

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

EPA ICR Number 1391.10  
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 (Renewal)"  
(OMB Control Number 2040-0118, EPA ICR Number 1391.10)

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

The information collection activities will occur primarily at the program level, Clean Water State Revolving Fund (CWSRF) Base Program and the CWSRF American Recovery and Reinvestment Act (ARRA) Program, 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 Intended Use Plan (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 the Environmental Protection Agency (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 Clean Water State Revolving Fund

(CWSRF) National Information Management System. The Report also describes the extent to which the existing CWSRF financial operating policies, alone or in combination with other State financial assistance programs, will provide for the long-term fiscal health of the Fund.

**c. State Annual Audit**

The State annual audit report will contain opinions on the financial statements of the CWSRF, a report on the internal controls, and whether the CWSRF 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 CWSRF Financing Assistance**

Local communities have the responsibility for preparing and submitting applications for CWSRF assistance to their respective State Agency which manages the CWSRF 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 CWSRF.

## **1(c) Terms of Clearance**

### **For the prior ICR 1391.09, OMB provided the following Terms of Clearance (TOC):**

“This change to the Clean Water State Revolving Fund (CWSRF) Program ICR, to implement provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), is approved. This change transfers 455,318 hours of burden from Emergency ICR 2030-0046, which expires on Sept 30, 2009, to this ICR, and approves EPA’s collection of 6 additional data items required by EPA to meet the requirements of ARRA that were not previously approved under this ICR. These are: Principal Forgiven/Negative Interest/Grant Amount (subsidy); Last Construction Contract Executed (Date); Construction Start Date; Construction Completed Date; Is Project Green Infrastructure; and Green Infrastructure Amount. The additional burden primarily reflects the increase in grant applicants and awards expected as a result of ARRA, as well as accounting for the new reporting requirements. Additionally, OMB notes that EPA is providing States with the options of entering information required under ARRA Section 1512 into the CWSRF Benefits Reporting System (CBRS). This option provides states with an ARRA data entry mechanism to improve data quality and consistency of reported information. Once the information is entered in CBRS, States can download a spreadsheet formatted for direct upload into FederalReporting.gov. However, since recipients are required to submit the Section 1512 data directly to FederalReporting.gov, States will need to submit those data on their own accord on a quarterly basis beginning in October 2009 as stipulated in the final OMB reporting guidance. The collection of Section 1512 data in FederalReporting.gov is separately authorized by OMB control number 0430-0004. This option (to report 1512 data to CBRS and download a spreadsheet formatted for FederalReporting.gov) is purely voluntary; States wishing to use some other method of reporting to FederalReporting.gov are free to do so. It is intended merely to assist States in their 1512 reporting. OMB understands that when EPA renews this collection (which expires on 12/31/2010), the above listed items will be incorporated into the supporting statement for the ICR. Additionally, EPA will include these specific items in the two requests for public comment that precede the submission of the ICR to OMB.”

## **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. The information activities are pursuant to Section 606 of the Act, EPA Initial Guidance for State Revolving Funds (January 1988), and CWSRF 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.

EPA and the public, needs the information collected on the ARRA Program to access whether funds under the Act were used for authorized purposes, to evaluate whether program goals were achieved, and to ensure that instances of fraud, waste, error, and abuse are mitigated. EPA will report information in recipient's quarterly reports at a web site so that recipients and uses of all funds are transparent to the public. EPA will report the public benefit of the funds in a clear, accurate, and timely manner.

### **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 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 CWSRF program. Once the CWSRF is operational, the State will receive and review applications for CWSRF financing assistance submitted by local communities. The State will review the applications for conformance with the CWSRF 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 CWSRF Initial Guidance and other CWSRF 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 CWSRF programs as part of its Annual Review process, the Agency does not have any responsibility for reviewing or approving individual applications for CWSRF financial assistance.

EPA and the public will use the ARRA Program information to oversee the recipient's programmatic and financial performance under the Act. For example, the information in a recipient's quarterly report will enable EPA and the public to assess whether program goals were achieved, including specific program outcomes and improved results on broader economic indicators.

### **3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION**

#### **CRITERIA**

#### **3(a) NONDUPLICATION**

The information collection elements are specific to Title VI, established under the amendments to the CWA. The information in the Intended Use Plan, Annual Report, and State Audit is unique to each State participating in the CWSRF 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.

#### **3(b) PUBLIC NOTICE REQUIRED PRIOR TO ICR SUBMISSION TO OMB**

The first Federal Register Notice soliciting public comment on this ICR was published July 11, 2011 (76 FR 40723) under Document ID: EPA-HQ-OW-2004-0015.

#### **3(c) CONSULTATIONS**

The information collection requirements were developed during the initial stages of the program, and were reviewed and commented on by the groups that would be impacted; such as State officials, representatives of local government, private concerns involved with municipal finance, EPA regional and Headquarters' offices, and the Office of Management and Budget. The Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) also reviewed and commented on the requirements. As the program progressed through the years, there were minor changes made to the requirements, mostly due to reporting burden increases resulting from an increase in the number of loan applicants. These changes were reviewed and commented on by the impacted organizations as a result of the Federal Register postings every 3 years during the renewal process.

The burden hours did double for one year in 2009, due to the infusion of \$4 billion dollars into the SRF program from the American Recovery and Reinvestment Act of 2009. However, these burden hours were approved by OMB on a separate ICR developed by the EPA Grants

Administration Division; and these hours allowed have since been dropped from the Agency's data collection budget for the SRF program.

**3(d) 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 CWSRF assistance. Preparation of an application is only necessary if the community wishes to receive financial assistance. In view of the limitation of funds available from the CWSRF and the option of other sources, a limited number of communities will likely receive assistance in a particular year. The impact on communities generally is quite limited.

**3(e) GENERAL GUIDELINES**

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

**3(f) CONFIDENTIALITY**

No confidential data is collected.

**3(g) SENSITIVE QUESTIONS**

No such information is required.

**4. THE RESPONDENTS AND THE INFORMATION**



## **REQUESTED**

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

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

### **4(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 CWSRF 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 CWSRF 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 CWSRF 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 CWSRF Management Manual.

**c. State Annual Audit**

Most States have agreed to conduct or to have conducted an independent financial audit of its CWSRF 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 CWSRF Financing Assistance**

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

**e. National Program Evaluation**

EPA has the responsibility of evaluating the overall effectiveness of the CWSRF program. Studies will be conducted annually on program progress and environmental outcomes. Much of the data to support such studies is available in capitalization grant applications, annual reports and audits. However, in limited circumstances, it is necessary to get information directly from communities that have received assistance. For instance, data

on the application experience, data on post construction project performance, etc. These studies will complete the public program development, implementation, and evaluation. The evaluation serves as a feedback loop so that the program efficiency and effectiveness can be improved.

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 CWSRF Initial Guidance, the Interim Final Rule, CWSRF Management Manual, and other CWSRF 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 CWSRF assistance.

Generally, the applications for CWSRF 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 Capitalization Grant Agreement and Application / Intended Use Plan when applying for Federal financial assistance.

For the Clean Water State Revolving Fund ARRA Program, EPA estimates that 51 recipients will prepare / submit reports to EPA, prepare work plans and annual reports, and participate in audit activities. EPA estimates that 3,060 organizations will submit applications for funding and 1,400 sub-recipients will prepare / submit reports to the prime recipient. In addition, EPA estimates

that 56 recipients will submit reports under 604(b) of the Clean Water Act.

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

### **5(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.

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

The CWSRF 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 CWSRF and describing how these uses support the goals of the CWSRF. 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 CWSRF. 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)(I), the IUP must contain a list of publicly-owned treatment works projects on the State's priority list that are eligible for CWSRF 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 CWSRF.

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 CWSRF 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 606(c)(5) requires that the IUP describe the criteria and methods established for the distribution of the CWSRF 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 CWSRF 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 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)); crosscutters still apply

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 CWSRF 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 CWSRFs, 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 CWSRF program in terms of potential recipients, types of projects and activities which may receive CWSRF assistance, and the types of financial assistance which an CWSRF may provide. The CWA provides significant flexibility to the States regarding the development of specific procedures for reviewing and approving applications for CWSRF assistance and for managing the CWSRF 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 CWSRF Initial Guidance, Interim Final Rule, CWSRF Management Manual, and other CWSRF 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 CWSRF 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 CWA itself. The guidance and rule were designed to promote flexibility for States in establishing and operating their CWSRF programs, within the bounds of the Act.

Because the CWSRF 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 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(c) SMALL ENTITY FLEXIBILITY**

A majority of the reporting burden (IUP, annual report, annual audit, falls on the States. For those communities / municipalities desiring financial assistance from the CWSRF, 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.

**5(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 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.

**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 CWSRF 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.

<b>FY 2012:</b>	51 States X 400 hrs =	20,400 burden hours
<b>FY 2013:</b>	51 States X 400 hrs =	20,400 burden hours
<b>FY 2014:</b>	51 States X 400 hrs =	20,400 burden hours
	Total	1,200 hrs                  61,200 hrs

**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 CWSRF program. The annual report will include information on hardship grants, DBE, environmental benefits, core measurements, funding framework, and input for the CWSRF National Information Management System.

<b>FY 2012:</b>	51 States X 275 hrs =	14,025 burden hours
<b>FY 2013:</b>	51 States X 275 hrs =	14,025 burden hours
<b>FY 2014:</b>	51 States X 275 hrs =	14,025 burden hours
	Total	825 hrs                      42,075 hrs

**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 2012:** 51 States X 80 hrs = 4,080 burden hours  
**FY 2013:** 51 States X 80 hrs = 4,080 burden hours  
**FY 2014:** 51 States X 80 hrs = 4,080 burden hours  
Total            240 hrs                            12,240 hrs

It is important to note that respondents may use CWSRF administrative monies to pay for costs resulting from the State Annual Audit. Section 603(d)(7) of the Act allows money in the CWSRF 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 CWSRF. 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. CWSRF Assistance Application Preparation and Review**

States have total responsibility for reviewing and approving local applications for assistance from the CWSRF 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 CWSRF assistance applications.

**FY 2012:** 51 States X 74 Comm. appl. X 40 hrs = 150,960 hours  
**FY 2013:** 51 States X 79 Comm. appl. X 40 hrs = 161,160 hours  
**FY 2014:** 51 States X 84 Comm. appl. X 40 hrs = 171,360 hours  
Total            237 Comm. appl.                            483,480 hours

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

**FY 2012:** 3,774 Comm. X 60 hrs = 226,440 burden hours  
**FY 2013:** 4,029 Comm. X 60 hrs = 241,740 burden hours  
**FY 2014:** 4,284 Comm. X 60 hrs = 257,040 burden hours  
 Total 12,087 Comm. 725,220 hrs

**Average Annual State Burden Hours (FY 2012-2014):**

<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	
483,480	Application Review	9,480	
	Total State Burden Hrs. (FY 2012-2014)	11,745	598,995
	Average Annual State Burden Hours (FY 2012-2014)	3,915	199,665

**Total Local Community Burden Hours (FY 2012-2014):**

<b>ICR</b>	<b>Hours per Comm.</b>	<b>Hours all Comm.</b>
Application Preparation	60	725,220

**Average Annual Local Community Burden Hours (FY 2012-2014):**

<b>ICR</b>	<b>Hours per Comm.</b>	<b>Hours all Comm.</b>
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Application Preparation	60	241,740
Total Local Community Respondents (FY 2012 - 2014)		12,087
<u>Average Local Community Respondents</u> (FY 2012 - 2014)		4,029

**6(b) ESTIMATING RESPONDENT COSTS**

**a. Costs To State Respondents**

The average annual State Costs for the three-year period is estimated to be \$6,389,280

It is important to note that costs to the States are CWSRF grant eligible, and therefore, are indirect Federal costs paid out of the CWSRF. Under section 603(d)(7), money in the CWSRF 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 CWSRF. CWSRF 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 CWSRF and for projects receiving financial assistance from the . (If actual State expenditures for administrative costs of managing the CWSRF exceed the four percent limit, the excess costs must be paid from other State monies.)

A small sample of State respondents were initially selected during program implementation 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 CWSRF program and by the States' reported FTE (full-time employee) direct labor costs.

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<u>ICR</u>	<u># States</u>	<u>FY 2012</u> <u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
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Capitalization Grant Agreement and Application/Intended Use Plan

- Initial Plan	51	300		32.00**	489,600
- Revised Plan	51	100		32.00**	163,200
Annual Report	51	275		32.00**	448,800
State Audit	51	80		32.00**	130,560
Appl. Review	51	74*	40	32.00**	4,830,720
Total FY 2012 State Cost					\$6,062,880

\* communities

\*\* State salary cost is figured at \$27.00 per hour to cover technically trained personnel plus an additional ADP cost of \$5.00 per hour = \$32.00 total per hour.

**FY 2013**

**ICR      # States      Hours      \$/Hour      \$ Cost**

Capitalization Grant Agreement and Application/Intended Use Plan

- Initial Plan	51	300		32.00**	489,600
- Revised Plan	51	100		32.00**	163,200
Annual Report	51	275		32.00**	448,800
State Audit	51	80		32.00**	130,560
Appl. Review	51	79*	40	32.00**	5,157,120
Total FY 2013 State Cost					\$6,389,280

\*communities

**FY 2014**

**ICR      # States      Hours      \$/Hour      \$ Cost**

Capitalization Grant Agreement and Application/Intended Use Plan

- Initial Plan	51	300		32.00**	489,600
- Revised Plan	51	100		32.00**	163,200

Annual Report	51	275	32.00**	448,800	
State Audit	51	80	32.00**	130,560	
Appl. Review	51	84*	40	32.00**	5,483,520
Total FY 2014 State Cost				\$6,715,680	

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Total State costs (FY 2012-2014) \$19,167,840

Average annual State cost over 3-year period \$6,389,280

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\* communities

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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 CWSRF assistance at a State's option. For the purpose of this information collection, only the direct costs associated with preparation of the application for CWSRF financial assistance are reported.

During the period of this information collection activity, the CWSRF program will experience growth in the number of communities which receive CWSRF 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 CWSRF assistance during the period of this information collection to be as follows: 2012 - 74 per State; 2013 - 79 per State; 2014 - 84 per State.

Only communities which desire financial assistance from the CWSRF 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 CWSRF program

implementation and management. The Agency estimates that on average, communities will spend approximately 60 hours in completing their CWSRF assistance applications.

**FY 2012**

<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>	
Appl. Prep.	3,774	60	27.00	\$6,113,880	_____

**FY 2013**

<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Appl. Prep.	4,029	60	27.00	\$6,526,980

**FY 2014**

<u>ICR</u>	<u># Communities</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
Appl. Prep.	4,284	60	27.00	\$6,940,080

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<u>Total Local costs (FY 2012-2014)</u>	\$19,580,940
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<u>Average annual local cost over 3-year period</u>	\$6,526,980
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**6(c) ESTIMATING AGENCY BURDEN AND COST**

Estimation of the direct costs to EPA to implement the CWSRF 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 CWSRF 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 \$1,766,640 over the three-year period was estimated as follows:



**FY 2012**

<u>Cost</u>	<u>ICR</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$</u>
EPA HQ Review of IUP and Agreement Materials (15 hrs per State submission)		765	48.00*	36,720
EPA Regions' Review of IUP and Agreement Materials (350 hrs per State submission)		17,850	40.00**	714,000
EPA HQ Oversight Review of Annual Report/Audit (40 hours per State submission)		2,040	48.00*	97,920
EPA Regions' Oversight Review of Annual Report/Audit (400 hours per State submission)		20,400	40.00**	816,000
Total FY 2012 Federal		41,055		\$1,664,640

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

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

**FY 2013**

	<u>ICR</u>	<u>Hours</u>	<u>\$/Hour</u>	<u>\$ Cost</u>
EPA HQ Review of IUP and Agreement Materials		765	48.00*	36,720

(15 hours per State submission)

EPA Regions' Review of 714,000 IUP and Agreement Materials (350 hours per State submission)

17,850 40.00\*\*

EPA HQ Oversight Review of Annual Report/Audit (40 hours per State submission)

2,040 48.00\* 97,920

EPA Regions' Oversight 918,000 Review of Annual Report/Audit (450 hours per State submission)

22,950 40.00\*\*

Total FY 2013 Federal

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43,605

\$1,766,640

**FY 2014**

<b><u>ICR</u></b>	<b><u>Hours</u></b>	<b><u>S/Hour</u></b>	<b><u>\$ Cost</u></b>
EPA HQ Review of IUP and Agreement Materials (15 hours per State submission)	765	48.00*	36,720
EPA Regions' Review of IUP and Agreement Materials (350 hours per State submission)	17,850	40.00**	714,000
EPA HQ Oversight Review of Annual Report/Audit (40 hours per State submission)	2,040	48.00*	97,920
EPA Regions' Oversight Review of Annual Report/Audit (500 hours per State submission)	25,500	40.00**	1,020,000
Total FY 2014 Federal	<u>46,155</u>		\$1,868,640
Total Federal costs (FY 2012-2014)			
Base Program		\$5,299,920	
ARRA Program		\$3,230,948	
Average annual cost over 3-year period			
Base Program		\$1,766,640	
ARRA Program		\$1,076,982	
Total Federal Burden Hours (FY 2012-2014)			
Base Program		130,815	
ARRA Program		80,804	
Average Annual Federal Burden Hours			
Base Program		43,605	
ARRA Program		26,934	

Hourly Federal Cost	
Base Program	\$44.00
ARRA Program	\$39.99

**6(d) BOTTOM LINE BURDEN HOURS AND COSTS / BURDEN TABLES**

**(i) Respondent Burden (FY 2012-2014)**

Total State Burden Hours	
Base Program	598,995
ARRA program	638,010
Average Annual State Burden Hours	
Base Program	199,665
ARRA Program	212,670
Total State Costs	
Base Program	\$19,167,840
ARRA Program	20,416,320
Average Annual State Costs	
Base Program	\$6,389,280
ARRA Program	6,805,440
Hourly State Cost	
Base Program	\$32.00
ARRA Program	32.00
Total Local Burden Hours	
Base Program	725,220
ARRA Program	455,316
Average Annual Local Burden Hours	
Base Program	241,740
ARRA Program	151,772
Total Local Costs	
Base Program	\$19,580,940
ARRA Program	12,291,142

Average Annual Local Costs		
Base Program		\$6,526,980
ARRA Program		4,097,047
Hourly Local Cost		
Base program		\$27.00
ARRA Program		27.00
Total Average Annual Respondents (State and Local)		
Base Program		8,262
ARRA Program		4,669
Total Average Annual Respondent (State and local) Burden Hours		
Base Program		441,405
ARRA Program		364,442
Total Average Annual Respondent (State and Local) Cost		
Base Program		\$12,916,260
ARRA Program		10,902,487
Total Number of Annual Burden Hours / per respondent		
Base Program		53.43
ARRA Program		78.06

**(ii) The Agency Tally (FY 2012-2014)**

Total Federal Costs		
Base Program		\$5,299,920
ARRA Program		3,230,948
Average Annual Federal Costs		
Base Program		\$1,766,640
ARRA Program		1,076,982
Total Federal Burden Hours		
Base Program		130,815
ARRA Program		80,804
Average Annual Federal Burden Hours		

Base program	43,605
ARRA Program	26,934
Federal Cost per hour	
Base Program	\$44.00
ARRA Program	39.99

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

In the previous ICR 1391.09, the change in the State and local respondent burden of 455,318 hours was attributed to an increased estimate on the number of respondents receiving CWSRF loans under the ARRA Program (adjustment). The previous ICR estimated the number of respondents in the base program to be 3,825, while this ICR estimates the number of respondents in the base program to be 8,262, plus an additional 4,669 ARRA respondents. More entities will be applying for CWSRF loans in the base program than in previous years.

**6(f) BURDEN STATEMENT**

Average annual State and local burden for this ICR is estimated to be 441,405 hours for the base program, and an additional 364,442 hours for the ARRA Program. The average annual Federal burden for the base program is estimated to be 43,605 hours, with an additional 26,934 hours for the ARRA program. 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.

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 53.43 hours per response for the base program and 78.06 hours per response for the ARRA program. 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 Number EPA-HQ-OW-2004-0015, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), or in person viewing at the Office of Water Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. 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 Office of Water Docket is (202) 566-2426. An electronic version of the public docket is available at [www.regulations.gov](http://www.regulations.gov). This site can be used 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. When 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, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OW-2004-0015 and OMB Control Number 2040-0118 in any correspondence.