



Douglas A. Ducey
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Misael Cabrera
Director

Hazardous Waste Field Inspection Report

Company Name: Copperstate Farms Management, LLC	Inspection Report ID No.: 305145
Place Name: Copperstate Farms Management, LLC Place ID No.: 17541	Inspector(s): Jenna Brickner
County: Navajo	Arrival Date and Time: 7/11/2018
Physical Location: 650 N. Industrial Dr., Snowflake, AZ 85937	Reason for Inspection: <input type="checkbox"/> Routine Inspection <input type="checkbox"/> Follow-Up <input checked="" type="checkbox"/> Complaint Complaint No.: 15049 <input type="checkbox"/> Other: Click here to enter text.
Mailing Address: Same as above	
Onsite Contact Person/Title: Barbara Hansen, Quality Assurance & Safety Manager	
Onsite Contact Person's Phone No.: barbh@copperstatefarms.com	Place Type: Nursery – Plant grower
Onsite Contact Person's E-mail: 602-510-0936	
Inspection Report Issued: Via email from ADEQ office	Facility Initial: BA ADEQ Initial: JB
Results of Inspection: <input type="checkbox"/> No deficiencies were noted during the course of the inspection. No ADEQ action will result from this inspection. <input checked="" type="checkbox"/> Follow-up action is needed; please submit the requested documentation, which is detailed on the Inspection Report Checklist and Field Inspection Exit Debriefing <input type="checkbox"/> Potential deficiencies were noted during the course of the inspection. Additional correspondence regarding this Inspection may be forthcoming.	
Comments: Inspectors were only given access to the fertilizer warehouse and the outside retention pond.	
Attachments: Notice of Inspection Rights Small Business Bill of Rights Photographic Log Inspection Checklist Exit Debriefing	



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY NOTICE OF INSPECTION RIGHTS

FACILITY INFORMATION	ADEQ INFORMATION
Facility Name (Customer): Copperstate Farms Management, LLC	Date of Inspection: 7/11/2018
Facility Location (Place): 650 N. Industrial Dr., Snowflake, AZ 85937	County: Navajo
	Inspector: Jenna Brickner
Mailing Address: Same	Telephone: 602-771-4417
	Accompanied by: Isa Valdez
Responsible Party: Copperstate Farms Management, LLC	
On-Site Representative: Barbara Hansen	ADEQ Follow-up Contact:
Title: Quality Assurance & Safety Manager	Jenna Brickner
Telephone: barbh@copperstatefarms.com	Title: Hazardous Waste Compliance Officer
Email: 602-510-0936	Telephone: 602-771-4417

The ADEQ representative(s) identified above were present at the above address on the above listed date and time. Upon entry to the premises, the ADEQ representative(s) met with me, presented photo identification indicating that they are ADEQ employees and explained:

☒ **That the purpose of the inspection is to determine:**

- ☒ Compliance with Title 49 of the Arizona Revised Statutes, Title 18 of the Arizona Administrative Code* and/or:

Arizona Revised Statutes: Title 49, Chapter 3 & Chapter 2

Arizona Administrative Code: Title 18, Chapter 2 & Chapter 9

Permit/Agreement Number:

- ☒ Qualification for a license issued pursuant to:

Arizona Revised Statutes: Title 49, Chapter 3

Arizona Administrative Code: Title 18, Chapter 2

- ☒ That this inspection is conducted pursuant to the authority granted in Arizona Revised Statutes § 49-104(B)(8) and/or:

Arizona Revised Statutes: § 41-1009

Arizona Administrative Code: Title 18, Chapter 2

Permit/Agreement Number:

- ☒ That the state shall not be barred by the statutes of limitations of actions, according to A.R.S. § 12-510, except as provided in A.R.S. § 12-529 concerning certain claims based on navigability of watercourses. According to 28 U.S.C. § 2462, the U.S. government must commence an action within 5 years after the date the claim first accrued.

- ☒ Possible applicability of Small Business Bill of Rights pursuant to Arizona Revised Statutes § 41-1001(21)

That the fee for this inspection is: N/A

*The Arizona Revised Statutes (A.R.S.) can be found on the internet: www.azleg.state.az.us/ArizonaRevisedStatutes.asp while the Arizona Administrative Code (A.A.C.) can be found at www.azsosaz.gov/public_services/Table_of_Contents.htm

While I have the right to refuse to sign this form, the ADEQ representatives may still proceed with the inspection

- ☒ I have read this notice and discussed any questions or concerns with the ADEQ representatives and I have received the Small Business Bill of Rights.

7/11/2018

Signature of Regulated Person or Authorized On-Site Representative

Date

- ☐ The regulated person or authorized on-site representative refused to sign.

Quality Assurance & Safety
Manager

Name of Regulated Person or Authorized On-Site Representative

Title

- ☐ The Regulated person or an authorized on-site representative was not present at the facility.

Signature of ADEQ Representative

Inspection Rights

- ☒ I understand that I can accompany the ADEQ representative(s) on the premises, except during confidential interview.
- ☒ I understand that I have right to, on request:
 - Copies of any original documents taken during the inspection, and that ADEQ will provide copies of those documents at ADEQ's expense;
 - A split of any samples taken during the inspection, if the split of the samples would not prohibit an analysis from being conducted or render an analysis inconclusive;
 - Copies of any analysis performed on samples taken during the inspection and that ADEQ would provide copies of this analysis at ADEQ's expense;
 - Copies of any documents to be relied on to determine compliance with licensure or regulatory requirements if the agency is otherwise permitted by law to do so.
- ☒ I also understand that:
 - Each person who is interviewed by an ADEQ inspector during the inspection must be informed that:
 - 1) Participation in an interview is voluntary, unless legally compelled to participate;
 - 2) They have the right to have an attorney or other experts in their field present during the interview to represent or advise the regulated person;
 - 3) The ADEQ inspector may not take any adverse action or treat less favorably or draw any inference as a result of the regulated person's decision to be represented by an attorney or advised by any other experts in their field;
 - 4) Statements made by the person may be included in the inspection report; and
 - 5) They have the right to 24 hours to review and revise any written witness statement drafted by the ADEQ inspector on which the ADEQ inspector requests that person's signature.
 - If the information and documents provided to the ADEQ inspector become a public record, trade secrets and proprietary and confidential information may be redacted, unless the information and documents are not confidential pursuant to statute.
 - Each person interviewed during the inspection must be informed that statements made by the person may be included in the inspection report;
 - Each person whose conversation is tape recorded during the inspection must be informed that the conversation is being tape recorded;
 - If an administrative order is issued or a permit decision is made based on the results of the inspection, I have the right to appeal that administrative order or permit decision. I understand that my administrative hearing rights are set forth in Arizona Revised Statutes § 41-1092 *et seq.* and my rights relating to an appeal of a final agency decision are found in Arizona Revised Statutes § 12-901 *et seq.*;
 - If I have any questions or concerns about this inspection, I may contact the person listed as the ADEQ Follow-up Contact on the front of this form; ADEQ's Ombudsman at (602) 771-4322 (toll free inside Arizona at (800) 2345677, extension, 771-4322); or the Arizona Ombudsman-Citizens' Aid office at (602) 277-7292 (toll free at (800) 872-2879);
 - If I have any questions concerning my rights to appeal an administrative order or permit decision, I may contact ADEQ's Office of Administrative Counsel at (602) 771-2212 (toll free inside Arizona at (800) 234-5677, extension 771-2212).

Arizona Revised Statutes: Small Business Bill of Rights

41-1001.01. Regulatory bill of rights: small businesses

A. To ensure fair and open regulation by state agencies, a person:

1. Is eligible for reimbursement of fees and other expenses if the person prevails by adjudication on the merits against an agency in a court proceeding regarding an agency decision as provided in section 12-348.
2. Is eligible for reimbursement of the person's costs and fees if the person prevails against any agency in an administrative hearing as provided in section 41-1007.
3. Is entitled to have an agency not charge the person a fee unless the fee for the specific activity is expressly authorized as provided in section 41-1008.
4. Is entitled to receive the information and notice regarding inspections and audits prescribed in section 41-1009.
5. May review the full text or summary of all rulemaking activity, the summary of substantive policy statements and the full text of executive orders in the register as provided in article 2 of this chapter.
6. May participate in the rulemaking process as provided in articles 3, 4, 4.1 and 5 of this chapter, including:
 - (a) Providing written comments or testimony on proposed rules to an agency as provided in section 41-1023 and having the agency adequately address those comments as provided in section 41-1052, subsection D, including comments or testimony concerning the information contained in the economic, small business and consumer impact statement.
 - (b) Filing an early review petition with the governor's regulatory review council as provided in article 5 of this chapter.
 - (c) Providing written comments or testimony on rules to the governor's regulatory review council during the mandatory sixty-day comment period as provided in article 5 of this chapter.
7. Is entitled to have an agency not base a licensing decision in whole or in part on licensing conditions or requirements that are not specifically authorized by statute, rule or state tribal gaming compact as provided in section 41-1030, subsection B.
8. Is entitled to have an agency not make a rule under a specific grant of rulemaking authority that exceeds the subject matter areas listed in the specific statute or not make a rule under a general grant of rulemaking authority to supplement a more specific grant of rulemaking authority as provided in section 41-1030, subsection C.
9. May allege that an existing agency practice or substantive policy statement constitutes a rule and have that agency practice or substantive policy statement declared void because the practice or substantive policy statement constitutes a rule as provided in section 41-1033.
10. May file a complaint with the administrative rules oversight committee concerning:
 - (a) A rule's, practice's or substantive policy statement's lack of conformity with statute or legislative intent as provided in section 41-1047.
 - (b) An existing statute, rule, practice alleged to constitute a rule or substantive policy statement that is alleged to be duplicative or onerous as provided in section 41-1048.
11. May have the person's administrative hearing on contested cases and appealable agency actions heard by an independent administrative law judge as provided in articles 6 and 10 of this chapter.

12. May have administrative hearings governed by uniform administrative appeal procedures as provided in articles 6 and 10 of this chapter and may appeal a final administrative decision by filing a notice of appeal pursuant to title 12, chapter 7, article 6.
 13. May have an agency approve or deny the person's license application within a predetermined period of time as provided in article 7.1 of this chapter.
 14. Is entitled to receive written notice from an agency on denial of a license application:
 - (a) That justifies the denial with references to the statutes or rules on which the denial is based as provided in section 41-1076.
 - (b) That explains the applicant's right to appeal the denial as provided in section 41-1076.
 15. Is entitled to receive information regarding the license application process before or at the time the person obtains an application for a license as provided in sections 41-1001.02 and 41-1079.
 16. May receive public notice and participate in the adoption or amendment of agreements to delegate agency functions, powers or duties to political subdivisions as provided in section 41-1026.01 and article 8 of this chapter.
 17. May inspect all rules and substantive policy statements of an agency, including a directory of documents, in the office of the agency director as provided in section 41-1091.
 18. May file a complaint with the office of the ombudsman-citizens aide to investigate administrative acts of agencies as provided in chapter 8, article 5 of this title.
 19. Unless specifically authorized by statute, may expect state agencies to avoid duplication of other laws that do not enhance regulatory clarity and to avoid dual permitting to the extent practicable as prescribed in section 41-1002.
 20. May have the person's administrative hearing on contested cases pursuant to title 23, chapter 2 or 4 heard by an independent administrative law judge as prescribed by title 23, chapter 2 or 4.
- B. The enumeration of the rights listed in subsection A of this section does not grant any additional rights that are not prescribed in the sections referenced in subsection A of this section.
- C. Each state agency that conducts audits, inspections or other regulatory enforcement actions pursuant to section 41-1009 shall create and clearly post on the agency's website a small business bill of rights. The agency shall create the small business bill of rights by selecting the applicable rights prescribed in this section and section 41-1009 and any other agency-specific statutes and rules. At the request of an authorized on-site representative of the regulated small business, the agency shall provide a written document of the small business bill of rights. In addition to the rights listed in this section and section 41-1009, the agency notice of the small business bill of rights shall include the process by which a small business may file a complaint with the agency employees who are designated to assist members of the public or regulated community pursuant to section 41-1006. The notice must provide the contact information of the agency's designated employees. The agency notice must also state that if the regulated person has already made a reasonable effort with the agency to resolve the problem and still has not been successful, the regulated person may contact the office of ombudsman-citizens aide.

Hazardous Waste Inspection Photographic LOG

Site Name: Copperstate Farms Date: 7/11/2018 Photographer: Jenna Brickner



Photo 1: View of the south side of the retention pond, facing East.



Photo 2: View of one of the canals that leads to the retention pond from the Copperstate parking lot. Photographer is facing west.



Photo 3: At the time of the inspection, ADEQ inspectors observed plastic waste debris scattered across the property.



Photo 4: View of another canal that leads to the retention pond from the Copperstate parking lot. Photographer is facing West. Copperstate representatives told inspectors that the blue drums pictured in the background of the left side of the photo, contain concrete.



Photo 5: ADEQ inspectors observed dozens of old fertilizer bags half buried in the soil around the retention pond.



Photo 6: On the north side of the pond, ADEQ observed a blue drum partly submerged.



Photo 7: Copperstate representatives used a shovel to turn the blue drum over to see if any labels were on the drum.



Photo 8: The top of the drum was finally exposed. The words "Waste Diesel" are painted in red on the top of the drum. The drum was open.

*Note: Photos 9-11 were taken on a Copperstate representative's phone. ADEQ was not given permission to take photographs anywhere inside the facility.



Photo 9: Inside the fertilizer warehouse, ADEQ observed standing red liquid within the secondary containment for the irrigation system's pump. The red color was similar red liquid in a tub labelled "Fertilizer." ADEQ asked for a copy of the SDS for the fertilizer with red color.



Photo 10: Copperstate representatives explained that the floors within the fertilizer warehouse are cleaned using a hose and all wastewater is directed toward the surrounding sumps.



Photo 11: Within the underground secondary containment for the waste water system, ADEQ observed a drain. When asked to where the drain leads to, Copperstate representatives could not provide an answer.

Hazardous Waste Field Inspection Report

COMPLAINT/REFERRAL/FOLLOW-UP INSPECTION

Inspection Date: 7/11/18

Date of Last Inspection: N/A

Facility Information & Process [Top](#)

Copperstate Farms Management, LLC (Copperstate) is a growing facility for the medical marijuana industry. The corporation, as a whole, consists of ~220 employees. The facility is manned 24/7 for security reasons. Operational shifts are scheduled 7 days per week. Office hours are open from 7am - 4pm. Copperstate has been in operation at this facility since May 2017. They have one dispensary located in Clifton, AZ.

Observations [Top](#)

At the time of the inspection, Copperstate Farms staff present included:

Barabara Hansen, Quality Assurance & Safety Supervisor

Jeremie Stekli, Facilities Director

Richard Boors, Maintenance Supervisor

Cecilia Larsen, Security Manager

David Howard, Copperstate's consultant from Premier Risk Management, was on the phone the entire duration of the visit.

After review of the Notice of Inspection Rights and Complaint #15049, Copperstate's legal representatives gave ADEQ inspectors permission to see the fertilizer warehouse (where a spill was reported recently) and the outside retention basin (because it was identified in the complaint). Inspectors were told that only questions regarding the complaint will be answered by Copperstate staff.

Copperstate staff stated a small ~4-gallon spill of the chemical "Strip-It" occurred on June 6, 2018 within the fertilizer warehouse. Barbara Hansen stated that the spill was reported to her department and corrective actions were taken, according to standard procedures. The cleanup procedures included dilution with water. The waste water was then directed into the room's sumps. To the best of their knowledge, Copperstate staff believe all sumps lead to the waste water collection system.

Two water tanks located inside an underground secondary containment were also observed within the fertilizer warehouse / wastewater room. Inside the secondary containment, ADEQ observed standing water and debris around an open drain. Mr. Stekli stated that is unknown where the drain discharges. Copperstate staff explained that all wastewater generated from their irrigation system is part of a close loop system. No other knowledge of waste water management or treatment system was disclosed.

Several tanks of liquid mixed with fertilizers were present in this room. The tanks appeared to be connected to the closed loop irrigation system. ADEQ observed standing red liquid, that looked like the fertilizer liquid within some of the tanks, within the secondary containment for the system's pump. See Photo #9.

Outside, east of the facility, ADEQ observed the stormwater retention pond, mentioned in the complaint. Loose waste debris was observed across the lot. Debris mostly consisted of old fertilizer bags and plastic tomato cage parts. At the time of inspection, a blue 55-gallon drum was observed inside the retention pond. The drum was labeled "Waste Diesel".



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY FIELD INSPECTION EXIT DEBRIEFING

Site Name/ID No(s): Copperstate Farms Inspection Date: 7/11/18

Location: 650 N. Industrial Dr., Snowflake, AZ Environmental Program(s): Hazardous Waste

You have just received an inspection conducted to evaluate compliance with the Arizona Revised Statutes, Title 49; the Arizona Administrative Code; and applicable permits/licenses. The following is intended to summarize potential deficiencies noted during the inspection, items you should consider for follow up action, or additional information requested by the inspector that is necessary to make a compliance determination. Be advised that additional reports and correspondence may be forthcoming from ADEQ. Any omissions in this exit debriefing shall not be construed as a determination of compliance with applicable laws and rules.

- **Provide the Wastewater SOP**
- **Provide SDS for all fertilizers (most importantly, the red colored fertilizer in fertilizer tank)**
- **Provide SDS for all chemicals used in the fertilizer room**
- **Waste determination for the retention basin water (pH and benzenes)**
- **Waste determination for red standing liquid in fertilizer room.**
- **Provide safety training material and sign-in sheets for all employees that handle hazardous materials**

☐ **Additional areas of concern can be found on the back of this form**

Please submit requested documentation by: To Be Determined

Facility Representative

Inspector

Name: Barb Hansen

Name: Jenna Brickner

Signature: B Hansen

Signature: Jenna Brickner

Please submit your response to your inspector's attention at the Arizona Department of Environmental Quality, 1110 West Washington Street, Phoenix, Arizona 85007.