

**INFORMATION COLLECTION REQUEST
FOR
EPA's CONSTRUCTION GRANTS PROGRAM**

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I. INTRODUCTION

This Information Collection Request (ICR) extends the clearance for the information collection activities required under the Environmental Protection Agency's (EPA's) Construction Grants Program. The Program is authorized by Title II of the Clean Water Act (CWA). Under this program, municipalities and Indian Tribes may obtain grants for wastewater treatment construction projects. Over the past 30 years, EPA has provided about \$60 billion in financial assistance to thousands of communities throughout the country. These efforts have made a significant contribution to marked improvements in water quality and municipal compliance with CWA requirements.

Under Title II, construction grant programs may be administered by EPA or delegated States. The requirements for the construction grants program are at 40 CFR Part 35, Subpart I, and Title II of the CWA. These provisions require grantees to submit information to EPA or delegated States, and also require States that award construction grants to submit information to EPA. Authority for collecting this information comes from the Construction Grants Program Information Collection Request (OMB No. 2040-0027, ICR No. 0827).

As discussed in the supporting statement that follows, EPA is currently phasing out the Construction Grants Program. The program is being replaced by the State Revolving Loan Fund (SRF) Program (Title VI of the Clean Water Act). Established by the 1987 amendments to the CWA, the SRF program provides a continuous source of funding for publicly owned treatment works (POTWs). Because most States are now funding construction projects through the SRF program rather than the Construction Grants Program, the burden associated with the Construction Grants Program has decreased significantly (see Section 6.6 regarding the current total burden hours for States). We are in the process of renewing the ICR No. 0909.07, OMB Control No. 2040-0095, for Construction Grants Delegation to States, which also expires on March 31, 2003. The information collection requirements associated with the SRF program are cleared under a separate ICR with OMB No. 2040-0118, ICR No. 1391.

This ICR estimates an average annual respondent burden of 26,558 hours, with an average of 30 respondents per year and 147 responses per year.

II. SUPPORTING STATEMENT

1.0 IDENTIFICATION OF THE INFORMATION COLLECTION

1.1 Title and Number of the Information Collection

This ICR is entitled Construction Grants Program Information Collection Request. It is a revision and request for extension of OMB No. 2040-0027, ICR No. 0827.06.

1.2 Short Characterization

The purpose of this ICR is to revise and extend the current clearance for the collection of information under the EPA Construction Grants Program, 40 CFR Part 35, Subpart I, and Title II of the Clean Water Act (CWA). The program includes reporting requirements for municipalities and States. In this ICR, the reporting requirements for the Construction Grants Program are divided into three categories:

1. Requirements associated with new grant awards;
2. Requirements associated with project completions; and
3. Requirements imposed on States.

The requirements for each of the above categories are listed below. OMB has previously cleared each information collection activity in this ICR. None have been revised or added. However, EPA believes that municipalities and States will no longer submit several of the reports covered by the existing ICR. The items for which EPA does not expect inputs from respondents are marked below with an asterisk (*). They are discussed in this analysis so that the new burden may be compared with burdens calculated in past ICRs. They are also considered to ensure a thorough examination of the construction grants regulations and CWA requirements.

Requirements Associated with New Grant Awards

The 1987 WQA established a new State Revolving Loan fund (SRF) program to provide a continuous source of funding for publicly owned treatment works (POTWs). This SRF program is gradually replacing the Construction Grants Program. Currently, Virgin Islands, the District of Columbia, and the Outer Islands have not established SRF programs under Title VI of the Act and have authority to use Title VI money to issue construction grants under Title II. In addition, some States may use funds available under Title II deobligated funds to issue new construction grants.

The Consolidated Appropriations Act for FY 2001 enacted December 21, 2000 contained provisions entitled the Wet Weather Water Quality Act of 2000 (P. L. 106-554) which amended the Clean Water Act (CWA) by creating two new grants programs, CWA Section 121

establishing a Wet Weather Watershed Pilot Projects program and new Section 221 establishing the Sewer Overflow Control Grants program.

Alternative Water Sources Act of 2000 added section 220 in Title II of the CWA. Section 220 authorizes the Administrator to establish a pilot program to make grants to State, interstate, and intrastate water resource development agencies, local government agencies, private utilities, and nonprofit entities for alternative water source projects to meet critical water supply needs.

The new grant programs were authorized to begin in fiscal year (FY) 2002, but were not funded. Hence, no grants will be available under these programs.

During the next three years, EPA expects the territories to issue a total of approximately 7 grants every year (Exhibit 3). Under the regulations and the Act, these new grantees may be required to submit the following information collection items:

1. Facility plan, design, and specifications
2. Agreement on eligible costs
3. Financial and management capability demonstration and certification
4. Project schedule
5. Plan of operation
6. Sewer use ordinance*
7. User charge system description*
8. Information on real property*
9. Field testing plan and report*
10. Individual systems information*
11. Demonstration of water quality benefits from combined sewer overflow (CSO) correction*
12. Intermunicipal service agreement*
13. Value-Engineering review report*
14. Information on preaward costs
15. Statement of Federal facility costs*
16. Sewer system study for infiltration/intlow*
17. Notice of award of subagreement
18. Construction payment schedule
19. Demonstration of negligence for rotating biological contactor (RBC) modification/replacement (M/R) grant*
20. Indian Tribes' request for project priority*

Requirements Associated with Project Completion and Closeout

EPA and States will continue to collect information under the program until the completion of the last construction grant project. The Agency estimates grantees will closeout a total of approximately 60 projects over the three-year life of this ICR. As grantees complete key

phases of their projects, they may be required to submit the following information items:

21. Operation and maintenance manual
22. Notice of building completion
23. Notice of initiation of project operation
24. Certification of project performance

Requirements Imposed on Delegated States

The States and territories that will continue to award grants must submit information to EPA. Only Virgin Islands, the District of Columbia, and the Outer Pacific Islands will award new grants throughout the three-year life of the ICR. The information items that States and territories may need to provide are as follows:

25. State project priority systems and lists
26. Request for uniform lower Federal share*
27. List of communities with advance of allowance*
28. Agreement for direct grantee payment from EPA*

2.0 NEED FOR AND USE OF THE COLLECTION

2.1 Need and Authority for the Collection

The information collection activities described in this ICR are authorized under Title II of the Clean Water Act and under 40 CFR Part 35, Subpart I. The information is necessary to ensure national accountability, adequate public participation, fiscal and project integrity, and consistent management directed to achieve environmental objectives. The regulations outline a cooperative Federal, State, and local effort to build treatment works. The information requirements ensure that the best possible project results from time, effort, and money expended. Under associated regulations 40 CFR Part 35, Subpart J, delegated States receive funds for managing wastewater treatment grant projects and providing information to EPA (OMB No. 2040-0095).

As noted earlier, this request considers 28 information items. EPA expects respondents for 18 of the items. For the first 17 items, the respondents are municipalities and Indian Tribes that wish to apply for construction grants. The last information item applies to States that continue to award construction grants. The authority for each information collection item is presented in Exhibit 1.

2.2 Use and Users of the Data

In order to obtain a construction grant, a municipality must submit information describing the project and its ability to manage it. Municipal managers use the information to plan, design, build, operate, and maintain a treatment works that protects public health and the environment. In addition, the appropriate State or EPA Regional office reviews the information

to determine if the project meets the statutory requirements and criteria for construction grants. It also determines if the project is necessary, reasonable, in accordance with sound planning principles, and a prudent use of Federal funds.

Exhibit 1
Authority for Construction Grant Information Items

Information Collection Activity	CWA Citation	CFR Citation
1. Facility plan, design, and specification	§203(a)	§35.2040
2. Agreement on eligible costs	§203(a)	N/A
3. Financial and management capability demonstration and certification	§204(b)(1)	§35.2105
4. Project schedule	§204(b)	§35.2040
5. Plan of operation	§204(a)(4)	
§35.2106		
6. Sewer use ordinance	N/A	
§35.2130		
7. User charge system description	§204(b)	§35.2140
8. Information on real property*	N/A	
§35.2118		
9. Field testing plan and report	§202(o)	§35.204 §35.2211
10. Individual systems information*	201(k)	§35.2034
§35.2110		
11. Demonstration of water quality benefits from combined sewer overflow (CSO) correction*	§201(n)	N/A
12. Intermunicipal service agreement	N/A	§35.2107
13. Value-engineering review report	§218(c)	§35.2114
14. Information on preaward cost	N/A	§35.2118
15. Statement of Federal facility costs*	N/A	§35.2127
		Part 35, Subpart I, Appendix A
16. Sewer system study for infiltration/inflow	§201(g)(3)-(4)	§5.2120
17. Notice of award of subagreement	N/A	§35.2212
18. Construction payment schedule	N/A	§35.2040
19. Demonstration of negligence for rotating biological contactor (RBC) modification/replacement (M/R) grant*	§303(d)	N/A
20. Indian Tribes' request for project priority*	§518	N/A
21. Operation and maintenance manual	§204(a)(4)	§35.2206
22. Notice of building completion	N/A	§35.2216
23. Notice of initiation of project operation	§204(d)(2)	§35.2218
24. Certification of project performance	§204(d)(2)	§35.2218

25. State project priority systems and lists	§216	§35.2015
26. Request for uniform lower Federal share*	§202(a)(1)	§35.2025
27. List of communities with advance of allowance* §35.2020(e)	§201(1)(2)	
		§35.2025
28. Agreement for direct grantee payment from EPA* N/A		§35.2025

EPA collects information from the State to meet statutory and administrative program management requirements. Under this ICR, the only requirement for States is the listing of projects for funding in priority order. State program managers would develop this type of list for their own administrative needs. EPA reviews the information to determine if the State's program meets CWA requirements and evaluates the effectiveness of the State's program management.

3.0 RESPONDENTS AND INFORMATION COLLECTED

3.1 Respondents and SIC Codes

The respondents to this information collection request are municipalities. Standard Industrial Classification (SIC) codes do not apply.

3.2 Information Collected

Requirements for New Grant Awards

1. Facility plan, design, and specifications.

Under §203(a) of the Act and 40 CFR 35.2040, grant applicants must submit a facility plan and a set of design drawings and specifications. The responsible delegated State or EPA Regional office reviews these documents and marks the limits of funding on the plans.

Normally, municipalities prepare a facility plan to evaluate various approaches to wastewater treatment. A plan would include an analysis of the problems, a description and justification of the treatment works, cost estimates for design and construction, and a construction schedule. If a municipality is planning a project in phases, those details, including costs, also normally would be included in the facility plan. Because municipalities would develop these parts of the plan regardless of EPA's requirements, only transmittal time is included in the burden. Parts of the plan that normally may not be developed are discussed below as separate information collection items.

2. Agreement on eligible costs

The 1987 amendments require the Administrator and the grant recipient to enter into a written agreement that establishes and specifies the items of a proposed project that are eligible for Federal payments. To meet this requirement, a grant recipient must prepare a list of items that it

considers eligible for Federal payment, and submit it to the appropriate delegated State or Regional Administrator.

3. Financial and management capability demonstration and certification

An applicant for a construction grant must demonstrate at the time of application that it has the legal, institutional, managerial, and financial capability to construct, operate, and maintain the proposed facility. The authority for the requirement is in §204(b)(1) of the Clean Water Act. Congress clearly intends that all applicants adequately assess the financial impact of the proposed facility on the community and its users, and disclose how the system will be financed and managed following construction. The requirement is contained in 40 CFR 35.2105, and is restated in EPA's Final Policy on Financial and Management Capability for Publicly Owned Wastewater Treatment Facilities.

The applicant's architect-engineer consultant (AE) usually performs this analysis for the community during facility planning. The AE develops the financial and institutional information and analyzes the costs and financial impacts of the proposed facility necessary for demonstrating financial capability. EPA's policy statement includes a simple form that municipalities may use to demonstrate the information and assessment. States have tested and successfully used the form. Municipalities may obtain the form and a Financial Capability Guidebook, which provides supplemental information to assist in completing the form and facility planning financial analysis, from EPA Regions, delegated States, the National Technical Information Service, and the Government Finance Research Center.

The applicant, or it's AE, is not required to use the form. He or she may choose any appropriate format, including a separate chapter in the facility plan, a capital improvement plan, a financial plan, or other procedures prescribed by a delegated State.

Because the information should be available as part of the facility's plan, the demonstration merely requires setting down the data and performing a minor analysis. In addition, the applicant must provide a simple one paragraph letter to the delegated State or Regional administrator certifying that it has performed the necessary analysis and determined that it has the necessary capability to construct, operate, maintain, and replace the proposed facility.

4. Project schedule

Section 204(b) of the CWA and 40 CFR 35.2040 require the EPA Administrator to determine that each grantee has the management capability to ensure adequate construction of the treatment works within its jurisdiction. An integral part of the construction is the preparation of a realistic schedule. The regulations require each grant applicant to submit a schedule specifying key events with the grant application. The schedule provides dates for initiation and completion of the project work, including important interim milestones. Grant applicants forward it to the appropriate State or EPA Regional office. The responsible office reviews the schedule to

determine if it is realistic. The grantee's project manager would develop a project design schedule regardless of the Agency's requirement for one.

5. Plan of operation

Section 204(a) and 40 CFR 35.2106 and 35.2206 require applicants to assure the proper and efficient operation and maintenance of the treatment works by providing a plan of operation. The plan of operation covers development of the operation and maintenance (O&M) manual, emergency operating program, personnel training, budget, operational reports, laboratory testing needs, and an O&M program for the complete system. The municipality forwards the draft plan to the appropriate State or EPA Region. The draft must be submitted after grant award and before the municipality begins procurement of the project construction. The municipality must submit the final plan before the project is 50 percent complete. The responsible office reviews the plan to determine if it is reasonable. A municipality would normally develop a plan of operation regardless of the Agency's requirements.

6. Sewer use ordinance

The construction grant regulations at 40 CFR 35.2130 require the grant applicant to submit a sewer use ordinance (or an equivalent legally binding document). EPA or the State must approve the sewer use ordinance before it awards the grant. A sewer use ordinance restricts certain connections and wastes in order to protect the treatment system and enhance treatment process stability and effluent quality. Municipalities with existing treatment systems usually have an existing sewer use ordinance and would devise their own ordinances independently of the regulatory requirements.

7. User charge system description

The user charge is the amount of money the municipality bills each customer to pay for the operation, maintenance, and replacement of the wastewater collection treatment works. The objective of the User Charge System (UCS) is to assure that sufficient money is collected for these purposes.

Section 204(b) of the CWA requires the Agency Administrator to determine that each grantee has a system of charges that ensures that each user pays its proportionate share of the cost of using the sewage system. The rate and type of fees (charges) levied vary with each system's legal and financial requirements. The grantee may present the information that it feels is necessary to demonstrate proportionality in its user charge system. EPA allows States and municipalities to agree on their own strategy for allocating the costs, and the Agency does not attempt to override local policies.

The applicant forwards the description to the appropriate State or EPA Region. The responsible office reviews the UCS to determine if it conforms with the requirements. Sound

management and good engineering practice require grantees to develop a UCS regardless of the Agency's requirements.

The 1987 Amendment to §204(b) allows grantees to reduce user charges to low income residents if the Regional Administrator determines that the lower rate was adopted after public notice and hearing. For those grantees that exercise this option, providing documentation of public notice and hearing will require some additional time.

8. Information on real property

A municipality planning to build a treatment works where land is an integral part of the treatment system (e.g., a land application system) must request written authorization from the State or EPA Region for its purchase. Under 40 CFR 35.2118, the applicant must obtain authorization before it formally applies for the grant. EPA does not expect any applications for treatment works meeting the criteria of this provision. Therefore, the burden for this requirement is not calculated in this ICR.

9. Field testing plan and report for innovative and alternative technologies

In some cases, municipal grant applicants may secure construction grant funding for field testing of innovative and alternative (I/A) technology. The funding is available to municipal applicants in the form of payment for preaward cost or in a separate construction grant. Field testing is authorized in §202(l) of the CWA and in 40 CFR 35.2040(e) and 35.2211. EPA does not expect any applications for field testing of innovative and alternative technologies. Therefore, the burden for this requirement is not included in this ICR.

10. Individual systems information

Under 40 CFR 35.2034 and 35.2110, applicants must provide certain demonstrations, certifications, and assurances to obtain a grant for a privately owned treatment works serving one or more principal residences or small commercial establishments. EPA does not expect to award additional grants for privately owned treatment works. Therefore, the burden for this requirement is not calculated in this ICR.

11. Demonstration of water quality benefits from combined sewer overflow correction

EPA grant funding to control combined sewer overflows (CSOs) is authorized under §201(n)(1) and (2) of the Clean Water Act, which addresses the water quality problems caused by CSOs and the funding sources for CSO treatment works discharging into marine bays, estuaries, and other waters. This section provides grants from various construction grant program-related funding sources available to States. Depending upon the funding source the State selects, and the type of receiving water body affected by the CSO, the municipal grant applicant may need to provide a demonstration in the facility plan of water quality benefits of CSO control. EPA does

not expect that additional municipal grant applicants will need to provide this information. Therefore, the burden for this requirement is not included in this ICR.

12. Intermunicipal Service Agreement

Under 40 CFR 35.2107, grantees must submit intermunicipal service agreements to the appropriate office for review. This agreement between two or more municipalities participating in a grant-funded wastewater treatment facility ensures adequate local funding of the facility. It addresses the allocation of costs between the local treatment agencies. Because any project that would serve two or more municipalities would already have an agreement as a matter of sound business practice, the reporting burden only reflects transmittal time. EPA or the State reviews the agreement to ensure that the project has adequate financial, operational, and maintenance safeguards.

13. Value-engineering review report

Grantees with construction work in excess of \$10 million must submit a cost-saving value engineering (VE) review of all eligible work. The grant eligible VE review is required in 40 CFR 35.2114 and §218(C) of the CWA. The regulation requires an analysis of the project. It also requires that the municipality implement the VE recommendations to the greatest extent feasible. VE review requirements provide a check and balance on large project designs performed by a single engineering firm. The applicant forwards the results of the review to the State or EPA Regional office. The responsible office reviews the information and forwards its approval to the applicant. The review and approval occur before grant award. Any grantee building a large project would normally, as a matter of sound business practice, rely on an independent design review to assure design adequacy and cost effectiveness, regardless of the Agency's requirements.

14. Information on preaward costs

Under 40 CFR 35.2118, a responsible agency cannot provide grant assistance for design and construction work performed before it awards the grant. However, in emergencies or instances where delay could cause significant cost increases, the Region or delegated State may approve preliminary construction work after completion of the required environmental review. Examples of advance work that may be eligible for grants include the procurement of major equipment requiring long lead times, field testing of innovative and alternative technologies, minor sewer rehabilitation, acquisition of eligible land, or advance building of minor portions of treatment works. To secure grant funding for these activities, the applicant must provide information on the preaward costs and nature of the work. This requirement is consistent with sound management practices and the goals of the CWA.

15. Statement of Federal facility costs

Under 40 CFR 35.2127, EPA grant funds will not be provided to treat wastewater from

Federal facilities that constitutes more than five percent of the applicant's design flow. In Part 35, Subpart I, Appendix A (paragraph F), EPA sets forth the grant allowable costs and unallowable costs due to the effect of participating Federal facilities. The purpose of these provisions is to prevent Federal facilities from benefitting from the investment of construction grant funds that Congress intended for local sewer authorities. The Federal facilities would have to obtain wastewater treatment construction funds through their agencies' normal appropriation method, rather than through the Construction Grants Program.

To meet this requirement, grant applicants must submit to EPA information on provisions for treatment of Federal facility flows and for collection the Federal facilities' share of treatment costs. However, EPA does not expect that any grant applicants will be affected by this provision. Therefore, the burden for this requirement is not included in this ICR.

16. Sewer system study for infiltration/inflow

The requirement for a sewer system study is based on §201(g)(3) and (g)(4) of the Clean Water Act, and 40 CFR 35.2120. Section 201(g)(3) states that the Administrator cannot award a grant for any sewer collection system that is subject to excessive infiltration. Section 201(g)(4) allows the Administrator to make grants for such sewer collection system studies that are needed to meet the requirements of paragraph (3) of §201(g). Thus, if excessive infiltration/inflow (I/I) is indicated, the grantee may undertake a study to justify grant funding. The sewer system study data allows the design engineer to compare the cost of rehabilitating the sewer system with the cost of transporting and then treating the excess I/I. The applicant forwards the data to the appropriate State or EPA Regional Office. The responsible office reviews the data to determine the most cost-effective strategy for handling the excess I/I.

17. Notice of award of subagreements

The requirement that grantees notify the Regional Administrator of the award of the subagreement(s) for the building of all significant elements of the project is in 40 CFR 35.2212. This simple notification of contract award and initiation of construction is necessary for EPA or the State to prudently manage construction projects and minimize preconstruction lags, which may result in cost increases. The applicant forwards the notification to the appropriate State or Region, which reviews it to estimate the impact of outlays and determines whether to approve the initial payment request. After it receives the notice of subagreement, the responsible agency begins monitoring construction progress.

18. Construction payment schedule

The grant agreement, executed by representatives of EPA and the grantee community, establishes both the basis and the method of payment. However, it does not contain information

that allows EPA to predict demands on the U.S. Treasury due to program grant commitments. The Agency requests that grantees provide a payment schedule to assist in its outlays management program. The schedule includes anticipated payments (including grant payments), months from award, amount of grant award, and estimated amount of each payment. The information provides the foundation for developing the outlay projections in the President's annual budget.

The grant applicant forwards the schedule to the appropriate State or EPA Regional office. That office reviews the payment schedule to determine if it is realistic and must then approve the schedule before grant award. As a basic good management practice, a community would normally develop cash flow demand on the community's own funds, regardless of EPA's requirement.

19. Demonstration of non-negligence for rotating biological contactor (RBC) modification/ replacement (M/R) grant

Section 303(d) of the 1987 Act authorizes EPA to award 100 percent grants for the modification or replacement (M/R) of rotating biological contactor (RBC) wastewater treatment systems that fail to meet design performance specifications. EPA does not expect to award any additional grants of for RBC replacement. Therefore, the burden for this requirement is not calculated in this ICR.

20. Indian Tribes' request for project priority

Indian Tribes seeking an EPA grant for wastewater treatment facilities must submit a request to the EPA Region for prioritization of their project for funding. EPA does not anticipate that additional Tribes will request priority on a National EPA Project Priority List. Therefore, the burden for this request is not included in this ICR.

Requirements Associated with Project Completion

21. Operation and maintenance manual

The requirement for an operation and maintenance (O&M) manual is based on §204(a)(4) of the Clean Water Act and 40 CFR 35.2206. Section 204(a)(4) requires the Agency Administrator to assure efficient operation and maintenance of the treatment works. Under 40 CFR 35.2206, an applicant must assure proper and efficient O&M of the treatment works by providing a plan of operation which, among other things, includes an O&M manual.

The O&M manual fully describes the plant and its functions. O&M personnel use it as a reference and training resource to operate the plant effectively. The applicant forwards the manual to the appropriate State or EPA Regional office, where it is reviewed for adequacy. In general, municipalities would develop an O&M manual regardless of the regulatory requirement.

22. Notice of building completion

The requirement that grantees notify EPA or the State that project building is complete is in 40 CFR 35.2216. This simple notice should indicate that all but minor components of a project have been built, all equipment is operational, and the project can function as designed. The responsible office must make a final inspection within 60 days after it receives this notice. The notification triggers the final inspection. It also is needed so that EPA can continue monitoring project completion, which is a critical phase of the project.

23. Notice of date of initiation of project operation

The requirement that the grantee notify the reviewing agency of the date of initiation of project operation (start-up) is in 40 CFR 35.2218. This simple notification is necessary to mark the beginning of the one year period in which the grantee must reach the required standards for its discharge permit and project performance contained in its facility plan, design, and specification.

24. Certification of project performance

The requirement that a grantee certify to the Administrator whether the treatment works is capable of meeting its performance standards is found in §204(d)(2) of the Clean Water Act and 40 CFR 35.2218(c). Grantees provide this simple, one paragraph certification after one year of project performance.

If the project does not meet its performance standards, the grantee submits a corrective action report and a time schedule for the corrective action. The report must be certified by a professional engineer. The applicant forwards the certification and necessary accompanying information to the responsible agency for review. If the project did not meet its performance standards, most grantees would gather this additional information independently of the Agency's requirement. EPA and the States need this report to maintain a result-oriented management program.

Requirements Imposed on States

25. State project priority systems and lists

Section 216 of the CWA requires States to develop a methodology (priority system) and rank their needed wastewater treatment works in order of priority. EPA's interpretation of the Act was promulgated in 40 CFR 35.2015, which requires States to submit a project priority list to EPA. This list consists of a fundable portion (projects anticipated to be funded during the fiscal year) and a planning portion (projects anticipate to be funded from future allotments). Before new grants can be made, States must update their lists annually to reflect changes in allotments and to maintain managerial control over their funding lists.

The purpose of the State-prepared lists is to assure that the projects that are most needed to attain water quality goals and protect public health receive highest priority for Federal grants.

Each State must submit by August 31st of each year a new priority list for use in the next fiscal year. The priority lists are used by States and EPA to manage the allocation of limited Federal funds to local projects in accordance with State and national priorities. Private industry and the general public also use this data. The priority list information is required for continued State participation in construction grant program funding. In the case of certain delegated States, data regarding priority lists information is entered into EPA computer files. Specific information required on the priority lists includes administrative, accounting, and priority data.

26. Request for uniform lower Federal share

Section 202 of the Clean Water Act allows the governor of a State to uniformly lower the Federal share of construction grants within the State, provided the EPA administrator concurs. EPA does not expect any States to request a uniform lower Federal share during the next three years. Therefore, the burden for this information collection item is not included in this ICR.

27. List of communities with advance of allowance

The CWA provides for States to reserve up to ten percent of their allotment to pay advances for planning and design to small communities that would be unable to independently afford consulting engineering services. However, since the final appropriation for the Construction Grants Program was in FY 1990, no needs for advances are anticipated. Therefore, the burden for this information collection item is not included in this ICR.

28. Agreement for direct grantee payment from EPA

The CWA and 40 CFR 35.2300(e)(2) allow States to provide advances to eligible grantees. Also, States and potential grantees may enter into agreements requesting EPA to make payments directly to grantees. However, since the final appropriation for the Construction Grants Program was in FY 1990, no new agreements are anticipated. Therefore, the burden for this information collection item is not included in this ICR.

4.0 THE INFORMATION COLLECTED - AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

4.1 Agency Activities

Delegated States and EPA Regional offices review the information supplied by the grant applicant to determine if the project meets the statutory requirements and criteria for construction grants. It also determines if the project is necessary, reasonable, in accordance with sound planning principles, and a prudent use of Federal funds. Normally, the responsible office works closely with grantees as they complete their grant applications. It also inspects the facility as part

of the application process. Most information on grant awards is maintained in the State or Regional office. In some cases, EPA and delegated States may use computer-based databases to store or report information on construction grants.

After it awards a construction grant, the delegated State or Regional office must monitor the progress of the project to ensure that it follows the facility plan, and to ensure that the plan is managed efficiently. The responsible office must make a final inspection within 60 days after it receives the notice of project completion. In addition, the Agency must monitor the facility to ensure that it meets its performance standards within one year after project initiation.

EPA collects information from the State to meet statutory and administrative program management requirements. Under this ICR, the only requirement for States is the listing of projects for funding in priority order. EPA reviews the information to determine if the State's program meets CWA requirements and evaluates the effectiveness of the State's program management.

4.2 Collection Methodology and Information Management

Most information the municipality provides to the delegated State reviewer remains with the State office, and information provided to the Regions remains there. The nature of the information does not lend itself to computer use. However, EPA and some delegated States use the computer based Grants Information Control System (GICS) to track work plan accomplishments (e.g., for obligations and outlays management). GICS is a mainframe based grants management system with very little flexibility for data management and analysis. A few of the States and Regions are still utilizing GICS mainly for tracking the grants and not for construction grants management. GICS will be potentially phased out from the construction grants program.

4.3 Small Entity Flexibility

EPA has attempted to reduce the burden on small communities by assisting them with the preparation of the required information. None of the respondents are small businesses.

4.4 Collection Schedule

Requirements Associated with Grant Applications

The information items are required only when an applicant applies for a grant. Each is a one time requirement.

Requirements Associated with Project Completion

Respondents submit the information described in this category of the ICR as they complete key steps in their construction grant projects. These key steps include the award of subagreements, the completion of the Operation and Maintenance (O&M) manual, building completion, project initiation, and completion of the first year of operation.

Requirements Imposed on Delegated States

States that continue to operate a construction grants program must submit a State project priority system and list by August 31st each year, if they intend to award new grants.

5.0 NON-DUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

5.1 Non-Duplication

The information and data required to administer and manage the program can only be obtained from the municipality or Indian Tribe. No other source is available. Therefore, duplication of effort is not experienced.

5.2 Consultations

In formulating the regulations governing the construction grants program, which were comprehensively revised during 1982 and 1983 and modified in 1988, the Agency conducted extensive public participation activities. During the prepublication period, EPA received and considered over 1,000 comments from State, Regional, and municipal agencies; environmental and special interest groups; and the general public. EPA included each commenter in subsequent reviews. EPA held four days of open meetings in Washington, DC, six briefings for State and local officials in the EPA Regional offices, and numerous meetings for EPA advisory groups. Presentations were made to the Water Pollution Control Federation. Following publication, EPA held five area-wide conferences and 14 public meetings throughout the nation. The Agency circulated over 60,000 copies of various drafts of the regulations, and allowed ample opportunity for comments.

5.3 Effects of Less Frequent Collection

The municipal and Indian Tribe requirements are all project-specific, one-time data submissions by individual grantees. Thus, this concern is not applicable. States that administer programs must submit project priority lists each year, if new grants are to be awarded. Annual submission is required by the regulations. This allows EPA to plan for the coming year and to ensure sound management of the State programs.

5.4 General Guidelines

This collection is consistent with the OMB guidelines contained in 5 CFR 1320.6.

5.5 Confidentiality and Sensitive Questions

No information of a confidential or sensitive nature is requested.

5.6 Public Notice Required Prior to ICR Submission to OMB

EPA published the first notice in Federal Register (Volume 67, Number 155, Page 52480- 52481) requesting public comments on the renewal of this ICR on August 12, 2002. No comments were received.

6.0 ESTIMATING THE BURDEN AND COSTS OF THE COLLECTION

6.1 Estimating Respondent Burden

As discussed earlier, the number of respondents under the Construction Grant Program has decreased significantly. EPA expects the burden to decrease as it phases out the Program. Exhibit 2 estimates the number of responses in FY 2003 through FY 2005. As shown on this exhibit, the annual number of responses drops from an estimated 187 responses in 2003 to an estimated 107 in 2005. The average annual number of responses for this ICR is 147.

In most cases, respondents to this information collection will be required to submit several of the information items listed in Exhibit 2. The estimated annual number of respondents for these items is the sum of the number of municipalities requesting construction grants, the number of municipalities completing grant projects, and the number of States awarding new construction grants. As shown in Exhibit 3, the average annual number of respondents is 30.

Exhibits 4-1 through 4-4 show the burden and cost associated with the Construction Grants Program. To determine the average burden hours for this ICR, a cumulative total for each reporting item was calculated. Appendix (Attached on page 25) describes the assumptions used to determine the reporting burden for each item.

**Exhibit 3: Annual Number of Respondents
FY 2003 through 2005**

Type of respondent	2003	2004	2005	Total	Average
Municipalities applying for new construction grants	7	7	7	21	7
Municipalities completing construction grants projects and states/territories reporting	30	20	10	60	20

States and territories awarding new construction grants	3	3	3	9	3
Total for the year	40	30	20	90	30

For FY 2003, total respondent burden is estimated at 251 hours. It is estimated at 211 hours for FY 2004 and 171 hours for FY 2005. Thus, the total respondent burden over the a three year ICR cycle is estimated at 633 hours, with an average burden of 211 hours. See tables at Exhibits 4-1 to 4-4. Given an annual average of 30 respondents, this represents an average burden of 7 hours per respondent. In addition, there is an average state burden of 26,347 hours. The total average annual burden is $26,347 + 211 = 26,558$ hours.

6.2 Estimating Respondent Costs

Exhibits 4-1 through 4-4 show the estimated respondent burden and cost for the information requests covered by this ICR. The cost to respondents reflects the burden of gathering, compiling, and storing the required information. Note that there are two types of respondents: municipalities which must submit information to EPA or delegated States and States, which may be required to submit information to EPA.

In calculating costs for POTWS, it was assumed that the average salary is equivalent to a GS 7, Step 1. The current annual salary of this employee is \$31,397, or \$15.09 per hour. While POTW salaries are likely to vary considerably, POTW salaries as a whole are not likely to be as high as salaries for private industry or Federal employees. The GS 7, Step 1, equivalency pay rate has been used in past ICRS. Because there is no clearly superior assumption given in existing data, there is little reason to change it. Overhead costs for municipalities are assumed to equal 50 percent, or \$7.55 per hour, for a total hourly cost of \$22.65.

Exhibit 2

Annual Number of Responses FY 2003 through 2005

Information Item	2003	2004	2005	Average
Facility plan, design, and specifications	7	7	7	7
Agreement on eligible costs	7	7	7	7
Financial and management	7	7	7	7
Project schedule	7	7	7	7
Plan of operation	7	7	7	7
Sewer use ordinance	7	7	7	7
User charge system description	7	7	7	7
Information on real property*	0	0	0	0
Field testing plan and report*	0	0	0	0
Individual systems information*	0	0	0	0

Intermunicipal service agreement	2	2	2	2
Value-engineering review report	0	0	0	0
Information on preaward costs	1	1	1	1
Statement of federal facility costs*	0	0	0	0
Sewer system study for infiltration/inflow*	0	0	0	0
Notice of award of subagreement	7	7	7	7
Construction payment schedule	7	7	7	7
Operation and maintenance	30	20	10	20
Notice of building completion	30	20	10	20
Notice of initiation of project operation	30	20	10	20
Certification of project performance	30	20	10	20
Indian Tribes' request for project priority*	0	0	0	0
State project priority systems and lists	1	1	1	1
Requests for uniform lower federal share*	0	0	0	0
List of communities with advance of allowance*	0	0	0	0
Agreement for direct grantee payment form EPA*	0	0	0	0
TOTAL NUMBER OF RESPONSES	187	147	107	147

Note: * EPA expects no response for these information items. They are included in this ICR for comparison with previous ICRs and to ensure a complete review of the Construction Grants regulations.

The salaries and overhead for State employees will probably vary significantly. This analysis assumes that the average annual salary for State employees is \$46,469; this is equivalent to the Federal GS-11, Step 1 salary. At 2,080 hours per year, the hourly rate is \$22.34. Overhead costs are assumed to increase the cost of the average State salary by 50 percent. This equals \$11.17 per hour, for a total hourly cost of \$33.51.

For FY 2003, total respondent cost is estimated at \$5,848. It is estimated at \$4,942 for FY 2004 and \$4,036 for FY 2005. Thus, the total respondent cost over the three-year ICR cycle is estimated at \$14,826. This represents an average annual cost of \$4,942.

Exhibit 4-1 Burden and Cost FY 2003

Information Item	Responses Per Year	Hours Per Response	Total Hours	Respondent Labor Cost/Hour	Total Respondent Cost
Facility plan, design, and specifications	7	1	7	\$22.65	\$158.55
Agreement on eligible costs	7	2	14	\$22.65	\$317.10
Financial and management	7	4	28	\$22.65	\$634.20
Project schedule	7	1	7	\$22.65	\$158.55
Plan of operation	7	2	14	\$22.65	\$317.10
Sewer use ordinance	7	1	7	\$22.65	\$158.55
User charge system description	7	3	21	\$22.65	\$475.65
Intermunicipal service agreement	2	1	2	\$22.65	\$45.30
Value-engineering review report	0	1	0	\$22.65	\$0.00
Information on preaward costs	1	2	2	\$22.65	\$45.30
Sewer system study for infiltration/inflow	0	2800	0	\$22.65	\$0.00
Notice of award of subagreement	7	1	7	\$22.65	\$158.55
Construction payment schedule	7	1	7	\$22.65	\$158.55
Operation and maintenance	30	1	30	\$22.65	\$679.50
Notice of building completion	30	1	30	\$22.65	\$679.50
Notice of initiation of project operation	30	1	30	\$22.65	\$679.50
Certification of project performance	30	1	30	\$22.65	\$679.50
State project priority systems and lists	1	15	15	\$33.51	\$502.65
TOTAL NUMBER OF RESPONSES	187		251		\$5,848.05

Basis

Salary GS 7 Step 1= \$31,397
 Hourly rate \$15.10
 50% overhead for POTWs
 Hourly Rate \$22.65

Salary GS 11 Step 1= \$46,469
 Hourly rate \$22.34
 50% overhead for States
 Hourly Rate \$33.51

Exhibit 4-2 Burden and Cost FY 2004

Information Item	Responses Per Year	Hours Per Response	Total Hours	Respondent Labor Cost/Hour	Total Respondent Cost
Facility plan, design, and specifications	7	1	7	\$22.65	\$158.55
Agreement on eligible costs	7	2	14	\$22.65	\$317.10
Financial and management	7	4	28	\$22.65	\$634.20
Project schedule	7	1	7	\$22.65	\$158.55
Plan of operation	7	2	14	\$22.65	\$317.10
Sewer use ordinance	7	1	7	\$22.65	\$158.55
User charge system description	7	3	21	\$22.65	\$475.65
Intermunicipal service agreement	2	1	2	\$22.65	\$45.30
Value-engineering review report	0	1	0	\$22.65	\$0.00
Information on preaward costs	1	2	2	\$22.65	\$45.30
Sewer system study for infiltration/inflow	0	2800	0	\$22.65	\$0.00
Notice of award of subagreement	7	1	7	\$22.65	\$158.55
Construction payment schedule	7	1	7	\$22.65	\$158.55
Operation and maintenance	20	1	20	\$22.65	\$453.00
Notice of building completion	20	1	20	\$22.65	\$453.00
Notice of initiation of project operation	20	1	20	\$22.65	\$453.00
Certification of project performance	20	1	20	\$22.65	\$453.00
State project priority systems and lists	1	15	15	\$33.51	\$502.65
TOTAL NUMBER OF RESPONSES	147		211		\$4,942.05

Exhibit 4-3 Burden and Cost FY 2005

Information Item	Responses Per Year	Hours Per Response	Total Hours	Respondent Labor Cost/Hour	Total Respondent Cost
Facility plan, design, and specifications	7	1	7	\$22.65	\$158.55
Agreement on eligible costs	7	2	14	\$22.65	\$317.10
Financial and management	7	4	28	\$22.65	\$634.20
Project schedule	7	1	7	\$22.65	\$158.55
Plan of operation	7	2	14	\$22.65	\$317.10
Sewer use ordinance	7	1	7	\$22.65	\$158.55
User charge system description	7	3	21	\$22.65	\$475.65
Intermunicipal service agreement	2	1	2	\$22.65	\$45.30
Value-engineering review report	0	1	0	\$22.65	\$0.00
Information on preaward costs	1	2	2	\$22.65	\$45.30
Sewer system study for infiltration/inflow	0	2800	0	\$22.65	\$0.00
Notice of award of subagreement	7	1	7	\$22.65	\$158.55
Construction payment schedule	7	1	7	\$22.65	\$158.55
Operation and maintenance	10	1	10	\$22.65	\$226.50
Notice of building completion	10	1	10	\$22.65	\$226.50
Notice of initiation of project operation	10	1	10	\$22.65	\$226.50
Certification of project performance	10	1	10	\$22.65	\$226.50
State project priority systems and lists	1	15	15	\$33.51	\$502.65
TOTAL NUMBER OF RESPONSES	107		171		\$4,036.05

Exhibit 4-4 Burden and Cost FY 2003 - 2005

Information Item	Total Responses	Hours Per Response	Total Hours	Respondent Labor Cost/Hour	Total Respondent Cost
Facility plan, design, and specifications	21	1	21	\$22.65	\$475.65
Agreement on eligible costs	21	2	42	\$22.65	\$951.30
Financial and management	21	4	84	\$22.65	\$1,902.60
Project schedule	21	1	21	\$22.65	\$475.65
Plan of operation	21	2	42	\$22.65	\$951.30
Sewer use ordinance	21	1	21	\$22.65	\$475.65
User charge system description	21	3	63	\$22.65	\$1,426.95
Intermunicipal service agreement	6	1	6	\$22.65	\$135.90
Value-engineering review report	0	1	0	\$22.65	\$0.00
Information on preaward costs	3	2	6	\$22.65	\$135.90
Sewer system study for infiltration/inflow	0	2800	0	\$22.65	\$0.00
Notice of award of subagreement	21	1	21	\$22.65	\$475.65
Construction payment schedule	21	1	21	\$22.65	\$475.65
Operation and maintenance	60	1	60	\$22.65	\$1,359.00
Notice of building completion	60	1	60	\$22.65	\$1,359.00
Notice of initiation of project operation	60	1	60	\$22.65	\$1,359.00
Certification of project performance	60	1	60	\$22.65	\$1,359.00
State project priority systems and lists	3	15	45	\$33.51	\$1,507.95
TOTAL NUMBER OF RESPONSES	441		633		\$14,826.15

6.3 Estimating Agency (and State) Burden

Exhibit 5-1 summarizes the government burden hours for 2003 through 2005 for management of construction grants program. The burden for government review time is estimated to average 30,891 hours per year, or 15 full time equivalents (FTEs). This estimate includes review time for EPA Regions, Headquarters, and delegated States.

Exhibit 5-1

Annual Government Burden Hours: FY 2003 through FY 2005

Reviewing Office	2003	2004	2005	Total	Average
EPA Regions	4680	4056	3120	11856	3952
Headquarters	702	608	468	1778	593
States	31200	27040	20800	79040	26347
Total	36582	31704	24388	92674	30891

Note:

Assumption is 15, 13, and 10 FTEs will work in States for the management of construction grants program in FY 2003, 2004, 2005 respectively.

Also assumes 15% of States' work for Regions and 15% of Regions' work for HQ.

These estimates are based on estimates of direct project-review related activities. For EPA Regions, the Agency currently estimates that 18 full time equivalents (FTEs) will work in management of the Construction Grant Program in FY 2003. In FY 2004 and 2005, an estimated 15 and 12 Regional FTEs will work on the Construction Grant Program. In past ICRs, it was assumed that 15% of Regional time was dedicated to the review of information collection items. Under this assumption, the burden for EPA Regions is an estimated 2.3 FTEs (4,680 hours) in FY 2003 and 2 FTEs (4,056 hours) in FY 2004, and 1.5 FTE (3,120 hours) in 2005.

Headquarters' burden for review of construction grant program information is assumed to be about 15% of the Regions' burden. This estimate is consistent with the previous ICR. Therefore, the burden for EPA Headquarters is estimated at approximately 0.25 FTEs per year, or 593 hours per year.

For delegated States, the number of FTEs working in construction grant programs is estimated at 30 in FY 2003, 26 in FY 2004, and 20 in FY 2005. These estimates are much lower than the estimates in the previous ICR because only a handful of States continue to issue grants, and because the number of projects to be completed drops each year. As in the previous ICR, it is assumed that States devote 50% of staff time to the review of information collection items. Thus, the burden for review equals 15 FTEs (31,200 hours) in FY 2003, 13 FTEs (27,040 hours) in FY 2004, and 10 FTEs (20,800 hours) in FY 2005. Therefore, the average annual burden for States as users of the data is 26,347 hours.

Additionally, the Regions and EPA HQ have the burden of resolving the grantee disputes regarding the eligible costs for the projects and for the collection of funds due to EPA. This burden is estimated to be 5, 3, and 1 FTE for the Regions in FY 2003 through FY 2005. For EPA HQ, one FTE/ year has been added to Regional burden assumed. The estimated burden for disputes is calculated to be as below.

Exhibit 5-2

Additional EPA Burden Hours for Disputes: FY 2003 through FY 2005

Reviewing Office	2003	2004	2005	Total	Average
EPA Regions	10400	6240	2080	18720	6240
Headquarters	2080	2080	2080	6240	2080
Total	12480	8320	4160	24960	8320

The total burden hours for the States and EPA including the disputes is as below.

Exhibit 5-3

Total Annual Government Burden Hours: FY 2003 through FY 2005

Reviewing Office	2003	2004	2005	Total	Average
EPA Regions	15080	10296	5200	30576	10192

Headquarters	2782	2688	2548	8018	2673
States	31200	27040	20800	79040	26347
Total	49062	40024	28548	117634	39211

6.4 Estimating Agency (and State) Cost

As stated in Section 6.2, the costs associated with salaries and overhead for Federal and State employees will probably vary significantly. This analysis assumes that the average annual salary for Federal and State employees is \$46,469; this is equivalent to a Federal GS-11, Step 1 salary. At 2,080 hours per year, the hourly rate is \$22.34. Overhead costs are assumed to increase the cost of the average State salary by 50 percent and the average Federal salary by 60 percent. This equals \$11.17 per hour and \$13.41 per hour, for a total cost of \$33.51 and \$35.75, respectively.

Exhibit 6 summarizes the estimated Agency cost for the review of the information collection items in this ICR.

Exhibit 6

Total Annual Government Cost: FY 2003 through FY 2005

Reviewing Office	2003	2004	2005	Total	Average
EPA Regions	\$539,110.00	\$368,082.00	\$185,900.00	\$1,093,092.00	\$364,364.00
Headquarters	\$99,456.50	\$96,110.30	\$91,091.00	\$286,657.80	\$95,552.60
States	\$1,045,512.00	\$906,110.40	\$697,008.00	\$2,648,630.40	\$882,876.80
Total	\$1,684,078.50	\$1,370,302.70	\$973,999.00	\$4,028,380.20	\$1,342,793.40

6.5 Bottom-Line Burden Hours and Costs

Exhibit 7 summarizes the bottom-line burden and cost for municipalities and States. As shown in the exhibit, the average annual burden associated with this information collection is 26,347+211= 26,558 hours, at a cost of approximately \$882,879+4942 = \$887,818. For the three year period covered by this ICR, the total burden is estimated at 79,673 hours, and the total cost is estimated at \$2,663,457.

Exhibit 7

Bottom Line Burden and Cost

	Avg. Annual Burden & Cost		Total Burden and Cost	
	Hours	Cost	Hours	Cost
Respondents	211	\$4,942.05	633	\$14,826.15
Users of Data	26347	\$882,876.80	79040	\$2,648,630.40
Total	26558	\$887,818.85	79673	\$2,663,456.55

6.6 Reasons for Change in Burden

As discussed in the introduction to this ICR, the 1987 Water Quality Act (WQA) established a new State Revolving Loan Fund (SRF) program to provide a continuous source of funding for publicly owned treatment works (POTWs). Thus, EPA is phasing out the Title II Construction Grants program, and most States no longer award grants under this program. Although States will award relatively few new grants, facilities with existing grants are still required to report information and maintain records as they complete their construction projects. The burden reported in this submission has actually diminished by 58.6%.

6.7 Burden Statement

Public reporting burden for the collection of information is estimated to average $633/90 = 7.03$ hours per respondent, or $633/441 = 1.44$ hours per response. The average yearly State burden, with 11 States and territories responding, is $26347/11 = 2,395$ hours.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No. OW-2002-0042, which is available for public viewing at the Water Docket in the EPA Docket Center (EPA/DC), EPA West, Room B102, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Water Docket is (202) 566-2426. An electronic version of the public docket is available through EPA Dockets (EDOCKET) at <http://www.epa.gov/edocket>. Use EDOCKET to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. Once in the system, select "search," then key in the docket ID number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington,

DC 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID No. (OW-2002-0042) and OMB control number (2040-0027) in any correspondence.

APPENDIX

BURDEN HOUR CALCULATIONS

1. General Assumptions

Number of new construction grants

As discussed in the supporting statement, EPA is phasing out the Construction Grants Program. Most States will not award new grants. Based on discussions with States and territories that will award new grants, EPA has determined that 7 grants will be awarded each year from FY 2003 to FY 2005.

Number of facility completions

EPA and States will continue to collect information under the program until the completion of the last construction grant project. However, because the number of new grant awards began to drop after the 1987 Amendments to the Clean Water Act, the number of project completions drop each year. Based on state specific strategies for program completions, EPA estimates that approximately 30 grants will be closed out in FY 2003, 20 in FY 2004, and 10 in FY 2005.

Number of State respondents,

The remaining information requirement for State programs applies only to States that continue to issue construction grants. As of September 1991, the final allotment period of the final appropriation for the Construction Grants Program expired. However, recovered funds are available for new grants. In addition, the territories of the District of Columbia, the Virgin Islands, and the Outer Islands will be allowed to use Title VI SRF funds to issue construction grants under Title II. Based on the State specific strategies, 20 States and territories will be respondents in FY 2003; there will be 10 in FY 2004 and 3 in FY 2005.

2. Burden Calculations by Task

Facility plan, design, and specifications

Under §203(a) of the Act and 40 CFR 35.2040, all grant applicants must submit a facility plan and a set of design drawings and specifications. Because municipalities would develop a facility plan regardless of EPA's requirements, only transmittal time is included in the burden. Transmittal time will take each applicant no more than one hour. Parts of the plan that may not normally be developed are discussed below as separate information collection items.

Agreement on eligible costs

The CWA requires that the Administrator and the grant recipient enter into a written agreement that establishes the items of a proposed project that are eligible for Federal payments. To meet this requirement, all grant recipients must prepare a list of items that it considers eligible for Federal payment. The list will be drawn from the existing facility plan, design, and specifications and their accompanying costs estimates. Preparation of the list and estimates will, therefore, require a minimal amount of time, approximately two hours per grant.

Financial and management capability demonstration and certification

An applicant for a construction grant must demonstrate at the time of application that it has the legal, institutional, managerial, and financial capability to construct, operate, and maintain the proposed facility. To minimize the burden for this requirement, EPA has designed an optional form for the municipalities. Preparation of the demonstration and certification should take each applicant an average of four hours beyond the time needed to determine costs, financing, taxpayer burden, and user charges during facility.

Project schedule

Each grant applicant must submit a schedule specifying key events with the grant application. The schedule provides dates for initiation and completion of the project work, including important interim milestones. Communities would develop these schedules regardless of their participation in the Federal construction grants program. Therefore, only the transmittal time is included in this ICR. Transmittal requires preparing a cover letter and forwarding the document to the reviewing office. The burden is estimated to be one hour per respondent.

Plan of operation

Each applicant must assure the proper and efficient operation and maintenance of the treatment works by providing a plan of operation. The plan of operation covers development of the operation and maintenance (O&M) manual, emergency operating program, personnel training, budget, operational reports, laboratory testing needs, and an O&M program for the complete systems. A municipality would normally, as a matter of good business practice, develop a plan of operation regardless of the Agency's requirements. Therefore, only the transmittal time is included in this ICR. Transmittal time for this information item is estimated at two hours or less per respondent.

Sewer use ordinance

All grant applicants must submit a sewer use ordinance (or an equivalent legally binding document). The document restricts certain connections and wastes in order to protect the

treatment system and enhance treatment process stability and effluent quality. Municipalities with existing treatment systems usually have an existing sewer use ordinance, and as a practical matter, municipalities would devise their own ordinances independently of the regulatory requirements. Therefore, only the transmittal time is included in this ICR. Transmittal requires preparing a cover letter and forwarding the document to the reviewing office. The burden is estimated to be one hour per respondent.

User charge system description

Each applicant must submit a description of its User Charge System (UCS). Municipalities would develop a UCS matter regardless of EPA's requirement. Therefore, for most applicants, only the transmittal time is included in this ICR. The transmittal burden is estimated to be one hour per respondent.

However, the 1987 Amendment to §204(b) allows grantees to reduce user charges to low income residents, if the Regional Administrator determines that the lower rate was adopted after public notice and hearing. For those grantees that exercise this option, providing documentation of public notice and hearing will require some additional time. Therefore, this ICR assumes that the average burden for this information item is 3 hours per respondent.

Intermunicipal service agreement

If two or more municipalities participate in a grant-funded wastewater treatment facility, they must submit an intermunicipal service agreement to the appropriate office for review. This agreement ensures adequate local funding of the facility. It addresses the allocation of costs between the local treatment agencies. Since any project that would serve two or more municipalities would already have an agreement as a matter of sound business practice, the reporting burden -- one hour -- only reflects transmittal time. EPA estimates that approximately 30 percent of all grant awards will be affected by this requirement each year.

Value engineering review report

Grantees with construction work in excess of \$10 million must submit a cost-saving Value Engineering (VE) review of all eligible work. Any grantee building a large project would normally, as a matter of good business practice, rely on an independent design review to assure design adequacy and cost effectiveness, regardless of the Agency's requirements. Therefore, only the transmittal time is included in this ICR. The estimated transmittal time is one hour.

The number of projects large enough to require a VE review has been diminishing in the last few years. Based on this experience, EPA estimates that no respondents will submit the VE report from FY 2003 to FY 2005.

Information on preaward costs

To secure grant funding for eligible preaward costs, the applicant must provide information on the preaward costs and nature of the work. Documentation, preparation, and transmittal are estimated to take each respondent two hours. EPA estimates that no grant recipients in any year will be affected by this reporting requirement.

Sewer system study for infiltration/inflow

Under the CWA, if excessive Infiltration/Inflow (I/I) is indicated, the grantee must undertake a study to justify grant funding. The sewer system study data allow the design engineer to compare the cost of rehabilitating the sewer system with the cost of transporting and then treating the excess I/I. While such a study would appear to be a reasonable and prudent management tool, it is possible that a grant applicant would not perform it in the absence of the legal requirement. The estimated burden for the study is 2800 hours per response. This is calculated as follows:

Preparation and planning for the study: 500 hours
Conducting the study and data generation: 1600 hours
Organizing the information and transmitting the results: 700 hours.

EPA estimates that no respondent will submit the report from FY 2003 to FY 2005.

Notice of award of subagreement

Grantees must notify the Regional Administrator of the award of the subagreement(s) for the building of all significant elements of the project. Most grantees simply photocopy their "notice to proceed" that they provide the contractor. Transmitting it to EPA requires about one hour.

Construction payment schedule

Each grantee must submit a construction payment schedule with its application. The schedule includes anticipated payments (including grant payments), months from award, amount of grant award, and estimated amount of each payment. As a good management practice, a community would normally develop a payment schedule for a public works project to assist in determining the cash flow demands on the community's own funds. Thus, only a one hour burden for transmission is included in the calculation.

Operation and maintenance manual

Each grantee must submit an operations and maintenance (O&M) manual before the project is one-half complete. The O&M manual fully describes the plant and its functions. O&M personnel use it as a reference and training resource to operate the plant effectively. As a good

management practice, a program manager would develop an O&M manual for the treatment facility. Thus, only a one hour burden for transmission is included in the calculation.

EPA has found that the O&M manual is typically submitted and reviewed as the project nears completion. Thus, the number of construction completions would be a more appropriate proxy for the number of O&M manuals submitted each year.

Notice of building completion

When all major construction is complete and all equipment is operational, grantees notify EPA or the State. EPA estimates that this simple notification will take grantees one hour.

Notice of initiation of project operation

Grantees notify EPA or the State of the date of project start-up. EPA estimates that this simple notification will take grantees one hour.

Certification of project performance

Grantees certify to the EPA Administrator whether the project meets its design standards. EPA estimates that this simple certification will take grantees one hour.

State project priority systems and lists

States must submit a project priority list to EPA. This list consist of a fundable portion (projects anticipated to be funded during the fiscal year) and a planning portion (projects anticipate to be funded from future allotments). States must update their lists annually to reflect changes in allotments and to maintain managerial control over their funding lists. Updating the existing State priority list is estimated to take 15 hours.

