Paramedic certification course, a student has one of the following:
 1. Current certification from the Department as an EMT or higher EMCT classification level,
 2. Documentation of completion of prior training in an EMT course or a course for a higher EMCT classification level provided by a training program certified by the Department or an equivalent training program, or
 3. Documentation of current registration in a national certification organization at the EMT classification level or higher EMCT classification level.
- C. A training program director shall ensure that for a course to prepare an EMT-I(99) for Paramedic certification:
 1. A student has current certification from the Department as an EMT-I(99);
 2. The course covers the knowledge, skills, and competencies established according to A.R.S. § 36-2204 and available through the Department at www.azdhs.gov;
 - ~~3. No more than 24 students are enrolled in each session of the course;~~
 - ~~4.3.~~ The minimum course length is 600 hours, including:
 - a. A minimum of 220 contact hours of didactic instruction and practical skills training, and
 - b. A minimum of 380 contact hours of clinical training and field training; and
 - ~~5.4.~~ A minimum of 60 contact hours of training in anatomy and physiology are completed by the student:
 - a. As a prerequisite to the course,
 - b. As preliminary instruction completed at the beginning of the course session before the didactic instruction required in subsection ~~(C)(4)(a)~~ (C)(3)(a) begins, or
 - c. Through integration of the anatomy and physiology material with the units of instruction required in subsection ~~(C)(4)~~ (C)(3).
- D. A training program director shall ensure that for an EMT refresher course:
 1. A student has one of the following:
 - a. Current certification from the Department as an EMT or higher EMCT classification level,
 - b. Documentation of completion of prior training in an EMT course or a course for a higher EMCT classification level provided by a training program certified by the Department or an equivalent training program,
 - c. Documentation of current registration in a national certification organization at the EMT classification level or higher EMCT classification level, or
 - d. Documentation from a national certification organization requiring the student to complete the EMT refresher course to be eligible to apply for registration in the national certification organization;
 2. A student has documentation of current certification in adult, pediatric, and infant cardiopulmonary resuscitation through instruction consistent with American Heart Association recommendations for emergency cardiovascular care by EMCTs;
 3. The EMT refresher course covers:



- a. ~~The~~ the knowledge, skills, and competencies in the national education standards established at the EMT classification level;
- or
- b. ~~Until the following dates, the knowledge, skills, and competencies established according to A.R.S. § 36-2204 and available through the Department at www.azdhs.gov:~~
 - i. ~~March 31, 2015, for a student who has documentation from a national certification organization of registration at the EMT classification level or higher EMCT classification level that expired on or before March 31, 2011;~~
 - ii. ~~March 31, 2016, for a student who has documentation from a national certification organization of registration at the EMT classification level or higher EMCT classification level that expired between April 1, 2011 and March 31, 2012;~~
and
 - iii. ~~December 31, 2017, for a student who is not registered by a national certification organization;~~
- 4. No more than 32 students are enrolled in each session of the course; and
- 5. The minimum course length is 24 contact hours.
- E. A training program authorized to provide an EMT refresher course may administer a refresher challenge examination covering materials included in the EMT refresher course to an individual eligible for admission into the EMT refresher course.
- F. A training program director shall ensure that for an ALS refresher course:
 - 1. A student has one of the following:
 - a. Current certification from the Department as an AEMT, EMT-I(99), or Paramedic;
 - b. Documentation of completion of a prior training course, at the AEMT classification level or higher, provided by a training program certified by the Department or an equivalent training program;
 - c. Documentation of current registration in a national certification organization at the AEMT or Paramedic classification level; or
 - d. Documentation from a national certification organization requiring the student to complete the ALS refresher course to be eligible to apply for registration in the national certification organization;
 - 2. A student has documentation of current certification in:
 - a. Adult, pediatric, and infant cardiopulmonary resuscitation through instruction consistent with American Heart Association recommendations for emergency cardiovascular care by EMCTs, and
 - b. For a student who has current certification as an EMT-I(99) or higher level of EMCT classification, advanced emergency cardiac life support;
 - 3. The ALS refresher course covers:
 - a. For a student who has current certification as an AEMT or documentation of completion of prior training at an AEMT classification level, the knowledge, skills, and competencies in the national education standards established for an AEMT;
 - b. For a student who has current certification as an EMT-I(99), the knowledge, skills, and competencies established according to A.R.S. § 36-2204 for an EMT-I(99) as of the effective date of this Section and available through the Department at www.azdhs.gov;
 - c. For a student who has current certification as a Paramedic or documentation of completion of prior training at a Paramedic classification level, the knowledge, skills, and competencies in the national education standards established for a Paramedic; and
 - 4. The ALS refresher course covers:
 - a. For a student who has current certification as an AEMT or documentation of completion of prior training at an AEMT classification level, the knowledge, skills, and competencies in the national education standards established for an AEMT;
 - b. For a student who has current certification as an EMT-I(99), the knowledge, skills, and competencies established according to A.R.S. § 36-2204 for an EMT-I(99) as of the effective date of this Section and available through the Department at www.azdhs.gov; and
 - c. For a student who has current certification as a Paramedic or documentation of completion of prior training at a Paramedic classification level, the knowledge, skills, and competencies in the national education standards established for a Paramedic; and
 - d. ~~Until the following dates, the knowledge, skills, and competencies established according to A.R.S. § 36-2204 and available through the Department at www.azdhs.gov:~~
 - i. ~~March 31, 2015, for a student who has documentation of completion of prior training at a level between EMT I(99) and Paramedic and registration from a national certification organization that expired on or before March 31, 2011;~~
 - ii. ~~March 31, 2016, for a student who has documentation of completion of prior training at a level between EMT I(99) and Paramedic and registration from a national certification organization that expired between April 1, 2011 and March 31, 2012;~~
 - iii. ~~March 31, 2017, for a student who has documentation of completion of prior training at a level between EMT I(99) and Paramedic and registration from a national certification organization that expired between April 1, 2012 and March 31, 2013; and~~
 - iv. ~~December 31, 2017, for a student who has documentation of completion of prior training at a level between EMT I(99) and Paramedic and is not registered by a national certification organization;~~
 - 4. No more than 32 students are enrolled in each session of the course; and
 - 5. The minimum course length is 48 contact hours.
- G. A training program authorized to provide an ALS refresher course may administer a refresher challenge examination covering materials included in the ALS refresher course to an individual eligible for admission into the ALS refresher course.

R9-25-306. Training Program Notification and Recordkeeping (Authorized by A.R.S. §§ 36-2202(A)(3) and (4) and 36-2204(1) and (3))

- A. At least 10 days before the start date of a course session, a training program certificate holder shall submit to the Department the following information in a Department-provided format:



1. Identification of the training program;
 2. Identification of the course;
 3. The name of the training program medical director;
 4. The name of the training program director;
 5. The name of the course session's lead instructor;
 6. The course session start date and end date;
 7. The physical location at which didactic training and practical skills training will be provided;
 8. The days of the week and times of each day during which didactic training and practical skills training will be provided;
 9. The number of clock hours of didactic training and practical skills training;
 10. If applicable, the number of hours of clinical training and field training included in the course session;
 11. The date, start time, and location of the final examination for the course;
 12. Attestation that the lead instructor is qualified under R9-25-304(A)(4)(a); and
 13. The name and signature of the chief administrative officer or program director and the date signed.
- B.** The Department shall review the information submitted according to subsection (A) and, within five days after receiving the information:
1. Approve a course session, issue an identifying number to the course session, and notify the training program certificate holder of the approval and identifying number; or
 2. Disapprove a course session that does not comply with requirements in this Article and notify the training program certificate holder of the disapproval.
- C.** A training program certificate holder shall ensure that:
1. No later than 10 days after the date a student completes all course requirements, the training program director submits to the Department the following information in a Department-provided format:
 - a. Identification of the training program;
 - b. The name of the training program director;
 - c. Identification of the course and the start date and end date of the course session completed by the student;
 - d. The name, date of birth, and mailing address of the student who completed the course;
 - e. The date the student completed all course requirements;
 - f. The score the student received on the final examination;
 - g. Attestation that the student has met all course requirements;
 - h. Attestation that all information submitted is true and accurate; and
 - i. The signature of the training program director and the date signed; and
 2. No later than 10 days after the date an individual passes a refresher challenge examination administered by the training program, the training program director submits to the Department the following information in a Department-provided format:
 - a. Identification of the training program;
 - b. Identification of the:
 - i. Refresher challenge examination administered, and
 - ii. Course for which the refresher challenge examination substitutes;
 - c. The name of the training program medical director;
 - d. The name of the training program director;
 - e. The name, date of birth, and mailing address of the individual who passed the refresher challenge examination;
 - f. The date and location at which the refresher challenge examination was administered;
 - g. The score the individual received on the refresher challenge examination;
 - h. Attestation that the individual:
 - i. Met the requirements for taking the refresher challenge examination, and
 - ii. Passed the refresher challenge examination;
 - i. Attestation that all information submitted is true and accurate; and
 - j. The name and signature of the training program director and the date signed.
- D.** A training program certificate holder shall ensure that:
1. A record is established for each student enrolled in a course session, including:
 - a. The student's name and date of birth;
 - b. A copy of the student's enrollment agreement or contract;
 - c. Identification of the course in which the student is enrolled;
 - d. The start date and end date for the course session;
 - e. Documentation supporting the student's eligibility to enroll in the course;
 - f. Documentation that the student meets prerequisites for the course, established as specified in ~~R9-25-304(A)(2)(e)(i)~~ R9-25-304(A)(2)(d)(i);
 - g. The student's attendance records;
 - h. The student's clinical training records, if applicable;
 - i. The student's field training records, if applicable;
 - j. The student's grades;
 - k. Documentation of the final examination for the course, including:
 - i. A copy of each scored written test attempted or completed by the student, and
 - ii. All forms used as part of the comprehensive practical skills test attempted or completed by the student; and
 1. A copy of the student's certificate of completion required in R9-25-304(F)(1);
 2. A student record required in subsection (D)(1) is maintained for at least three years after the end date of a student's course session and provided to the Department at the Department's request;



- 3. A record is established for each individual to whom a refresher challenge examination is administered, including:
 - a. The individual’s name and date of birth;
 - b. Identification of the refresher challenge examination administered to the individual;
 - c. Documentation supporting the individual’s eligibility for a refresher challenge examination;
 - d. The date the refresher challenge examination was administered;
 - e. Documentation of the refresher challenge examination, including:
 - i. A copy of the scored written test attempted or completed by the individual, and
 - ii. All forms used as part of the comprehensive practical skills test attempted or completed by the individual; and
 - f. A copy of the individual’s certificate of completion required in R9-25-304(F)(2); and
- 4. A record required in subsection (D)(3) is maintained for at least three years after the date the refresher challenge examination was administered and provided to the Department at the Department’s request.

ARTICLE 4. EMCT CERTIFICATION

R9-25-401. EMCT General Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (6), and (7))

- A. Except as provided in R9-25-404(E) and R9-25-405, an individual shall not act as an EMCT unless the individual has current certification or recertification from the Department.
- B. An EMCT shall act as an EMCT only:
 - 1. As authorized under the EMCT’s scope of practice as specified in Article 5 of this Chapter; and
 - 2. For an EMCT required to have medical direction according to A.R.S. Title 36, Chapter 21.1 and R9-25-502, as authorized by the EMCT’s administrative medical director under:
 - a. Treatment protocols, triage protocols, and communication protocols approved by the EMCT’s administrative medical director as specified in R9-25-201(E)(2); and
 - b. Medical recordkeeping, medical reporting, and prehospital incident history report requirements approved by the EMCT’s administrative medical director as specified in R9-25-201(E)(3)(b).
- C. Except as provided in A.R.S. § 36-2211, the Department shall certify or re-certify an individual as an EMCT for a period of two years.
- D. An individual whose EMCT certificate is expired shall not apply for recertification, except as provided in R9-25-404(A).
- E. The Department shall comply with the confidentiality requirements in A.R.S. §§ 36-2220(E) and 36-2245(M).

R9-25-402. EMCT Certification and Recertification Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (6), and (7))

- A. The Department shall not certify an EMCT if the applicant:
 - 1. Is currently:
 - a. Incarcerated for a criminal conviction,
 - b. On parole for a criminal conviction,
 - c. On supervised release for a criminal conviction, or
 - d. On probation for a criminal conviction;
 - 2. Within 10 years before the date of filing an application for certification required by this Article, has been convicted of any of the following crimes, or any similarly defined crimes in this state or in any other state or jurisdiction, unless the conviction has been absolutely discharged, expunged, or vacated:
 - a. 1st or 2nd degree murder;
 - b. Attempted 1st or 2nd degree murder;
 - c. Sexual assault;
 - d. Attempted sexual assault;
 - e. Sexual abuse of a minor;
 - f. Attempted sexual abuse of a minor;
 - g. Sexual exploitation of a minor;
 - h. Attempted sexual exploitation of a minor;
 - i. Commercial sexual exploitation of a minor;
 - j. Attempted commercial sexual exploitation of a minor;
 - k. Molestation of a child;
 - l. Attempted molestation of a child; or
 - m. A dangerous crime against children as defined in A.R.S. § 13-705;
 - 3. Within five years before the date of filing an application for certification required by this Article, has been convicted of a misdemeanor involving moral turpitude or a felony in this state or any other state or jurisdiction, other than a misdemeanor involving moral turpitude or a felony listed in subsection (A)(2), unless the conviction has been absolutely discharged, expunged, or vacated;
 - 4. Within five years before the date of filing an application for certification required by this Article, has had EMCT certification or recertification revoked in this state or certification, recertification, or licensure at an EMCT classification level revoked in any other state or jurisdiction; or
 - 5. Knowingly provides false information in connection with an application required by this Article.
- B. The Department shall not re-certify an EMCT, if:
 - 1. While certified, the applicant has been convicted of a crime listed in subsection (A)(2), or any similarly defined crimes in this state or in any other state or jurisdiction, unless the conviction has been absolutely discharged, expunged, or vacated; or
 - 2. The applicant knowingly provides false information in connection with an application required by this Article.



- C. The Department shall make probation a condition of EMCT certification if, within two years before the date of filing an application under R9-25-403, an applicant has been convicted of a misdemeanor in this state or in any other state or jurisdiction, involving:
1. Possession, use, administration, acquisition, sale, manufacture, or transportation of an intoxicating liquor, dangerous drug, or narcotic drug, as defined in A.R.S. § 13-3401, unless the conviction has been absolutely discharged, expunged, or vacated; or
 2. Driving or being in physical control of a vehicle while under the influence of an intoxicating liquor, a dangerous drug, or a narcotic drug, as defined in A.R.S. § 13-3401, unless the conviction has been absolutely discharged, expunged, or vacated.
- D. Except as provided in subsection (E), the Department shall make probation a condition of EMCT recertification if an applicant:
1. Is currently:
 - a. Incarcerated for a criminal conviction,
 - b. On parole for a criminal conviction,
 - c. On supervised release for a criminal conviction, or
 - d. On probation for a criminal conviction; or
 2. Within five years before the date of filing an application under R9-25-404, has been convicted of a misdemeanor involving moral turpitude or a felony in this state or any other state or jurisdiction, other than those listed in subsection (A)(2), unless the conviction has been absolutely discharged, expunged, or vacated.
- E. As specified in R9-25-409, the Department may make probation a condition of EMCT recertification if an applicant, within two years before the date of filing an application under R9-25-404, has been convicted of a misdemeanor in this state or in any other state or jurisdiction, involving:
1. Possession, use, administration, acquisition, sale, manufacture, or transportation of an intoxicating liquor, dangerous drug, or narcotic drug, as defined in A.R.S. § 13-3401, unless the conviction has been absolutely discharged, expunged, or vacated; or
 2. Driving or being in physical control of a vehicle while under the influence of an intoxicating liquor, a dangerous drug, or a narcotic drug, as defined in A.R.S. § 13-3401, unless the conviction has been absolutely discharged, expunged, or vacated.
- F. If the Department makes probation a condition of EMCT certification or recertification, the Department shall fix the period and terms of probation that will:
1. Protect the public health and safety, and
 2. Rehabilitate and educate the applicant.

R9-25-403. Application Requirements for EMCT Certification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), and ~~(G)~~ (H) and 36-2204(1) and (6))

- A. An individual may apply for initial EMCT certification if:
1. The individual is at least 18 years of age;
 2. The individual complies with the requirements in A.R.S. § 41-1080;
 3. The individual is not ineligible under R9-25-402; and
 4. One of the following applies to the individual:
 - a. The individual has not previously applied for certification from the Department or has withdrawn an application for certification;
 - b. An application for certification submitted by the individual was denied by the Department two or more years before the present date;
 - c. Except as provided in R9-25-404(A)(2) or (3), the individual's certification as an EMCT is expired;
 - d. The individual's certification as an EMCT was revoked by the Department five or more years before the present date; or
 - e. The individual has current certification as an EMCT and is applying for certification at a different classification level of EMCT.
- B. An applicant for initial EMCT certification shall submit to the Department an application in a Department-provided format, including:
1. A form containing:
 - a. The applicant's name, address, telephone number, email address, date of birth, gender, and Social Security number;
 - b. The level of EMCT certification being requested;
 - c. Responses to questions addressing the applicant's criminal history according to R9-25-402(A)(1) through (3) and (C);
 - d. Whether the applicant has within the five years before the date of the application had:
 - i. EMCT certification or recertification revoked in Arizona; or
 - ii. Certification, recertification, or licensure at an EMCT classification level revoked in another state or jurisdiction;
 - e. Attestation that all information required as part of the application has been submitted and is true and accurate; and
 - f. The applicant's signature or electronic signature and date of signature;
 2. For each affirmative response to a question addressing the applicant's criminal history required in subsection (B)(1)(c), a detailed explanation on a Department-provided form and supporting documentation;
 3. For each affirmative response to subsection (B)(1)(d), a detailed explanation on a Department-provided form and supporting documentation;
 4. If applicable, a copy of certification, recertification, or licensure at an EMCT classification level issued to the applicant in another state or jurisdiction;
 5. A copy of one of the following for the applicant:
 - a. U.S. passport, current or expired;
 - b. Birth certificate;
 - c. Naturalization documents; or
 - d. Documentation of legal resident alien status; and
 6. One of the following:
 - a. Either:



- i. A certificate of completion showing that within two years before the date of the application, the applicant completed statewide standardized training; and
 - ii. A statewide standardized certification test; or
 - b. Documentation of current registration in a national certification organization at the applicable or higher level of EMCT classification.
- B.** The Department shall approve or deny an application for initial EMCT certification according to Article 12 of this Chapter.
- C.** If the Department denies an application for initial EMCT certification, the applicant may request a hearing according to A.R.S. Title 41, Chapter 6, Article 10.

R9-25-405. Extension to File an Application for EMCT Recertification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H) and 36-2204(1), (4), (5), and (7))

- A.** Before the expiration of a current certificate, an EMCT who is unable to meet the recertification requirements in R9-25-404 because of personal or family illness, military service, or authorized federal or state emergency response deployment may apply to the Department in writing for an extension of time to file for recertification by submitting:
- 1. The following information in a Department-provided format:
 - a. The EMCT’s name, address, telephone number, and email address;
 - b. The EMCT’s current certification number;
 - c. The reason for requesting the extension; and
 - d. The EMCT’s signature or electronic signature and date of signature; and
 - 2. For an exemption based on military service or authorized federal or state emergency response deployment, a copy of the EMCT’s military orders or documentation of authorized federal or state emergency response deployment.
- B.** The Department may grant an extension of time to file for recertification:
- 1. For personal or family illness, for no more than 180 days; or
 - 2. For each military service or authorized federal or state emergency response deployment, for the term of service or deployment plus 180 days.
- C.** An individual applying for or granted an extension of time to file for recertification:
- 1. Remains certified according to A.R.S. § 41-1092.11 during the extension period, and
 - 2. Shall submit an application for recertification according to R9-25-404.
- D.** An individual who does not meet the recertification requirements in R9-25-404 within the extension period or has the application for recertification denied by the Department:
- 1. Is not an EMCT, and
 - 2. May submit an application to the Department for initial EMCT certification according to R9-25-403.
- E.** The Department shall approve or deny a request for an extension to file for EMCT recertification according to Article 12 of this Chapter.
- F.** If the Department denies a request for an extension to file for EMCT recertification, the applicant may request a hearing according to A.R.S. Title 41, Chapter 6, Article 10.

R9-25-406. Requirements for Downgrading of Certification (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), and ~~(G)~~ (H) and 36-2204(1) and (6))

An individual who holds current EMCT certification at a classification level higher than EMT and who is not under investigation according to A.R.S. § 36-2211 may apply for:

- 1. Continued certification at a lower EMCT classification level for the remainder of the certification period by submitting to the Department:
 - a. A written request containing:
 - i. The EMCT’s name, address, email address, telephone number, date of birth, and Social Security number;
 - ii. The lower EMCT classification level requested;
 - iii. Attestation that the applicant has not committed an act or engaged in conduct that would warrant revocation of a certificate under A.R.S. § 36-2211;
 - iv. Attestation that all information submitted is true and accurate; and
 - v. The applicant’s signature or electronic signature and date of signature; and
 - b. Either:
 - i. A written statement from the EMCT’s administrative medical director attesting that the EMCT is able to perform at the lower EMCT classification level requested; or
 - ii. If applying for continued certification as an EMT, an Arizona EMT refresher certificate of completion or an Arizona EMT refresher challenge examination certificate of completion signed by the training program director designated for the Arizona EMT refresher course; or
- 2. Recertification at a lower EMCT classification level according to R9-25-404.

R9-25-407. Notification Requirements (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), and (A)(4), 36-2204(1) and (6), and 36-2211)

- A.** No later than 30 days after the date an EMCT’s name legally changes, the EMCT shall submit to the Department:
- 1. A completed form provided by the Department containing:
 - a. The name under which the EMCT is currently certified by the Department;
 - b. The EMCT’s address, telephone number, and Social Security number; and
 - c. The EMCT’s new name; and
 - 2. Documentation showing that the name has been legally changed.



- B. No later than 30 days after the date an EMCT's address or email address changes, the EMCT shall submit to the Department a completed form provided by the Department containing:
1. The EMCT's name, telephone number, and Social Security number; and
 2. The EMCT's new address or email address.
- C. An EMCT shall notify the Department in writing no later than 10 days after the date the EMCT:
1. Is incarcerated or is placed on parole, supervised release, or probation for any criminal conviction;
 2. Is convicted of:
 - a. A crime specified in R9-25-402(A)(2),
 - b. A misdemeanor involving moral turpitude,
 - c. A felony in this state or any other state or jurisdiction, or
 - d. A misdemeanor specified in R9-25-402(E);
 3. Has registration revoked or suspended by a national certification organization; or
 4. Has certification, recertification, or licensure at an EMCT classification level revoked or suspended in another state or jurisdiction.

R9-25-408. Unprofessional Conduct; Physical or Mental Incompetence; Gross Incompetence; Gross Negligence (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H), 36-2204(1), (6), and (7), and 36-2211)

- A. For purposes of A.R.S. § 36-2211(A)(1), unprofessional conduct is an act or omission made by an EMCT that is contrary to the recognized standards or ethics of the Emergency Medical Technician profession or that may constitute a danger to the health, welfare, or safety of a patient or the public, including:
1. Impersonating an EMCT of a higher level of certification or impersonating a health professional as defined in A.R.S. § 32-3201;
 2. Permitting or allowing another individual to use the EMCT's certification for any purpose;
 3. Aiding or abetting an individual who is not certified according to this Chapter in acting as an EMCT or in representing that the individual is certified as an EMCT;
 4. Engaging in or soliciting sexual relationships, whether consensual or non-consensual, with a patient while acting as an EMCT;
 5. Physically or verbally harassing, abusing, threatening, or intimidating a patient or another individual while acting as an EMCT;
 6. Making false or materially incorrect entries in a medical record or willful destruction of a medical record;
 7. Failing or refusing to maintain adequate records on a patient;
 8. Soliciting or obtaining monies or goods from a patient by fraud, deceit, or misrepresentation;
 9. Aiding or abetting an individual in fraud, deceit, or misrepresentation in meeting or attempting to meet the application requirements for EMCT certification or EMCT recertification contained in this Article, including the requirements established for:
 - a. Completing and passing a course provided by a training program; and
 - b. The national certification organization examination process and national certification organization registration process;
 10. Providing false information or making fraudulent or untrue statements to the Department or about the Department during an investigation conducted by the Department;
 11. Being incarcerated or being placed on parole, supervised release, or probation for any criminal conviction;
 12. Being convicted of a misdemeanor identified in R9-25-402(E), which has not been absolutely discharged, expunged, or vacated;
 13. Having national certification organization registration revoked or suspended by the national certification organization for material noncompliance with national certification organization rules or standards; and
 14. Having certification, recertification, or licensure at an EMCT classification level revoked or suspended in another state or jurisdiction.
- B. Under A.R.S. § 36-2211, physical or mental incompetence of an EMCT is the EMCT's lack of physical or mental ability to provide emergency medical services as required under this Chapter.
- C. Under A.R.S. § 36-2211 gross incompetence or gross negligence is an EMCT's willful act or willful omission of an act that is made in disregard of an individual's life, health, or safety and that may cause death or injury.

R9-25-409. Enforcement Actions (Authorized by A.R.S. §§ 36-2202(A)(2), (A)(3), (A)(4), (A)(6), and ~~(G)~~ (H), 36-2204(1), (6), and (7), and 36-2211)

- A. If the Department determines that an applicant or EMCT is not in substantial compliance with applicable laws and rules, under A.R.S. §§ 36-2204 or 36-2211, the Department may:
1. Take the following action against an applicant or EMCT:
 - a. After notice is provided according to A.R.S. § 36-2211 and, if applicable, A.R.S. Title 41, Chapter 6, Article 10, issue:
 - i. A decree of censure to the EMCT, or
 - ii. An order of probation to the EMCT; or
 - b. After notice and opportunity to be heard is provided according to A.R.S. Title 41, Chapter 6, Article 10:
 - i. Deny an application,
 - ii. Suspend the EMCT's certificate, or
 - iii. Revoke the EMCT's certificate; and
 2. Assess civil penalties against the EMCT.
- B. In determining which action in subsection (A) is appropriate, the Department shall consider:
1. Prior disciplinary actions;
 2. The time interval since a prior disciplinary action, if applicable;
 3. The applicant's or EMCT's motive;
 4. The applicant's or EMCT's pattern of conduct;
 5. The number of offenses;
 6. Whether the applicant or EMCT failed to comply with instructions from the Department;
 7. Whether interim rehabilitation efforts were made by the applicant or EMCT;



8. Whether the applicant or EMCT refused to acknowledge the wrongful nature of the misconduct;
9. Whether the applicant or EMCT made timely and good-faith efforts to rectify the consequences of the misconduct;
10. The submission of false evidence, false statements, or other deceptive practices during an investigation or disciplinary process;
11. The vulnerability of a patient or other victim of the applicant's or EMCT's conduct, if applicable; and
12. How much control the applicant or EMCT had over the processes or situation leading to the misconduct.

ARTICLE 12. TIME-FRAMES FOR DEPARTMENT APPROVALS

Table 12.1. Time-frames (in days)

Type of Application	Statutory Authority	Overall Time-frame	Administrative Completeness Time-frame	Time to Respond to Written Notice	Substantive Review Time-frame	Time to Respond to Comprehensive Written Request
ALS Base Hospital Certification (R9-25-204)	A.R.S. §§ 36-2201, 36-2202(A)(3), and 36-2204(5)	45	15	60	30	60
Training Program Certification (R9-25-301)	A.R.S. §§ 36-2202(A)(3) and 36-2204(1) and (3)	120	30	60	90	60
Addition of a Course (R9-25-303)	A.R.S. §§ 36-2202(A)(3) and 36-2204(1) and (3)	90	30	60	60	60
EMCT Certification (R9-25-403)	A.R.S. §§ 36-2202(A)(2), (3), and (4), 36-2202(G) 36-2202(H), and 36-2204(1)	120	30	90	90	270
EMCT Recertification (R9-25-404)	A.R.S. §§ 36-2202(A)(2), (3), (4), and (6), 36-2202(G) 36-2202(H), and 36-2204(1) and (4)	120	30	60	90	60
Extension to File for EMCT Recertification (R9-25-405)	A.R.S. §§ 36-2202(A)(2), (3), (4), and (6), 36-2202(G) 36-2202(H), and 36-2204(1) and (7)	30	15	60	15	60
Downgrading of Certification (R9-25-406)	A.R.S. §§ 36-2202(A)(2), (3), and (4), 36-2202(G) 36-2202(H), and 36-2204(1) and (6)	30	15	60	15	60
Initial Air Ambulance Service License (R9-25-704)	A.R.S. §§ 36-2202(A)(3) and (4), 36-2209(A)(2), 36-2213, 36-2214, and 36-2215	150	30	60	120	60
Renewal of an Air Ambulance Service License (R9-25-705)	A.R.S. §§ 36-2202(A)(3) and (4), 36-2209(A)(2), 36-2213, 36-2214, and 36-2215	90	30	60	60	60
Initial Certificate of Registration for an Air Ambulance (R9-25-802)	A.R.S. §§ 36-2202(A)(4) and (5), 36-2209(A)(2), 36-2212, 36-2213, 36-2214, and 36-2240(4)	90	30	60	60	60
Renewal of a Certificate of Registration for an Air Ambulance (R9-25-802)	A.R.S. §§ 36-2202(A)(4) and (5), 36-2209(A)(2), 36-2212, 36-2213, 36-2214, and 36-2240(4)	90	30	60	60	60
Initial Certificate of Necessity (R9-25-902)	A.R.S. §§ 36-2204, 36-2232, 36-2233, 36-2240	450	30	60	420	60
Provision of ALS Services (R9-25-902)	A.R.S. §§ 36-2232, 36-2233, 36-2240	450	30	60	420	60
Transfer of a Certificate of Necessity (R9-25-902)	A.R.S. §§ 36-2236(A) and (B), 36-2240	450	30	60	420	60



Renewal of a Certificate of Necessity (R9-25-904)	A.R.S. §§ 36-2233, 36-2235, 36-2240	90	30	60	60	60
Amendment of a Certificate of Necessity (R9-25-905)	A.R.S. §§ 36-2232(A)(4), 36-2240	450	30	60	420	60
Initial Registration of a Ground Ambulance Vehicle (R9-25-1001)	A.R.S. §§ 36-2212, 36-2232, 36-2240	90	30	60	60	60
Renewal of a Ground Ambulance Vehicle Registration (R9-25-1001)	A.R.S. §§ 36-2212, 36-2232, 36-2240	90	30	60	60	60
Establishment of Initial General Public Rates (R9-25-1101)	A.R.S. §§ 36-2232, 36-2239	450	30	60	420	60
Adjustment of General Public Rates (R9-25-1102)	A.R.S. §§ 36-2234, 36-2239	450	30	60	420	60
Contract Rate or Range of Rates Less than General Public Rates (R9-25-1103)	A.R.S. §§ 36-2234, 36-2239	450	30	60	420	60
Ground Ambulance Service Contracts (R9-25-1104)	A.R.S. § 36-2232	450	30	60	420	60
Ground Ambulance Service Contracts with Political Subdivisions (R9-25-1104)	A.R.S. §§ 36-2232, 36-2234(K)	30	15	15	15	Not Applicable
Subscription Service Rate (R9-25-1105)	A.R.S. § 36-2232(A)(1)	450	30	60	420	60

NOTICE OF FINAL EXPEDITED RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 5. DEPARTMENT OF TRANSPORTATION - COMMERCIAL PROGRAMS

[R18-15]

PREAMBLE

- 1. Article, Part, or Section Affected (as applicable)**

<ul style="list-style-type: none"> R17-5-801 R17-5-802 R17-5-803 R17-5-804 R17-5-805 R17-5-806 R17-5-807 R17-5-808 R17-5-809 R17-5-810 	<ul style="list-style-type: none"> Amend
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- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**

Authorizing statutes: A.R.S. §§ 28-366, 28-4001, 28-4002, 28-4007, 28-4081, 28-4148
 Implementing statutes: A.R.S. §§ 20-237, 28-4007, 28-4033, 28-4084, 28-4135, and 28-4148

- 3. The effective date of the rule:**

January 12, 2018

- 4. Citations to all related notices published in the Register that pertain to the record of the Notice of Final Expedited Rulemaking:**

Notice of Rulemaking Docket Opening: 23 A.A.R. 2953, October 20, 2017
 Notice of Proposed Expedited Rulemaking: 23 A.A.R. 2930, October 20, 2017



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

Name: Jane McVay
Address: Department of Transportation
206 S. 17th Ave., MD 140A
Phoenix, AZ 85007
Telephone: (602) 712-4279
E-mail: jmcvay@azdot.gov

6. An agency's explanation why the proposed expedited rule should be made, repealed or renumbered, under A.R.S. § 41-1027(A) and why expedited proceedings were justified under A.R.S. § 41-1001(16)(c):

The Department received approval from Matt Clark in the Governor's Office on June 28, 2017 for an exemption from the rulemaking moratorium. This rulemaking complies with A.R.S. § 41-1027(A), which allows an agency to conduct expedited rulemaking if the rulemaking does not increase the cost of regulatory compliance, increase a fee, or reduce the procedural rights of persons regulated. In addition, the rules comply with A.R.S. § 41-1027(A)(3) by making name changes and clarifying language without changing the effect of the rules. In accordance with A.R.S. § 41-1027 (A)(7), the rules also implement, without material change, a course of action proposed in a Five-Year Rule Report approved by GRRC within 180 days of the date that the agency filed the proposed rules with the Secretary of State. The Department submitted a Five-Year Review Report to the Governor's Regulatory Review Council (GRRC) that was approved on July 6, 2017. The Department filed proposed expedited rules with the Secretary of State on October 2, 2017. The Department complied with the requirements of the expedited rulemaking process and rulemaking procedures, including posting the rules on the Department's website for 30 days prior to holding an oral proceeding on November 1, 2017.

The rulemaking updates the rules with current business practices and clarifies the electronic reporting process for insurance companies to report mandatory insurance information to the Department. This rulemaking makes technical and clarifying rule changes recommended in this Five-Year Review Report. These changes include defining and referencing the *Arizona Mandatory Insurance Reporting System Guide for Insurance Companies*, clarifying the definition of customer number, changing appropriate references to the Motor Vehicle Division to the Department, clarifying the definition of service provider, clarifying that reportable activity includes commercial policy reissuance, and removing outdated language.

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

The Department did not rely on any studies.

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 agency is exempt from the requirements under A.R.S. § 41-1055(G) to prepare and file an economic, small business, and consumer impact statement under A.R.S. § 41-1055(D)(2):

The Department is exempt from filing an economic, small business, and consumer impact statement for the rules, and the rules do not impose any new costs or regulatory burdens on the public or insurance companies.

10. A description of any changes between the proposed expedited rulemaking and the final expedited rulemaking:

In R17-5-805(B), the Department struck "MVD Customer" and inserted "Department customer".

11. An agency's summary of the public or stakeholder comments or objections made about the rulemaking and the agency response to the comments:

The Department did not receive any comments or objections to the rulemaking.

12. Any 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:

No other matters are prescribed by statute that are specifically applicable to ADOT or this 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:

The rules do not require a permit.

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:

A specific federal law is not applicable to the rules.

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

A business competitive analysis has not been submitted to the Department.

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

The rules do not contain any incorporations by reference.

14. The full text of the rules follows:

TITLE 17. TRANSPORTATION

CHAPTER 5. DEPARTMENT OF TRANSPORTATION - COMMERCIAL PROGRAMS



ARTICLE 8. MANDATORY INSURANCE AND FINANCIAL RESPONSIBILITY

Section

R17-5-801.	Definitions
R17-5-802.	Insurance Company Electronic Reporting Requirement; Applicability
R17-5-803.	Insurance Company Reportable Activity
R17-5-804.	Record Matching Criteria for a Vehicle-specific Policy
R17-5-805.	Record Matching Criteria for a Non-vehicle-specific Commercial Policy
R17-5-806.	Division authorized <u>Department-authorized</u> EDI Reporting Methods; Reporting Schedule
R17-5-807.	X12 Data Format for Policy Receipt and Error Return
R17-5-808.	Insurance Company Reporting Errors; Resolution; Noncompliance
R17-5-809.	Insurance Company Failure to Submit Required Data; Request for Hearing
R17-5-810.	Self-Insurance as Alternate Proof of Financial Responsibility; Provisions; Applicability

ARTICLE 8. MANDATORY INSURANCE AND FINANCIAL RESPONSIBILITY

R17-5-801. Definitions

In addition to the definitions under A.R.S. §§ 28-101 and 28-4001, in this Chapter, unless otherwise specified:

“Arizona Mandatory Insurance Reporting System Guide for Insurance Companies” means the Department’s guide that is available on the agency’s website and provides technical information to a company about information transmission between the Department and the company.

“Company” means an insurance or indemnity company authorized to write motor vehicle liability coverage in Arizona.

“Customer number” means the system-generated, or other distinguishing number, assigned by the ~~Division~~ Department to each person conducting business with the ~~Division~~ Department, as prescribed in R17-5-805. ~~The customer number of a private individual is generally the person’s driver license or non-operating identification license number. The customer number of a business is generally its federal employer identification number.~~

~~“Division” means the Arizona Department of Transportation’s Motor Vehicle Division.~~

“EDI” means electronic data interchange, which is the transmission of data in a standardized format from one computer to another without the use of magnetic tape.

“EDI reporting” means the ~~weekly~~ computer-to-computer transmission of data from a company to the ~~Division~~ Department.

“Error return” means the ~~immediate~~ computer-to-computer transmission, from the ~~Division~~ Department to a company, of all data reporting errors received during EDI reporting.

“FEIN” means the federal employer identification number or federal tax identification number used to identify a business entity.

“FTP” means file transfer protocol, which is a common protocol used by the ~~Division~~ Department for exchanging files over any network that supports EDI reporting transmitted through the Internet or Intranet.

“Information exchange” means EDI reporting where a company or service provider transmits a report to the ~~Division~~ Department through a connection to a private information network.

~~“MVD”~~ “Motor Vehicle Division” means the Arizona Department of Transportation’s Motor Vehicle Division.

“NAIC” means the National Association of Insurance Commissioners.

“Private information network” means the value-added network used by a company or service provider to facilitate EDI transmissions to the ~~Division~~ Department and to provide other network services where fees are charged for the network connection based on the number of characters and messages transmitted.

“Reportable activity” means the information required to be transmitted to the ~~Division~~ Department under A.R.S. § 28-4148 and this Article.

“Self-insurer” means a person or entity that has met the qualifications, completed the application process, and received a certificate of self-insurance issued by the ~~Division~~ Department under ~~Section~~ R17-5-810.

“Service provider” means a person or entity that ~~provides the reports for an insurance company through~~ a connection to a private information network ~~or an FTP~~ for EDI reporting.

“SR22” means a certification filed, by a company duly authorized to transact business in this state, as proof of financial responsibility for the future, which guarantees that the insured owner or operator has in effect at least the minimum motor vehicle liability insurance coverage required under A.R.S. Title 28, Chapter 9, Article 3.

“SR26” means a certification filed by a company duly authorized to transact business in this state, which notifies the ~~Division~~ Department that an insured owner or operator required to maintain proof of financial responsibility for the future, under A.R.S. Title 28, Chapter 9, Article 3, is no longer covered under a previously reported SR22.

“Value-added ~~Network~~ network” means a private network provider that is hired by a company to facilitate EDI or provide other network services.

“X12” means the American National Standards Institute, Accredited Standards Committee, uniform standards for the inter-industry electronic exchange of business transactions by EDI.



“X12 (TS811)” means X12 Transaction Set 811, Consolidated Service Invoice – Statement, version 3050, which is the specific set of EDI transactions developed for the insurance industry in the X12 standard format for automobile liability insurance reporting.

R17-5-802. Insurance Company Electronic Reporting Requirement; Applicability

- A. A company that provides motor vehicle liability insurance coverage for an Arizona vehicle shall electronically transmit to the ~~Division~~ Department all reportable activity under A.R.S. § 28-4148 and R17-5-803 using one of the authorized EDI reporting methods identified in ~~R17-5-806~~ the Arizona Mandatory Insurance Reporting System Guide for Insurance Companies. Each transmission shall include all of the applicable record matching criteria prescribed under R17-5-804 or R17-5-805.
- B. ~~Effective May 1, 2007, a~~ A company that issues 1,000 or more SR22 policies per calendar year shall electronically transmit to the ~~Division~~ Department all SR22 and SR26 activity using one of the ~~Division~~ Department-authorized EDI reporting methods identified in ~~R17-5-806~~ the Arizona Mandatory Insurance Reporting System Guide for Insurance Companies. Each transmission shall include all of the applicable record matching criteria prescribed under R17-5-804 or R17-5-805.
- C. The ~~Division~~ Department shall not accept or record an out-of-state motor vehicle liability insurance policy for a passenger vehicle, even if written by a company authorized to transact business in this state.

R17-5-803. Insurance Company Reportable Activity

- A. A company shall transmit to the ~~Division~~ Department:
 - 1. All reportable activity, not previously reported, that was processed by the company seven or fewer days before each reporting date; or
 - 2. A statement of inactivity, if no reportable activity occurred by the reporting date.
- B. For the purpose of this Article, reportable activity shall include:
 - 1. A policy cancellation;
 - 2. A policy non-renewal;
 - 3. A new policy issuance;
 - 4. A commercial policy reissuance;
 - ~~4.5.~~ A vehicle added to a policy;
 - ~~5.6.~~ A vehicle deleted from a policy;
 - ~~6.7.~~ A policy reinstatement; and
 - ~~7.8.~~ Effective May 1, 2007, all All SR22 and SR26 filings by insurance companies issuing 1,000 or more SR22 policies per calendar year.
- C. Reportable activity does not include the addition or deletion of a vehicle to or from a non-vehicle-specific commercial policy.

R17-5-804. Record Matching Criteria for a Vehicle-specific Policy

For each vehicle-specific policy transmitted to the ~~Division~~ Department, a company shall include all of the following information to assist with the matching of policies to ~~MVD~~ Department customers:

- 1. The complete and valid vehicle identification number;
- 2. The policy number; and
- 3. The NAIC number of the reporting company.

R17-5-805. Record Matching Criteria for a Non-vehicle-specific Commercial Policy

A. For each non-vehicle-specific commercial policy transmitted to the ~~Division~~ Department, a company shall include all of the following information to assist with the matching of policies to ~~MVD~~ Department customers:

- 1. The ~~MVD Customer~~ Department customer number of the insured:
 - a. If a policy covers all vehicles registered in the name of a business or organization, the ~~Customer~~ customer number is the FEIN of the business or organization, or a system-generated number; or
 - b. If a policy covers all vehicles registered in the name of a private individual, the ~~Customer~~ customer number is the Arizona Driver License number or the non-operating identification license number of the private individual;
- 2. The policy number; and
- 3. The NAIC number of the ~~reporting~~ reporting responsible company.

B. If the ~~MVD Customer~~ Department customer number required under subsection (A)(1) is not available to a company, the company may provide the complete and valid vehicle identification number of each vehicle covered under the policy in-lieu of the ~~MVD Customer~~ Department customer number.

R17-5-806. ~~Division-authorized~~ Department-authorized EDI Reporting Methods; Reporting Schedule

- A. A company shall transmit to the ~~Division~~ Department all reportable activity listed in R17-5-803 using ~~one of the following Division-authorized~~ a Department-authorized EDI reporting ~~methods~~ method specified in the Arizona Mandatory Insurance Reporting System Guide for Insurance Companies:
 - ~~1. EDI reporting by information exchange; or~~
 - ~~2. EDI reporting by encrypted FTP.~~
- B. A company shall transmit all reportable activity to the ~~Division~~ Department at least once every seven days.

R17-5-807. X12 Data Format for Policy Receipt and Error Return

- A. Reporting format. A company shall transmit to the ~~Division~~ Department all reportable activity using the format prescribed in the Arizona Mandatory Insurance Reporting System Guide for Insurance Companies provided by the ~~Division~~ Department.
- B. Error return format. The ~~Division~~ Department shall return to a company all reporting errors received during a transmission of reportable activity using the X12 error return format prescribed in the Arizona Mandatory Insurance Reporting System Guide for Insurance Companies Arizona Mandatory Insurance Reporting System Guide for Insurance Companies.



C. The Department shall return to a company an acknowledgment that a transmission of reportable activity was received and processed using the format in the *Arizona Mandatory Insurance Reporting System Guide for Insurance Companies*.

R17-5-808. Insurance Company Reporting Errors; Resolution; Noncompliance

- A. ~~The Division~~ Department shall:
1. Return to a company, using the X12 ~~Error Return~~ error return format provided in R17-5-807(B), all reporting errors received during or after a transmission; and
 2. Instruct the company to correct all reporting errors affecting the ~~Division's~~ Department's processing of the required data.
- B. All companies reporting electronic policy information shall notify the ~~Division~~ Department prior to making changes to any reporting systems, or previously established policy reporting formats, that may affect the ~~Division's~~ Department's ability to match and process the information received.

R17-5-809. Insurance Company Failure to Submit Required Data; Request for Hearing

If a company fails to submit the data required under A.R.S. § 28-4148, and this Article, the ~~Division~~ Department shall:

1. Send to the company, a dated written notice, which:
 - a. Identifies the business week or reporting period in which the company did not submit the required information;
 - b. Instructs the company to submit the information for the identified business week or reporting period within seven days of the date of the notice;
 - c. Informs the company that a failure to respond to the ~~Division's~~ Department's request within the allotted time-frame, shall result in a referral of the matter to the Arizona Department of Insurance, under A.R.S. § 20-237, which may result in a civil penalty for each violation of up to \$250 per day for each day the insurer is in violation of A.R.S. § 28-4148; and
 - d. Provides notice of the company's right to request a hearing with the Arizona Department of Insurance under A.R.S. § 20-237; and
2. Advise the Arizona Department of Insurance if the company fails to comply with the ~~Division's~~ Department's written notice provided under this Section.

R17-5-810. Self-insurance as Alternate Proof of Financial Responsibility; Provisions; Applicability

- A. Self-insurance applicant qualification. A person or entity may apply for self-insurance under this Section if the applicant:
1. Owns the minimum number of vehicles prescribed under A.R.S. § 28-4007(A) with current Arizona registration;
 2. Demonstrates minimum assets of \$1 million on documentation required under subsections (C) and (D);
 3. Meets any additional financial responsibility requirements under A.R.S. § 28-4033(A), according to the insured vehicle's weight and/or intended use; and
 4. Provides a business office contact for the company with a current phone number and mailing information.
- B. A self-insurance applicant shall provide, on a self-insurance application form provided by the ~~Division~~ Department, the following information:
1. Applicant's name;
 2. Business name, if applicable;
 3. Mailing address, city, state, and ZIP code;
 4. A selection of coverage type:
 - a. Public liability only; or
 - b. Public liability and property damage;
 5. Number of vehicles in the applicant's fleet;
 6. A selection list that describes the nature of the applicant's business;
 7. A description of any hazardous materials transported by type, class, and weight;
 8. A report of all accidents in the prior 39-month period before the application date;
 9. The applicant's signature and official business title to certify that all information is true and correct; and
 10. Acknowledgment by a notary public or by the signature of an authorized ~~Motor Vehicle~~ Division ~~Department~~ agent.
- C. Supplementary documentation. In addition to a completed self-insurance application form, the applicant shall submit a profit and loss statement certified by a Certified Public Accountant for the 12-month period before the application date. The profit and loss statement shall include one of the following:
1. A balance sheet; or
 2. An annual financial report.
- D. On approval of an application, the ~~Division~~ Department shall issue a certificate of self-insurance that is continuously valid, but shall require the self-insurer to submit a 12-month update of supplementary documentation prescribed under subsection (C) on or before July 1 of each successive year.
- E. An initial self-insurance applicant or a self-insurer making an annual update shall submit documentation required under subsections (B) through (D) to the following address:
- Motor Vehicle Division
Financial Responsibility Unit
P.O. Box 2100, Mail Drop 535M
Phoenix, AZ 85001-2100
- F. A self-insurer shall keep a copy of the self-insurance certificate in each covered vehicle at all times.
- G. A self-insurer shall submit periodic, written notification updates to the ~~Division~~ Department of ~~each vehicle~~ vehicles to be added or removed from self-insurance coverage. The written notification shall include the vehicle identification number of each vehicle.
- H. A self-insurer that terminates self-insurance shall provide new evidence of financial responsibility as required under A.R.S. § 28-4135 for each vehicle previously covered under a self-insurance certificate.



- I. In addition to the reasonable grounds prescribed under A.R.S. § 28-4007(C), the ~~Division~~ Department may cancel a self-insurance certificate under the following circumstances:
 - 1. A self-insurer fails to comply with provisions of the ~~Division's~~ Department's annual update requirement under subsection (D),
or
 - 2. A self-insurer no longer owns the covered business or fleet.
- J. For the purpose of A.R.S. § 28-4007(C) and this Section, the ~~Division~~ Department shall conduct a self-insurance cancellation hearing according to the provisions prescribed under 17 A.A.C. 1, Article 5.



NOTICES OF RULEMAKING DOCKET OPENING

This section of the *Arizona Administrative Register* contains Notices of Rulemaking Docket Opening.

A docket opening is the first part of the administrative rulemaking process. It is an “announcement” that the agency intends to work on its rules.

When an agency opens a rulemaking docket to consider rulemaking, the Administrative Procedure Act (APA) requires the publication of the Notice of Rulemaking Docket Opening.

Under the APA effective January 1, 1995, agencies must submit a Notice of Rulemaking Docket Opening before beginning the formal rulemaking process. Many times an agency may file the Notice of Rulemaking Docket Opening with the Notice of Proposed Rulemaking.

The Office of the Secretary of State is the filing office and publisher of these notices. Questions about the interpretation of this information should be directed to the agency contact person listed in item #4 of this notice.

**NOTICE OF RULEMAKING DOCKET OPENING
BOARD OF OSTEOPATHIC EXAMINERS IN MEDICINE AND SURGERY**

[R18-14]

- 1. Title and its heading:** 4, Professions and Occupations
- Chapter and its heading:** 22, Board of Osteopathic Examiners in Medicine and Surgery
- Article and its heading:** 1, General Provisions
2, Licensing
- Section numbers:** R4-22-102, Table 1, R4-22-201, R4-22-202 and R4-22-207
(Additional Sections may be made, amended, or repealed as necessary)

2. The subject matter of the proposed rule:
The Board is amending its rules to address two recent statutory changes and a request from the Governor. Under Laws 2016, Chapter 137, the legislature adopted the Interstate Medical Licensure Compact (See A.R.S. §§ 32-3241 to 32-3246) and created a new, temporary license to allow an applicant for Arizona licensure to obtain a non-renewable, temporary license to practice osteopathic medicine in Arizona while the application for full licensure is processed. A.R.S. § 32-1834 authorizes the Board to establish a fee for the temporary license. This rulemaking establishes the fee and as required under A.R.S. § 41-1073, establishes the time frame within which the Board will act on an application for a temporary license.

Under Laws 2017, Chapter 265, the legislature required all applicants for licensure to submit to the Board a full set of fingerprints for the purpose of obtaining a state and federal criminal records check. This rulemaking places the fingerprint requirement into rule and adds the fee for processing the fingerprints.

On January 9, 2017, Governor Ducey sent a letter to the Board requesting the Board require all physicians in Arizona to complete continuing medical education (CME) in drug addiction and opioid prescribing. The Governor’s concern arises from the fact Arizona has the ninth highest rate of opioid-related deaths in the nation. More than two Arizonans died every day in 2016 from overdoses of opioid prescription medications or heroin. The 790 deaths was a 74 percent increase from 2012. In this rulemaking, the Board places an opioid CME requirement into rule.

Exemptions from Executive Order 2017-02 for the purpose of this rulemaking were provided by Mara Mellstrom, Policy Advisor in the Office of the Governor, in e-mails dated April 21, June 29, and October 19, 2017.

3. A citation to all published notices relating to the proceeding:
None

4. Name and address of agency personnel with whom persons may communicate regarding the rule:
Name: Jenna Jones, Executive Director
Address: Board of Osteopathic Examiners in Medicine and Surgery
1740 W. Adams St., Suite 2410
Phoenix, AZ 85007
Telephone: (602) 771-2522
Fax: (480) 657-7715
E-mail: Jenna.Jones@azdo.gov
Web site: www.azdo.gov

5. The time during which the agency will accept written comments and the time and place where oral comments may be made:

The Board will accept comments during business hours at the address listed in item 4. Information regarding an oral proceeding will be included in the Notice of Proposed Rulemaking.

6. A timetable for agency decisions or other action on the proceeding, if known:
To be determined

REGISTER INDEXES

The *Register* is published by volume in a calendar year (See “General Information” in the front of each issue for more information).

Abbreviations for rulemaking activity in this Index include:

PROPOSED RULEMAKING

PN = Proposed new Section
PM = Proposed amended Section
PR = Proposed repealed Section
P# = Proposed renumbered Section

SUPPLEMENTAL PROPOSED RULEMAKING

SPN = Supplemental proposed new Section
SPM = Supplemental proposed amended Section
SPR = Supplemental proposed repealed Section
SP# = Supplemental proposed renumbered Section

FINAL RULEMAKING

FN = Final new Section
FM = Final amended Section
FR = Final repealed Section
F# = Final renumbered Section

SUMMARY RULEMAKING**PROPOSED SUMMARY**

PSMN = Proposed Summary new Section
PSMM = Proposed Summary amended Section
PSMR = Proposed Summary repealed Section
PSM# = Proposed Summary renumbered Section

FINAL SUMMARY

FSMN = Final Summary new Section
FSMM = Final Summary amended Section
FSMR = Final Summary repealed Section
FSM# = Final Summary renumbered Section

EXPEDITED RULEMAKING**PROPOSED EXPEDITED**

PEN = Proposed Expedited new Section
PEM = Proposed Expedited amended Section
PER = Proposed Expedited repealed Section
PE# = Proposed Expedited renumbered Section

SUPPLEMENTAL EXPEDITED

SPEN = Supplemental Proposed Expedited new Section
SPEM = Supplemental Proposed Expedited amended Section
SPER = Supplemental Proposed Expedited repealed Section
SPE# = Supplemental Proposed Expedited renumbered Section

FINAL EXPEDITED

FEN = Final Expedited new Section
FEM = Final Expedited amended Section
FER = Final Expedited repealed Section
FE# = Final Expedited renumbered Section

EXEMPT RULEMAKING**EXEMPT PROPOSED**

PXN = Proposed Exempt new Section
PXM = Proposed Exempt amended Section
PXR = Proposed Exempt repealed Section
PX# = Proposed Exempt renumbered Section

EXEMPT SUPPLEMENTAL PROPOSED

SPXN = Supplemental Proposed Exempt new Section
SPXR = Supplemental Proposed Exempt repealed Section
SPXM = Supplemental Proposed Exempt amended Section
SPX# = Supplemental Proposed Exempt renumbered Section

FINAL EXEMPT RULEMAKING

FXN = Final Exempt new Section
FXM = Final Exempt amended Section
FXR = Final Exempt repealed Section
FX# = Final Exempt renumbered Section

EMERGENCY RULEMAKING

EN = Emergency new Section
EM = Emergency amended Section
ER = Emergency repealed Section
E# = Emergency renumbered Section
EEXP = Emergency expired

RECODIFICATION OF RULES

RC = Recodified

REJECTION OF RULES

RJ = Rejected by the Attorney General

TERMINATION OF RULES

TN = Terminated proposed new Sections
TM = Terminated proposed amended Section
TR = Terminated proposed repealed Section
T# = Terminated proposed renumbered Section

RULE EXPIRATIONS

EXP = Rules have expired
See also “emergency expired” under emergency rulemaking

CORRECTIONS

C = Corrections to Published Rules

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Issue 4, Jan. 26, 2018.....161-234		

RULEMAKING ACTIVITY INDEX

Rulemakings are listed in the Index by Chapter, Section number, rulemaking activity abbreviation and by volume page number. Use the page guide above to determine the *Register* issue number to review the rule. Headings for the Subchapters, Articles, Parts, and Sections are not indexed.

THIS INDEX INCLUDES RULEMAKING ACTIVITY THROUGH ISSUE 4 OF VOLUME 24.

Arizona Health Care Cost Containment System - Administration

R9-22-712.05. FM-185

Arizona Health Care Cost Containment System - Arizona Long-term Care System

R9-28-703. FM-191

Clean Elections Commission, Citizens

R2-20-106. FXM-107
R2-20-109. FXM-109
R2-20-111. FXM-111

Education, State Board of

R7-2-401. FXM-140
R7-2-604.03. FXM-195
R7-2-604.04. FXM-195
R7-2-604.05. FXN-195
R7-2-607. FXM-195
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R7-2-609. FXM-195
R7-2-610. FXM-195
R7-2-610.01. FXN-195
R7-2-610.02. FXN-195
R7-2-611. FXM-195
R7-2-612. FXM-195
R7-2-613. FXM-195
R7-2-614. FXM-195
R7-2-616. FXM-195
R7-2-617. FXM-195
R7-2-619. FXM-195

R7-2-621. FXM-195
R7-2-810. FXN-146

Health Services, Department of - Food, Recreational, and Institutional Sanitation

R9-8-102. PM-99

Health Services, Department of - Noncommunicable Diseases

R9-4-601. PN-93
R9-4-602. PN-93

Insurance, Department of

R20-6-607. FM-103

Manufactured Housing, Board of

R4-34-101. PM-165
R4-34-102. PM-165
R4-34-103. PM-165
R4-34-104. PR-165
R4-34-201. PM-165
R4-34-202. PM-165
R4-34-203. PM-165
R4-34-204. PM-165
R4-34-301. PM-165
R4-34-302. PM-165
R4-34-303. PM-165
R4-34-401. PM-165
R4-34-402. PM-165
R4-34-501. PM-165
R4-34-502. PM-165
R4-34-503. PR-165

R4-34-504. PM-165
R4-34-505. PM-165
R4-34-506. PR-165
R4-34-601. PR-165
R4-34-603. PM-165
R4-34-604. PR-165
R4-34-605. PM-165
R4-34-606. PM-165
R4-34-607. PM-165
R4-34-701. PM-165
R4-34-702. PM-165
R4-34-703. PM-165
R4-34-704. PM-165
R4-34-705. PM-165
R4-34-706. PM-165
R4-34-707. PN-165
R4-34-801. PM-165
R4-34-802. PM-165
R4-34-803. PR-165
R4-34-804. PR-165
R4-34-805. PM-165
R4-34-1001. PM-165

Medical Board, Arizona

R4-16-102. FM-182
R4-16-201.1. FM-182
R4-16-205. FM-182

Secretary of State, Office of the

R2-12-1102. FM-137
Exhibit 1. FN-137

OTHER NOTICES AND PUBLIC RECORDS INDEX

Other notices related to rulemakings are listed in the Index by notice type, agency/county and by volume page number. Agency policy statements and proposed delegation agreements are included in this section of the Index by volume page number. Public records, such as Governor Office executive orders, proclamations, declarations and terminations of emergencies, summaries of Attorney General Opinions, and county notices are also listed in this section of the Index and published by volume page number.

THIS INDEX INCLUDES OTHER NOTICE ACTIVITY THROUGH ISSUE 4 OF VOLUME 24.

County Notices Pursuant to A.R.S. § 49-112

Maricopa County; pp. 5-63
Public Information, Notices of

Environmental Quality, Department of; pp. 114-122



Health Services, Department of; pp.
150-151

**Substantive Policy Statement,
Notices of**

Insurance, Department of; p. 123



RULES EFFECTIVE DATES CALENDAR

A.R.S. § 41-1032(A), as amended by Laws 2002, Ch. 334, § 8 (effective August 22, 2002), states that a rule generally becomes effective 60 days after the day it is filed with the Secretary of State's Office. The following table lists filing dates and effective dates for rules that follow this provision. Please also check the rulemaking Preamble for effective dates.

January		February		March		April		May		June	
Date Filed	Effective Date										
1/1	3/2	2/1	4/2	3/1	4/30	4/1	5/31	5/1	6/30	6/1	7/31
1/2	3/3	2/2	4/3	3/2	5/1	4/2	6/1	5/2	7/1	6/2	8/1
1/3	3/4	2/3	4/4	3/3	5/2	4/3	6/2	5/3	7/2	6/3	8/2
1/4	3/5	2/4	4/5	3/4	5/3	4/4	6/3	5/4	7/3	6/4	8/3
1/5	3/6	2/5	4/6	3/5	5/4	4/5	6/4	5/5	7/4	6/5	8/4
1/6	3/7	2/6	4/7	3/6	5/5	4/6	6/5	5/6	7/5	6/6	8/5
1/7	3/8	2/7	4/8	3/7	5/6	4/7	6/6	5/7	7/6	6/7	8/6
1/8	3/9	2/8	4/9	3/8	5/7	4/8	6/7	5/8	7/7	6/8	8/7
1/9	3/10	2/9	4/10	3/9	5/8	4/9	6/8	5/9	7/8	6/9	8/8
1/10	3/11	2/10	4/11	3/10	5/9	4/10	6/9	5/10	7/9	6/10	8/9
1/11	3/12	2/11	4/12	3/11	5/10	4/11	6/10	5/11	7/10	6/11	8/10
1/12	3/13	2/12	4/13	3/12	5/11	4/12	6/11	5/12	7/11	6/12	8/11
1/13	3/14	2/13	4/14	3/13	5/12	4/13	6/12	5/13	7/12	6/13	8/12
1/14	3/15	2/14	4/15	3/14	5/13	4/14	6/13	5/14	7/13	6/14	8/13
1/15	3/16	2/15	4/16	3/15	5/14	4/15	6/14	5/15	7/14	6/15	8/14
1/16	3/17	2/16	4/17	3/16	5/15	4/16	6/15	5/16	7/15	6/16	8/15
1/17	3/18	2/17	4/18	3/17	5/16	4/17	6/16	5/17	7/16	6/17	8/16
1/18	3/19	2/18	4/19	3/18	5/17	4/18	6/17	5/18	7/17	6/18	8/17
1/19	3/20	2/19	4/20	3/19	5/18	4/19	6/18	5/19	7/18	6/19	8/18
1/20	3/21	2/20	4/21	3/20	5/19	4/20	6/19	5/20	7/19	6/20	8/19
1/21	3/22	2/21	4/22	3/21	5/20	4/21	6/20	5/21	7/20	6/21	8/20
1/22	3/23	2/22	4/23	3/22	5/21	4/22	6/21	5/22	7/21	6/22	8/21
1/23	3/24	2/23	4/24	3/23	5/22	4/23	6/22	5/23	7/22	6/23	8/22
1/24	3/25	2/24	4/25	3/24	5/23	4/24	6/23	5/24	7/23	6/24	8/23
1/25	3/26	2/25	4/26	3/25	5/24	4/25	6/24	5/25	7/24	6/25	8/24
1/26	3/27	2/26	4/27	3/26	5/25	4/26	6/25	5/26	7/25	6/26	8/25
1/27	3/28	2/27	4/28	3/27	5/26	4/27	6/26	5/27	7/26	6/27	8/26
1/28	3/29	2/28	4/29	3/28	5/27	4/28	6/27	5/28	7/27	6/28	8/27
1/29	3/30			3/29	5/28	4/29	6/28	5/29	7/28	6/29	8/28
1/30	3/31			3/30	5/29	4/30	6/29	5/30	7/29	6/30	8/29
1/31	4/1			3/31	5/30			5/31	7/30		



July		August		September		October		November		December	
Date Filed	Effective Date										
7/1	8/30	8/1	9/30	9/1	10/31	10/1	11/30	11/1	12/31	12/1	1/30
7/2	8/31	8/2	10/1	9/2	11/1	10/2	12/1	11/2	1/1	12/2	1/31
7/3	9/1	8/3	10/2	9/3	11/2	10/3	12/2	11/3	1/2	12/3	2/1
7/4	9/2	8/4	10/3	9/4	11/3	10/4	12/3	11/4	1/3	12/4	2/2
7/5	9/3	8/5	10/4	9/5	11/4	10/5	12/4	11/5	1/4	12/5	2/3
7/6	9/4	8/6	10/5	9/6	11/5	10/6	12/5	11/6	1/5	12/6	2/4
7/7	9/5	8/7	10/6	9/7	11/6	10/7	12/6	11/7	1/6	12/7	2/5
7/8	9/6	8/8	10/7	9/8	11/7	10/8	12/7	11/8	1/7	12/8	2/6
7/9	9/7	8/9	10/8	9/9	11/8	10/9	12/8	11/9	1/8	12/9	2/7
7/10	9/8	8/10	10/9	9/10	11/9	10/10	12/9	11/10	1/9	12/10	2/8
7/11	9/9	8/11	10/10	9/11	11/10	10/11	12/10	11/11	1/10	12/11	2/9
7/12	9/10	8/12	10/11	9/12	11/11	10/12	12/11	11/12	1/11	12/12	2/10
7/13	9/11	8/13	10/12	9/13	11/12	10/13	12/12	11/13	1/12	12/13	2/11
7/14	9/12	8/14	10/13	9/14	11/13	10/14	12/13	11/14	1/13	12/14	2/12
7/15	9/13	8/15	10/14	9/15	11/14	10/15	12/14	11/15	1/14	12/15	2/13
7/16	9/14	8/16	10/15	9/16	11/15	10/16	12/15	11/16	1/15	12/16	2/14
7/17	9/15	8/17	10/16	9/17	11/16	10/17	12/16	11/17	1/16	12/17	2/15
7/18	9/16	8/18	10/17	9/18	11/17	10/18	12/17	11/18	1/17	12/18	2/16
7/19	9/17	8/19	10/18	9/19	11/18	10/19	12/18	11/19	1/18	12/19	2/17
7/20	9/18	8/20	10/19	9/20	11/19	10/20	12/19	11/20	1/19	12/20	2/18
7/21	9/19	8/21	10/20	9/21	11/20	10/21	12/20	11/21	1/20	12/21	2/19
7/22	9/20	8/22	10/21	9/22	11/21	10/22	12/21	11/22	1/21	12/22	2/20
7/23	9/21	8/23	10/22	9/23	11/22	10/23	12/22	11/23	1/22	12/23	2/21
7/24	9/22	8/24	10/23	9/24	11/23	10/24	12/23	11/24	1/23	12/24	2/22
7/25	9/23	8/25	10/24	9/25	11/24	10/25	12/24	11/25	1/24	12/25	2/23
7/26	9/24	8/26	10/25	9/26	11/25	10/26	12/25	11/26	1/25	12/26	2/24
7/27	9/25	8/27	10/26	9/27	11/26	10/27	12/26	11/27	1/26	12/27	2/25
7/28	9/26	8/28	10/27	9/28	11/27	10/28	12/27	11/28	1/27	12/28	2/26
7/29	9/27	8/29	10/28	9/29	11/28	10/29	12/28	11/29	1/28	12/29	2/27
7/30	9/28	8/30	10/29	9/30	11/29	10/30	12/29	11/30	1/29	12/30	2/28
7/31	9/29	8/31	10/30			10/31	12/30			12/31	3/1



REGISTER PUBLISHING DEADLINES

The Secretary of State's Office publishes the Register weekly. There is a three-week turnaround period between a deadline date and the publication date of the Register. The weekly deadline dates and issue dates are shown below. Council meetings and Register deadlines do not correlate. Also listed are the earliest dates on which an oral proceeding can be held on proposed rulemakings or proposed delegation agreements following publication of the notice in the Register.

Deadline Date (paper only) Friday, 5:00 p.m.	Register Publication Date	Oral Proceeding may be scheduled on or after
November 3, 2017	November 24, 2017	December 26, 2017
November 10, 2017	December 1, 2017	January 2, 2018
November 17, 2017	December 8, 2017	January 8, 2018
November 24, 2017	December 15, 2017	January 16, 2018
December 1, 2017	December 22, 2017	January 22, 2018
December 8, 2017	December 29, 2017	January 29, 2018
December 15, 2017	January 5, 2018	February 5, 2018
December 22, 2017	January 12, 2018	February 12, 2018
December 29, 2017	January 19, 2018	February 20, 2018
January 5, 2018	January 26, 2018	February 26, 2018
January 12, 2018	February 2, 2018	March 5, 2018
January 19, 2018	February 9, 2018	March 12, 2018
January 26, 2018	February 16, 2018	March 19, 2018
February 2, 2018	February 23, 2018	March 26, 2018
February 9, 2018	March 2, 2018	April 2, 2018
February 16, 2018	March 9, 2018	April 9, 2018
February 23, 2018	March 16, 2018	April 16, 2018



GOVERNOR’S REGULATORY REVIEW COUNCIL DEADLINES

The following deadlines apply to all Five-Year-Review Reports and any adopted rule submitted to the Governor’s Regulatory Review Council. Council meetings and Register deadlines do not correlate. We publish these deadlines as a courtesy.

All rules and Five-Year Review Reports are due in the Council office by 5 p.m. of the deadline date. The Council’s office is located at 100 N. 15th Ave., Suite 402, Phoenix, AZ 85007. For more information, call (602) 542-2058 or visit <http://grrc.az.gov>.

GOVERNOR’S REGULATORY REVIEW COUNCIL DEADLINES FOR 2018

[M18-01]

DEADLINE FOR PLACEMENT ON AGENDA*	FINAL MATERIALS SUBMITTED TO COUNCIL	DATE OF COUNCIL STUDY SESSION	DATE OF COUNCIL MEETING
Tuesday November 21, 2017	Tuesday December 19, 2017	Wednesday January 3, 2018	Tuesday January 9, 2018
Tuesday December 19, 2017	Tuesday January 23, 2018	Tuesday January 30, 2018	Tuesday February 6, 2018
Tuesday January 23, 2018	Tuesday February 20, 2018	Tuesday February 27, 2018	Tuesday March 6, 2018
Tuesday February 20, 2018	Tuesday March 20, 2018	Tuesday March 27, 2018	Tuesday April 3, 2018
Tuesday March 20, 2018	Tuesday April 17, 2018	Tuesday April 24, 2018	Tuesday May 1, 2018
Tuesday April 17, 2018	Tuesday May 22, 2018	Wednesday May 30, 2018	Tuesday June 5, 2018
Tuesday May 22, 2018	Tuesday June 19, 2018	Tuesday June 26, 2018	Tuesday July 10, 2018
Tuesday June 19, 2018	Tuesday July 24, 2018	Tuesday July 31, 2018	Tuesday August 7, 2018
Tuesday July 24, 2018	Tuesday August 21, 2018	Tuesday August 28, 2018	Wednesday September 5, 2018
Tuesday August 21, 2018	Tuesday September 18, 2018	Tuesday September 25, 2018	Tuesday October 2, 2018
Tuesday September 18, 2018	Tuesday October 23, 2018	Tuesday October 30, 2018	Tuesday November 6, 2018
Tuesday October 23, 2018	Tuesday November 20, 2018	Tuesday November 27, 2018	Tuesday December 4, 2018
Tuesday November 20, 2018	Tuesday December 18, 2018	Thursday January 3, 2019	Tuesday January 8, 2019
Tuesday December 18, 2018	Tuesday January 22, 2019	Tuesday January 29, 2019	Tuesday February 5, 2019

* Materials must be submitted by 5 PM on dates listed as a deadline for placement on a particular agenda. Placement on a particular agenda is not guaranteed.



GOVERNOR'S REGULATORY REVIEW COUNCIL
NOTICE OF ACTION TAKEN AT THE
JANUARY 9, 2018 MEETING

[M18-02]

Rules:

DEPARTMENT OF TRANSPORTATION (R-18-0106)

Title 17, Chapter 5, Article 8, Mandatory Insurance and Financial Responsibility

Amend: R17-5-801; R17-5-802; R17-5-803; R17-5-804; R17-5-805; R17-5-806; R17-5-807; R17-5-808; R17-5-809;
R17-5-810

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-18-0102)

Title 9, Chapter 6, Article 6, Reporting Post-Exposure Rabies Prophylaxis

Amend: R9-6-601

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-18-0104)

Title 9, Chapter 8, Article 2, Bottled Water

Amend: R9-8-201; R9-8-203; R9-8-205; R9-8-206

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-18-0105)

Title 9, Chapter 8, Article 4, Children's Camps

Amend: R9-8-401; R9-8-402

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (R-18-0103)

Title 9, Chapter 25, Article 1, Definitions; Article 3, Training Programs; Article 4, EMCT Certification; Article 12, Time-Frames for Department Approvals

Amend: Article 1; R9-25-301; R9-25-305; R9-25-306; R9-25-401; R9-25-402; R9-25-403; R9-25-405; R9-25-406;
R9-25-407; R9-25-408; R9-25-409; Table 12.1

COUNCIL ACTION: APPROVED

MEDICAL BOARD (R-18-0101)

Title 4, Chapter 16, Article 1, General Provisions; Article 2, Licensure

Amend: R4-16-102; R4-16-201.1; R4-16-205

COUNCIL ACTION: APPROVED

AHCCCS (R-18-0108)

Title 9, Chapter 22, Article 7, Standards for Payments

Amend: R9-22-712.05

COUNCIL ACTION: APPROVED



AHCCCS (R-18-0109)

Title 9, Chapter 28, Article 7, Standards for Payments

Amend: R9-28-703

COUNCIL ACTION: APPROVED

WATER INFRASTRUCTURE FINANCE AUTHORITY (R-18-0107)

Title 18, Chapter 15, Article 1, General Provisions; Article 2, Clean Water Revolving Fund; Article 3, Drinking Water Revolving Fund; Article 4, Water Supply Development Revolving Fund; Article 5, Technical Assistance; Article 6, Hardship Grant Fund Program; Article 7, Interest Rate Setting and Forgivable Principal

Amend: R18-15-101; R18-15-102; R18-15-103; R18-15-104; R18-15-105; R18-15-106; R18-15-107; R18-15-201; R18-15-203; R18-15-204; R18-15-205; R18-15-206; R18-15-207; R18-15-303; R18-15-304; R18-15-305; R18-15-306; R18-15-307; R18-15-401; R18-15-402; R18-15-403; R18-15-404; R18-15-405; R18-15-406; R18-15-501; R18-15-502; R18-15-503; R18-15-504; R18-15-505; R18-15-602; R18-15-701
Renumber: R18-15-402; R18-15-403; R18-15-404; R18-15-405; R18-15-406; R18-15-407; R18-15-408
Repeal: R18-15-402; R18-15-405

COUNCIL ACTION: APPROVED

Five-Year Review Reports:

WATER INFRASTRUCTURE FINANCE AUTHORITY (F-18-0107)

Title 18, Chapter 15, Article 1, General Provisions; Article 2, Clean Water Revolving Fund; Article 3, Drinking Water Revolving Fund; Article 4, Water Supply Development Revolving Fund; Article 5, Technical Assistance; Article 6, Hardship Grant Fund Program; Article 7, Interest Rate Setting and Forgivable Principal

COUNCIL ACTION: APPROVED

BOARD OF PSYCHOLOGIST EXAMINERS (F-18-0101)

Title 4, Chapter 26, Article 4, Behavior Analysis

COUNCIL ACTION: APPROVED

INDUSTRIAL COMMISSION (F-18-0103)

Title 20, Chapter 5, Article 12, Arizona Minimum Wage and Earned Paid Sick Time Practice and Procedure

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (F-18-0104)

Title 9, Chapter 6, Article 8, Assaults on Public Safety Employees and Volunteers

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (F-18-0105)

Title 9, Chapter 6, Article 9, Health Professional Exposures

COUNCIL ACTION: APPROVED

DEPARTMENT OF HEALTH SERVICES (F-18-0102)

Title 9, Chapter 10, Article 13, Behavioral Health Specialized Transitional Facility

COUNCIL ACTION: APPROVED

LAND DEPARTMENT (F-17-1010)

Title 12, Chapter 5, Article 7, Special Licensing Provisions; Article 8, Right-of-way; Article 9, Exchanges; Article 11, Special Use Permits



COUNCIL ACTION: APPROVED

DEPARTMENT OF ENVIRONMENTAL QUALITY (F-18-0106)

Title 18, Chapter 2, Articles 6, Emissions from Existing and New Nonpoint Sources; Article 8, Emissions from Mobile Sources (New and Existing); Article 12, Emissions Bank

COUNCIL ACTION: NONE