

Information Collection Request for the  
Clean Water Act State Revolving Fund Program  
Section 606 of the Clean Water Act

EPA ICR Number 1391.08  
OMB Control Number 2040-0118

U. S. Environmental Protection Agency  
Office of Wastewater Management  
State Revolving Fund Branch  
1200 Pennsylvania Avenue (4204-M)  
EPA East Building, 7<sup>th</sup> Floor  
Washington, DC 20460

**SECTION I: PART A OF THE SUPPORTING STATEMENT**

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**1. IDENTIFICATION OF THE INFORMATION COLLECTION**

**1(a) TITLE OF THE INFORMATION COLLECTION**

"CLEAN WATER ACT STATE REVOLVING FUND PROGRAM"

(OMB Control Number 2040-0118, EPA ICR Number 1391.08)

**1(b) SHORT CHARACTERIZATION (ABSTRACT)**

The information collection activities will occur primarily at the program level through the State "Intended Use Plan" and "Annual Report". The information is needed annually to implement Section 606 of the Clean Water Act (CWA). The Act requires the information to ensure national accountability, adequate public comment and review, fiscal integrity, and consistent management directed to achieve environmental objectives.

The individual information collections are described as follows:

a. Capitalization Grant Agreement and Application/State Intended Use Plan

The capitalization grant agreement and application is the principal instrument by which the State commits to manage its revolving fund program in conformity with the requirements of the CWA. The grant agreement contains or incorporates by reference the IUP, application materials, payment schedule, and required certifications. Information on hardship grants, Disadvantaged Business Enterprise (DBE), environmental indicators, environmental benefits, core measurements, and funding framework can be found in the IUP. The grant agreement is a general instrument to legally commit the State and EPA to execute their responsibilities under the Act.

b. Annual Report

The annual report indicates how the State has met the goals and objectives of the previous fiscal year as stated in the IUP and grant agreement. The Report provides information on loan recipients, loan amounts, loan terms, hardship grants, DBE, environmental indicators, environmental benefits, core measurements, funding framework, project categories of eligible costs, and similar data on other forms of assistance, and is needed for input into the SRF National Information Management System. The Report also describes the extent to which the

existing SRF financial operating policies, alone or in combination with other State financial assistance programs, will provide for the long-term fiscal health of the Fund and carry out other provisions specified in the State Clean Water Strategy.

c. State Annual Audit

The State annual audit report will contain opinions on the financial statements of the SRF, a report on the internal controls, and whether the SRF program compliance requirements have been met. Separate financial audits may be done in conjunction with the guidelines of the Single Audit Act of 1996.

d. Applications for SRF Financing Assistance

Local communities have the responsibility for preparing and submitting applications for SRF assistance to their respective State Agency which manages the SRF program. The State has sole responsibility for reviewing the applications, entering into loan and other financing arrangements with applicants, and otherwise managing operations of the SRF.

2. NEED FOR AND USE OF THE COLLECTION

2(a) NEED/AUTHORITY FOR THE COLLECTION

The Clean Water Act, as amended by "The Water Quality Act of 1987" (33 U.S.C. 1381-1387 et. seq.), created a Title VI which authorizes grants to States for the establishment of State Water Pollution Control Revolving Funds (SRF's). The information activities are pursuant to Section 606 of the Act, EPA Initial Guidance for State Revolving Funds (January 1988), and SRF Interim Final Rule (March 1990).

The 1987 Act declares that water pollution control revolving loan funds shall be administered by an instrumentality of the State subject to the requirements of the Act. This means that each State has a general responsibility for administering its revolving fund, and must take on certain specific responsibilities in carrying out its administrative duties.

## **2(b) USE/USERS OF THE DATA**

In order for a State to receive a capitalization grant for its revolving fund, it must enter into an agreement (Capitalization Grant Agreement) with the U.S. Environmental Protection Agency (EPA). State responsibilities include:

- a. Contributing 20 Percent Matching Funds;
- b. Committing Funds Expeditiously;
- c. Jointly Establishing a Payment Schedule With the Federal Government;
- d. Ensuring That Enforceable Requirements are Fulfilled before the Assistance is Provided to Recipients for Other Purposes; and
- e. Monitoring Assistance Recipient Compliance with Program Requirements and Other Federal Cross-cutting Authorities during the Period of the Assistance Agreement.

A State, as a federal grant recipient, must also agree to follow generally accepted accounting principles. A State is expected to have an annual financial audit conducted and must assure that assistance recipients adhere to appropriate accounting and auditing procedures.

The information to be provided to EPA by the States includes:

- a. Capitalization Grant Agreement and Application/Intended Use Plan;
- b. Annual Report; and
- c. State Annual Audit.

Upon approval of the capitalization grant application, each State has the responsibility to establish its State Revolving Fund (SRF) program. Once the SRF is operational, the State will receive and review applications for SRF financing assistance submitted by local communities. The State will review the applications for conformance with the SRF Intended Use Plan, environmental impact and benefits, and financial capability of the applicant. For those projects funded with monies directly made available by the Federal capitalization grant, the State will also review the proposed project for consistency with applicable Title II requirements and other Federal cross-cutting

authorities as described in the SRF Initial Guidance and other SRF program materials. The specific procedures for preparation and review of application materials will be developed by each State. If an application is acceptable, the State prepares the appropriate loan agreement documents.

Although EPA oversees the general operations of the SRF programs as part of its Annual Review process, the Agency does not have any responsibility for reviewing or approving individual applications for SRF financial assistance.

### **3. THE RESPONDENTS AND THE INFORMATION REQUESTED**

#### **3(a) RESPONDENTS/SIC CODES**

State and local governments; local communities and tribes (SIC Code #99)

#### **3(b) INFORMATION REQUESTED**

(i) Data Items

In general, the information collections are required to ensure compliance with Title VI of the Clean Water Act and to ensure that self-sufficient SRF programs are established in perpetuity. These information elements also provide the accountability needed to detect and shall remedy situations of waste, fraud, and abuse of Federal funds.

The individual information collections are described as follows:

a. Capitalization Grant Agreement and Application/State Intended Use Plan

The capitalization grant application is made on EPA short form No. 5700-33 (OMB No. 2030-0020). The minimal increase in State burden associated with use of this form is being handled

separately by the Grants Administration Division in their information collection budget request.

The SRF Management Manual includes a model IUP which should improve program efficiency and reduce the burden on States and EPA Regions.

b. Annual Report

Section 606 (d) requires the States to submit an annual report at the end of each fiscal year that identifies how the State has met the goals and objectives of the previous fiscal year as stated in the IUP and grant agreement. The annual report provides information on loan recipients, loan amounts, loan terms, environmental benefits, DBE, project categories, and similar data on other forms of assistance. The annual report describes the extent to which the existing SRF financial operating policies, alone or in combination with other State financial assistance programs, will provide for the long term fiscal health of the Fund and carry out other provisions specified in the grant operation agreement.

To reduce the burden on the States, EPA developed a model annual report, patterned after the model IUP. This model is included in the SRF Management Manual.

c. State Annual Audit

Most States have agreed to conduct or to have conducted an independent financial audit of its SRF which will provide opinions on the financial statements, and a report on the internal controls and compliance with program requirements. The remaining States will be covered by audits conducted under the requirements of the Single Audit Act or by the EPA Office of Inspector General.

d. Applications for SRF Financing Assistance

Local communities and other eligible entities have to prepare and submit applications for SRF assistance to their respective State Agency which manages the SRF program. Title VI outlines eligibilities under the SRF program in terms of potential recipients, types of projects and activities which may receive SRF assistance, and the types of financial assistance which an SRF may provide. The Clean Water Act provides significant flexibility to the States regarding the development of specific procedures for reviewing and approving applications for SRF assistance and for managing the SRF program.

Specific reporting requirements which are statutorily based relate only to the relationship between the State as recipient of the Federal capitalization grant and the Agency as grantor. Similarly, the SRF Initial Guidance, the Interim Final Rule, SRF Management Manual, and other SRF program materials do not provide guidance or direction to the States regarding the development of application materials or specific procedures for the processing and disposition of applications for SRF assistance.

Generally, the applications for SRF assistance require local communities to provide the following information:

- o Project description;
- o Project cost estimate;
- o Estimated construction schedule;
- o Projected disbursement schedule;
- o Description of environmental impacts and benefits;
- o Estimation of cost impacts on users;
- o Identification of repayment source;
- o Description of community financial capability; and
- o For certain projects, certifications and demonstrations regarding compliance with applicable Title II requirements and other Federal cross-cutting authorities.

(ii) Respondent Activities

The respondents (State and local governments) prepare and submit the following in order to apply for Federal financial assistance:

- o Capitalization Grant Agreement and Application/Intended Use Plan;
- o Annual Report;
- o State Annual Audit; and
- o Applications for SRF Financing Assistance.

## **4. THE INFORMATION COLLECTED--AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

### **4(a) AGENCY ACTIVITIES**

The Agency reviews the submissions from the State and local governments and analyzes the data provided on the Capitalization Grant Agreement and Application/Intended Use Plan in order to base its decisions for approval. The Agency reviews the annual reports and the annual audits from each state to ensure that the intended financial and programmatic objectives of the program are being met.

### **4(b) COLLECTION METHODOLOGY AND MANAGEMENT**

The SRF Management Manual includes a model agreement which draws from the existing Construction Grant Agreement. Use of this example is likely to reduce the information burden on States and EPA Regions.

Section 606(c) requires the State to prepare a plan identifying the intended uses of the funds in the SRF and describing how these uses support the goals of the SRF. The Intended Use Plan (IUP) must be submitted annually, after the State has provided an opportunity for public comment and review. The primary purpose of the IUP is the identification of proposed annual intended uses of the amounts available to the SRF. The secondary purpose of the IUP is the facilitation of the negotiation process for the capitalization grant agreement and schedule of grant payments (Section 606(b)).

Under Section 606(c)(1), the IUP must contain a list of publicly-owned treatment works projects on the State's priority list that are eligible for SRF construction assistance. This IUP list includes: the community name; the permit number or other applicable enforceable requirement; the type of financial assistance; and the projected amount of eligible assistance.

Under Section 606(c)(2), the State must describe long and short term goals and objectives of its water pollution control revolving fund.



Under Section 606(c)(3), the IUP must include information on the types of activities to be supported by the SRF.

Section 606(c)(4) requires that assurances and specific proposals be contained in the IUP to describe how the State intends to meet the following requirements:

- Section 602(a)--State certification that it will conduct environmental reviews on treatment works projects and submit the specific procedures it will use.
- Section 602(b)(3)--State certification that it will enter into binding commitments. The estimated schedule for the binding commitments is a part of the IUP.
- Section 602(b)(4) -State certification that all funds in the SRF will be expended in an expeditious and timely manner.
- Section 602(b)(5)--State identification of all projects expected to be funded with "first use" funds to meet the enforceable requirements of the Act. All States have certified compliance with this requirement.
- Section 602(b)(6)--State certification that it will ensure compliance with Title II requirements. In cases where the State will not be following EPA regulations, it will submit a description of its own specific procedures for ensuring that the Title II requirements are met. It is expected that individual State procedures will not differ substantially from procedures already being followed by all the delegated States.

Section 606(c)(5) requires that the IUP describe the criteria and methods established for the distribution of the SRF funds. The first part describes the distribution of the various types of assistance offered by the State (e.g., loans, guarantees, insurance, refinancing of existing debt, leveraging). The second part describes the process the State will use to select Section 212 POTW construction projects from the project priority list, and projects or programs to be funded as eligible activities for non-point source (NPS) and estuary protection management programs. This section also includes how the State will

provide opportunity for public comment and review of the IUP before submitting it in final form to EPA.

Except for the NPS and estuarine management programs under Sections 319 and 320, the procedures for selecting projects from the State priority list and for providing for public participation have already been established under the existing Construction Grant Program. Therefore, the burden connected with this part of the IUP will also be minimal.

Payment Schedule -- Based on its projection of binding commitments in its Intended Use Plan, the State must propose a draft payment schedule. The payment schedule and the specific criteria establishing the conditions under which the State may draw cash from ASAP (Automated Standard Application for Payments system) must be jointly established by EPA and the State. A schedule of estimated disbursements is also required to allow a forecast of the amount of funds to be drawn from ASAP during the upcoming Federal fiscal year. This forecast is necessary to plan the outlay of Federal funds from the Treasury due to the Title VI program.

In its Annual Report, the State verifies that it has:

- Reviewed all SRF funded Section 212 projects in accordance with the approved environmental review procedures (Section 602(a));
- Deposited its matching funds on or before the date on which each EPA quarterly grant payment was made (Section 602(b)(2));
- Made binding commitments to provide assistance equal to 120 percent of the amount of each grant payment within one year after receiving the grant payment (Section 602(b)(4));
- Expended all monies in the fund in an expeditious and timely manner (Section 602(b)(4));
- First used all monies in the fund as a result of capitalization grants to assure maintenance of progress toward compliance with the enforceable requirements of the Act (Section 602(b)(5)); and
- Complied with the Title II and other Federal cross-cutting requirements applicable to those eligible treatment works funded

in whole or in part before fiscal year 1995 with an amount equivalent to the capitalization grant (Section 602(b)(6)).

Under Section 606(b), at least once a year the Administrator (through the Office of the Inspector General) expects the State to independently conduct or to have conducted a financial and compliance audit of its SRF and operations. The State may designate an independent auditor to carry out the audit or may contractually procure the service. If the State fails to conduct the audit or if the review is unsatisfactory, the Office of Inspector General (OIG) may arrange for an EPA audit. The OIG is currently developing an audit guide for SRFs, which should reduce the burden on States that wish to conduct their own audits and improve the efficiency of EPA reviews.

Title VI outlines eligibilities under the SRF program in terms of potential recipients, types of projects and activities which may receive SRF assistance, and the types of financial assistance which an SRF may provide. The Clean Water Act provides significant flexibility to the States regarding the development of specific procedures for reviewing and approving applications for SRF assistance and for managing the SRF program.

Specific reporting requirements which are statutorily based relate only to the relationship between the State as recipient of the Federal capitalization grant and the Agency as grantor. Similarly, the SRF Initial Guidance, the

Interim Final Rule, SRF Management Manual, and other SRF program materials do not provide guidance or direction to the States regarding the development of application materials or specific procedures for the processing and disposition of applications for SRF assistance.

The Initial Guidance and Interim Final Rule on State Revolving Funds impose virtually no requirements on States that go beyond those imposed by the Clean Water Act itself. The guidance and rule were designed to promote flexibility for States in establishing and operating their SRF programs, within the bounds of the Act.

Because the SRF is a dynamic State-led program, EPA has undertaken many activities to support the Regions and States with implementation. EPA has prepared model documents relating to intended use plans, capitalization grant agreements, and annual reports. EPA Regional personnel are regularly in contact with their

State counterparts and are currently working to determine efficient ways to communicate needed information and reduce the burden. The information collection activities will occur primarily at the program level through the State Intended Use Plan and Annual Report. The information is needed annually to implement Section 606 of the Clean Water Act (CWA). The Act requires the information to ensure national accountability, adequate public comment and review, fiscal integrity, and consistent management directed to achieve environmental objectives.

#### **4(c) SMALL ENTITY FLEXIBILITY**

A majority of the reporting burden (IUP, annual report, annual audit, etc.) is imposed on the States. For those communities / municipalities desiring financial assistance from the SRF, they will have a smaller reporting burden requirement (loan applications). For those small or local organizations requiring assistance (non-point source projects), they will also prepare loan applications similar to the communities / municipalities requirement for submittal to the State program office.

#### **4(d) COLLECTION SCHEDULE**

The information collection activities will occur primarily at the program level for use in the State Intended Use Plan and Annual Report. The information is needed annually to implement Section 606 of the Clean Water Act (CWA). The Act requires the information to ensure national accountability, adequate public comment and review, fiscal integrity, and consistent management directed to achieve environmental objectives.

### **5. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

#### **5(a) NONDUPLICATION**

The information collection elements are specific to Title VI, established under the amendments to the Clean Water Act. The information in the Intended Use Plan, Annual Report, and State Audit is unique to each State participating in the SRF program. Therefore, duplication of effort

is not expected. The information collection activities herein are based upon program specific State sources which are not duplicated anywhere else.

## **5(b) CONSULTATIONS**

The information collection requirements are subjected to the same review as the other requirements and procedures contained in the Initial Guidance. The Concept Paper, draft Initial Guidance, and draft Interim Final Rule were commented on by members of the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA), other State officials, representatives of local government, private concerns involved with municipal finance, EPA Regional and Headquarters' offices, and the Office of Management and Budget (OMB).

Some commentators objected to the level of detail required by the Draft Initial Guidance, particularly the implied need for project-by-project disbursement schedules. EPA is requiring the proposed payment schedule to be supported by an estimate of cash disbursements from the SRF at a level of detail sufficient to allow negotiations on the payment process. It is crucial that EPA have estimates of cash disbursements from each State in order to accurately project and manage the cash outlays on a national level.

## **5(c) EFFECTS OF LESS FREQUENT COLLECTION**

The statute (Clean Water Act) requires the information to be provided at least annually. EPA is not requesting the information more frequently, although a State may submit it more frequently if it wishes (e.g. semi-annual audit instead of annual audit).

The information is indispensable for prudent administration and sound fiscal management of the State Revolving Fund Program. EPA will use the information to respond to OMB and Congressional requests and requirements for accurate analysis and projection of national budget impacts and needs. It will be relied upon by State managers for key planning decisions and by EPA managers for essential program evaluation and corrective measures.

Local communities are not required to apply for SRF assistance. Preparation of an application is only necessary if the community wishes to receive financial assistance. In view of likely funding availability at the State level, only a limited number of communities will likely receive assistance in a particular year. The impact on communities generally is quite limited.

**5(d) GENERAL GUIDELINES**

The data collections covered by this ICR are in compliance with the OMB General Guidelines for information collections.

**5(e) CONFIDENTIALITY AND SENSITIVE QUESTIONS**

- (i) Confidentiality  
No confidential data is collected.
  
- (ii) Sensitive Questions  
No such information is required.

**5 (f) PUBLIC NOTICE REQUIRED PRIOR TO ICR SUBMISSION TO OMB**

The first Federal Register Notice soliciting public comment on this ICR was published August 5, 2004. A copy of the Notice is attached to the supporting statement.

**6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION**

**6(a) ESTIMATING RESPONDENT BURDEN HOURS**

The respondent burden estimates are based on the incremental effort associated with the information collection activity. As program activity increases at the local and State level the preparation and review of local community applications for SRF assistance will likely increase.

The estimation of State respondents' burden for the four information collections are shown below:

- a. Capitalization Grant Agreement and Application/State Intended Use

## Plan

We estimate that States will spend an average of 400 hours each to prepare the Capitalization Grant Agreement and Application / State Intended Use Plan for submission to EPA. The information provided for hardship grants, environmental benefits, core measurements and funding framework is included in the burden hour estimate. The following chart represents the total national burden from the Capitalization Grant Agreement and Application / State Intended Use Plan.

**FY 2008:** 51 States X 400 hrs = 20,400 burden hours  
**FY 2009:** 51 States X 400 hrs = 20,400 burden hours  
**FY 2010:** 51 States X 400 hrs = 20,400 burden hours

### b. Annual Report

EPA estimates that over the three year period covered by this ICR the States will spend an average of 275 hours to put together their Annual Report on the SRF program. The annual report will include information on hardship grants, DBE, environmental benefits, core measurements, funding framework, and input for the SRF National Information Management System.

**FY 2008:** 51 States X 275 hrs = 14,025 burden hours  
**FY 2009:** 51 States X 275 hrs = 14,025 burden hours  
**FY 2010:** 51 States X 275 hrs = 14,025 burden hours

### c. State Annual Audit

The estimated average burden for each State Annual Audit was 80 hours per year. It should be noted that all States are expected to have an annual financial audit of their program conducted, including opinions on the financial statements, and reports on internal controls and compliance with program requirements. This estimate is based on the extra increment of effort caused by the federal requirement. Some States will build on the Single Audit Act audits while others will simply have annual financial audits conducted on their program.

**FY 2008:** 51 States X 80 hrs = 4,080 burden hours  
**FY 2009:** 51 States X 80 hrs = 4,080 burden hours  
**FY 2010:** 51 States X 80 hrs = 4,080 burden hours

It is important to note that respondents may use SRF administrative monies to pay for costs resulting from the State Annual Audit. Section 603(d)(7) of the Act allows money in the SRF to be used for the reasonable costs of administering the Fund, provided that the amount does not exceed four percent of the Federal grant awards received by the State SRF. If the effort required under the State Audit exceeds the requirements under the Single Audit Act, the incremental costs associated with the additional effort may be paid from the administrative monies.

d. SRF Assistance Application Preparation and Review

States have total responsibility for reviewing and approving local applications for assistance from the SRF program. We estimate that States will spend an average of 40 hours in reviewing and approving each assistance application. The following chart represents the total national State burden in processing SRF assistance applications.

**FY 2008:** 51 States X 69 appl. X 40 hrs = 140,760 hours

**FY 2009:** 51 States X 74 appl. X 40 hrs = 150,960 hours

**FY 2010:** 51 States X 79 appl. X 40 hrs = 161,160 hours

Total                    177 appl.                    452,880 hours

States develop specific procedures and reporting and application materials for SRF assistance applicants. We estimate that local communities and tribes will spend an average of 60 hours in collecting information and preparing their SRF assistance applications. The following chart represents the total national local community burden in preparing SRF assistance applications.

**FY 2008:** 3,519 Comm. X 60 hrs = 211,140 burden hours

**FY 2009:** 3,774 Comm. X 60 hrs = 226,440 burden hours

**FY 2010:** 4,029 Comm. X 60 hrs = 241,740 burden hours

Total 11,322 Comm.                    679,320 burden hours

Average Annual State Burden Hours (FY 2008-2010):



<b>Hours</b>	<b>ICR</b>	<b>Hours</b>	
		<b><u>per State</u></b>	<b><u>all States</u></b>
61,200	Capitalization Grant Agreement and Application / State Intended Use Plan	1,200	
	Annual Report	825	42,075
12,240	State Annual Audit	240	
452,880	Application Review	8,880	
	Total State Burden Hrs. (FY 2008-2010)	11,145	568,395
	Average Annual State Burden Hours (FY 2008-2010)	3,715	189,465
Total Local Community Burden Hours (FY 2008-2010):			
	<b><u>ICR</u></b>	<b><u>Hours per Comm.</u></b>	<b><u>Hours all Comm.</u></b>
	Application Preparation	180	679,320

Average Annual Local Community Burden Hours (FY 2008-2010):

<b>ICR</b>	<b>Hours per Comm</b>	<b>Hours all Comm.</b>
Application Preparation	60	226,440

Total Local Community Respondents (FY 2008 - 2010)	11,322
Average Local Community Respondents (FY 2008 - 2010)	3,774

**6(b) ESTIMATING RESPONDENT COSTS**

a. Costs To State Respondents

The average annual State Costs for the three-year period is estimated to be \$5,457,000

It is important to note that costs to the States are grant eligible, and therefore, are indirect Federal costs paid out of the SRF. Under section 603(d)(7), money in the SRF may be used for the reasonable costs of administering the Fund, provided that the amount does not exceed four percent of all grant awards received by the SRF. SRF administrative monies may be used for all reasonable costs that would be eligible under section 205(g) for delegated program and project management, to the extent those types of costs are incurred for management of the SRF and for projects receiving financial assistance from the SRF. (If actual State expenditures for administrative costs of managing the SRF exceed the four percent limit, the excess costs must be paid from other State monies.)

A small sample of State respondents were selected for interviews for assessing costs and hourly burden. The respondents provided estimates for the costs associated with the information collection activity. The estimates were averaged for the four individual activities involving information collections that have already been described. The averages were multiplied to reflect participation by all States in the SRF program and by the States' reported FTE (full-time employee) direct labor costs.

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**FY 2008**

	<b><u>ICR</u></b>	<b><u># States</u></b>	<b><u>Hours</u></b>	<b><u>\$/Hour</u></b>	<b><u>\$ Cost</u></b>
Capitalization Grant Agreement and Application/Intended Use Plan					
- Initial Plan	51	300	30.00**	459,000	

- Revised Plan	51	60	30.00**	91,800
Annual Report	51	175	30.00**	267,750
State Audit	51	80	30.00**	122,400
Appl. Review	3,519	40	30.00**	4,222,280
Total FY 2008 State Cost				\$5,163,750

\*\* State salary cost is figured at \$25.00 per hour to cover technically trained personnel plus an additional ADP cost of \$5.00 per hour = \$30.00 total per hour.

### FY 2009

	<u>ICR</u>	<u># States</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Capitalization Grant Agreement and Application/Intended Use Plan					
- Initial Plan	51	250	30.00**	382,500	
- Revised Plan	51	50	30.00**	76,500	
Annual Report	51	200	30.00**	306,000	
State Audit	51	80	30.00**	122,400	
Appl. Review	3,774	40	30.00**	4,528,800	
Total FY 2009 State Cost				\$5,416,200	

### FY 2010

	<u>ICR</u>	<u># States</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Capitalization Grant Agreement and Application/Intended Use Plan					
- Initial Plan	51	250	30.00**	382,500	
- Revised Plan	51	50	30.00**	76,500	
Annual Report	51	250	30.00**	382,500	
State Audit	51	75	30.00**	114,750	
Appl. Review	4,029	40	<u>30.00**</u>	<u>4,834,800</u>	

Total FY 2010 State Cost	\$5,791,050
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<u>Total State costs (FY 2008-2010)</u>	\$16,371,000
<u>Average annual State cost over 3-year period</u>	\$5,457,000
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b. COSTS TO LOCAL RESPONDENTS

Local communities may incur costs in identifying and evaluating their water quality problems. Likewise, communities may need to absorb costs related to the development and evaluation of alternative planning and engineering approaches for solving the water quality problems. These planning and design costs may be eligible for SRF assistance at a State's option. For the purpose of this information collection, only the direct costs associated with preparation of the application for SRF financial assistance are reported.

During the period of this information collection activity, the SRF program will experience growth in the number of communities which receive SRF financial assistance. The number of communities in each State will vary significantly according to the funding available, the types of projects to be assisted, the average cost/size of projects, and other factors. The Agency estimates that the number of local communities to receive SRF assistance during the period of this information collection to be as follows: 2008 - 69 per State; 2009 - 74 per State; 2010 - 79 per State.

Only communities which desire financial assistance from the SRF will prepare applications. Therefore, this information collection will pertain only to a limited number of communities. The specific requirements and complexity of application materials varies widely among the States which are responsible for SRF program implementation and management. The Agency estimates that on average, communities will spend approximately 60 hours in completing their SRF assistance applications.

**FY 2008**

	<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>	
Appl. Prep.	3,519		60	25.00	\$5,278,500	_____

**FY 2009**

	<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Appl. Prep.		3,774	60	25.00	\$5,661,000

**FY 2010**

	<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Appl. Prep.	4,029	60	25.00		\$6,043,500

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<u>Total Local costs (FY 2008-2010)</u>					\$16,983,000
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<u>Average annual local cost over 3-year period</u>					\$5,661,000
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**6(c) ESTIMATING AGENCY BURDEN AND COST**

Estimation of the direct costs to EPA to implement the SRF Program covers negotiation and analysis of the Intended Use Plan (including Capitalization Grant Agreement and Application), and assessment of State performance and compliance through the Annual Report and State Audit. Analysis of documents, information, and data includes receipt, validation, verification, and evaluation.

Authorization for the SRF Program expired in FY 1994, however, since future appropriations for the program are anticipated, States will continue to submit applications for capitalization grants. Many States are expected to make modifications to their programs. These changes may include new funding approaches (e.g., leveraging funds, alternative sources for required State matching funds), revised environmental procedures, and alternative methods to assure compliance

The average annual Federal cost of \$1,571,140 over the three-year period was estimated as follows:

		<b>FY 2008</b>	
		<u>ICR Hours</u> <u>\$ Cost</u>	<u>\$/Hour</u>
EPA HQ Review of IUP and Agreement Materials (20 hrs per State submission)	1,020 43,860	43.00*	
EPA Regions' Review of IUP and Agreement Materials (350 hrs per State submission)	17,850	36.00**	642,600
EPA HQ Oversight Review of Annual Report/Audit (20 hours per State submission)	1,020	43.00*	43,860
EPA Regions' Oversight Review of Annual Report/Audit (400 hours per State submission)	20,400 734,400	36.00**	
<b>Total FY 2008 Federal</b>	<u>40,290</u>		<b>\$1,464,720</b>

\* GS 13/5, including PC&B (personnel compensation and benefits).

\*\* GS 12/5, including PC&B.

**FY 2009**

<u>ICR</u> <u>Cost</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$</u>
EPA HQ Review of IUP and Agreement Materials (15 hours per State submission)	765	43.00*	32,895
EPA Regions' Review of IUP and Agreement Materials (350 hours per State submission)	17,850	36.00**	642,600
EPA HQ Oversight Review of Annual Report/Audit (30 hours per State submission)	1,530	43.00*	65,790
EPA Regions' Oversight Review of Annual Report/Audit (450 hours per State submission)	22,950	36.00**	826,200
Total FY 2009 Federal	43,095		\$1,567,485

**FY 2010**

<u>ICR</u>	<u>Hours</u>	<u>S/Hour</u>	<u>\$ Cost</u>
EPA HQ Review of IUP	765	43.00*	32,895

and Agreement Materials  
(15 hours per State  
submission)

EPA Regions' Review of IUP and Agreement Materials (350 hours per State submission)	17,850	36.00**	642,600
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EPA HQ Oversight Review of Annual Report/Audit (40 hours per State submission)	2,040	43.00*	87,720
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EPA Regions' Oversight Review of Annual Report/Audit (500 hours per State submission)	25,500	36.00**	918,000
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Total FY 2010 Federal	46,155		\$1,681,215
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Total Federal costs (FY 2008-2010)			\$4,713,420
			Average annual cost over 3-year period
			\$1,571,140

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Total Federal Burden Hours (FY 2008-2010)	129,540
Average Annual Federal Burden Hours	43,180

Hourly Federal Cost	\$36.38
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**6(d) BOTTOM LINE BURDEN HOURS AND COSTS / BURDEN  
TABLES**

(i) Respondent Burden (FY 2008-2010)

Total State Burden Hours	568,395
Average Annual State Burden Hours	189,465
Total State Costs	\$16,371,000



Average Annual State Costs	\$5,457,000
Hourly State Cost	\$28.80
Total Local Burden Hours	679,320
Average Annual Local Burden Hours	226,440
Total Local Costs	\$16,983,000
Average Annual Local Costs	\$5,661,000
Hourly Local Cost	\$25.00
Total Average Annual Respondents (State and Local)	3,825
Total Average Annual Respondent (State and local) Burden Hours	415,905
Total Average Annual Respondent (State and Local) Cost	\$11,118,000
Total Number of Annual Burden Hours / per respondent	108.7333
(ii) <u>The Agency Tally (FY 2008-2010)</u>	
Total Federal Costs	\$4,713,420
Average Annual Federal Costs	\$1,571,140
Total Federal Burden Hours	129,540
Average Annual Federal Burden Hours	43,180
Federal Cost per hour	\$36.38

**6(e) REASONS FOR CHANGE IN BURDEN**

The change in the State and local respondent burden of 76,500 hours is attributed to an increased estimate on the number of respondents interested in receiving SRF loans (adjustment). The previous ICR estimated the number of respondents to be 3,060, while this ICR estimates the number of respondents to be 3,825. More entities will be applying for SRF loans than in previous years.

## **6(f) BURDEN STATEMENT**

Average annual State and local burden for this ICR is estimated to be 415,905 hours; and average annual Federal burden is estimated to be 43,180 hours. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to Susan Auby, U.S. Environmental Protection Agency, Collection Strategies Division (Mail Code 2822), 1200 Pennsylvania Avenue, N.W., Washington, DC 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB), 725 17th St., N.W., Washington, DC 20503, marked "Attention: Desk Officer for EPA." Comments are requested within [Insert date 30 days after publication in the FEDERAL REGISTER]. Include the ICR number in any correspondence.