THE RECORD OF PUBLIC HEARINGS ON POSSIBLE ADMINISTRATION PROPOSALS TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT (P.L. 92-500) AS IT RELATES TO THE MUNICIPAL WASTE TREATMENT CONSTRUCTION GRANTS PROGRAM

Prepared by
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U.S. ENVIRONMENTAL PROTECTION AGENCY
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Public Hearing

on

Possible Administration Proposals

to Amend the

FEDERAL WATER POLLUTION CONTROL ACT

Amendments of 1972

Landcaster Hall
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APPEARANCES

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P R O C E E D I N G S

MR. RAVAN:

I'm looking out there in the audience this morning, looking to see where all the lady engineers are this morning. We have Pat from Washington, D.C., but she's part of our team, which makes her part of your team. So, I can say, so far this morning: Lady and gentlemen, welcome to the lower levels of the Hyatt Regency in the great metropolis of Atlanta, Georgia, the crossroads of the South, somebody said.

Mayor Hartsfield, who used to by mayor here, who got Hartsfield Airport going maybe some of you know maybe some of you help build it -- said, "There ain't nothing sexy about sewers, but we've got to have some." That's what we're going to be talking about today.

More formally, we're going to be addressing ourselves to public hearings on possible administration proposals to amend the Federal Water Pollution Control Act, as amended, 92-500, relating to municipal wastewater treatment grants. I think most of you are aware of it, now that you have a piece of paper available here, at the outer table, concerning the four or five amendments that have been talked about for a possibility.

Obviously, the amendments, the substance of those amendments, things like changing the percentage of the federal share, are near and dear to all of our hearts. And I'm certain, in my own mind -- and I can already feel some of it here in the room this morning -- that there is a good deal of emotion involved here; and we want you to express your feelings, ideas and emotions to us -- if you care to.

But, so far, I think we're going to start with some basic groundrules. I think about fifteen minutes per speaker. So, if you want to be clear, lucid, concise, brief and to the point, that will be helpful. And if you'll also submit, obviously, your comments in written form to the stenographer here, the recorder for this meeting; this is a public meeting, it's a public forum, completely on record. And that record will be developed not only here in Atlanta but in two or three other cities across the nation and in Washington, D.C., also.

We welcome you on the part and behalf of the Environmental Protection Agency, Washington, D.C., as well as Region IV here in Atlanta, We're glad you have taken the time, we appreciate you taking the time, and this opportunity to comment on these proposed amendments.

We're going to run the Chair this morning with three people. Let me briefly introduce who those are.

I think most of you are familiar with Jack Rhett, on the right-hand side of the table here -- that does not mean he is more right than I am right, or it does not mean Al Alm is a center-of-the-road guy. It's just the way that some lady but the nameplaces up there.

Jack Rhett, as you know, hails from the "High School on the Hudson," a place about which he and I know just a little bit about. He related to me this morning coming into the room how he had returned there just recently for his thirtieth reunion day at the United States Military Academy at West Point, New York. And some of you -- I know I am -- are very familiar with the fact that just outside of the gates, strategically, tactically well-located, is a Catholic girls' school. Now, I don't know whether the Pope figured out that location or whether some mother superior did, but I can attest to the fact that it's stategically and tactically located. I can also attest to the fact that there are extremely high walls on both sides of the street. And I don't know that those walls were ever penetrated; to the best of my knowledge and belief, they were not.

Anyway, Jack Rhett goes back up there the other day to re-estab-- re-establishing himself and getting filled with that stuff they put in your blood up there -- and it's good stuff, let me tell you. And he slept, he and his wife slept, for lack of quarters in that area -- there's only one hotel and a few barracks and other facilities, but it's not anywhere near adequate to handle the crowds that do come back for reunion time -- and he slept, he and his wife stayed at the Catholic school there in Highland Falls. And he told the mother superior, he told her on the way out the door, he said, "You know, I tried for four years to be able to sleep in this place -- and I finally made it thirty years later."

(Chuckles)

MR. RAVAN:

And I'm sure she appreciated that.

Jack Rhett's a fine fellow. He's spent twenty-seven years doing his thing for the United States of America in the form of the Corps of Engineers, both military and civil works. His record is -- His performance is a matter of record. And we're lucky to have him as a part of the Environmental Protection Agency, especially in this construction program; and he does serve as the deputy assistant administrator in water programs area, working specifically and directly for Jim Agiew, whom, as some of you know, is the assistant administrator.

Of course, I'm the regional administrator here in Atlanta.

And our featured speaker here this morning, our spokesman, if you will, on these amendments, also our assistant administrator for planning and management, is Mr. Al Alm.

Al Hails from Denver. He did his basic work there at -- degree work at the University of Denver. He's a long-time familiar employee with the United States Government. He's had experience, beginning in 1961, with the Atomic Energy Commission. He gained significant experience and in-depth knowledge of various construction programs through his work at the what was then known as the Bureau of the Budget as the budget examiner, now known as the Office of Management and Budget, in Washington. He left the Office of Management and Budget -- there's only so much that you can do there -- and, having done his thing -- and I can attest to the fact that he is extremely expert in his area -- he joined the Council of Environmental Quality, and in '70, '71 and '72 worked on the various amendments, in depth, personally, that now constitute 92-500.

He has a tremendous amount of experience with regard to the management of this program, and now serves, again, as assistant administrator for planning and management, working directly for Mr. Russel Train, who is, as you know, our national administrator.

Without further ado, I introduce to you, at this time, Mr. Al Alm, who will serve as our chairman throughout the day. And, anytime there needs to be groundrules changed, or that sort of thing, Al will rule from the Chair.

And we will now hear opening remarks on behalf of the Environmental Protection Agency. Al.

MR. ALM:

Good morning.

I'm delighted to be here and delighted to get the participation that we are in Atlanta. Due to something somewhat new, we are soliciting the advice of the affected community in terms of the wastewater treatment facilities grant program.

It reminds you a little bit of the story of the mountain-climber getting toward the top of the mountain, and he slips and falls and grabs on to a branch. He looks down and it's thousands of feet to the bottom of the mountain, and he looks up to the sky; and he says, "Is there somebody up there?" And a voice comes down: "Yes, my son." And the fellow explains his dilemma; he's holding on to the branch, no visible way of getting out of there. And he said, "What do I do?" And the voice comes down: "Have faith. Let go of the branch. You'll be saved." The fellow looks up, looks down, looks back up and says, "Is there anybody else up there?"

(Laughter)

MR. ALM:

Well, we plan to do better, now: We plan to seriously take the advice that we get in this series of hearings. This is the first of a series. The others will be held in Kansas City, San Francisco and then Washington, D.C.

I would like to begin the hearings by briefly putting this plan into focus. I don't think most of you need it, but to an extent that some will find it useful, I will go through a very brief discussion. The 1972 federal water pollution control amendments provided $18 billion in construction grant funds at a rate of 75% funding. That level of funds would support $24 billion worth of total eligible costs. The 1974 survey of needs indicated total needs of $342 billion to meet all requirements defined in the act. This would be a level of $260 billion in federal grants.

New, in the traditional program of treatment plants and interceptors, the cost of that segments was $46 billion, which would indicate a federal share of 35 billion. The magnitude of the indicated need is obviously well beyond the capacity of the federal budget to fund with 75% grants in any reasonably near time. As a result, today we'll be considering alternative means of funding those projects to achieve the major water quality objectives of the act. We will also consider possible ways to extend the 1977 statutory deadline for municipalities to reach secondary or higher required levels of treatment, and, in addition, a measure to improve the management of the program through greater delegation of responsibilities to the states.

I want to emphasize that these hearings will be related to changes to be made after the current $18 billion has been obligated and spent. In other words, we're talking about future authorizations for the wastetreatment grant program; it would not affect, in any way, the current program.

Specifically, these hearings are for the purpose of receiving public comment, views and information on the issues described in the May 2nd, 1975, announcement of these hearings and discussed in more detail in the background papers published in the Federal Register of May 28th, 1975. These background papers are presented with the intent that they will assist in focusing discussion at the hearings -- they do not cover all possible alternatives and are not meant, in that respect, to confine the discussion.

There are five issues that we wish to discuss today:

1. The first issue is: Should the federal share of the funding construction grants be reduced from the current level of 75% to a level as low as 55%? That 55% representing the previous level of federal support under the Federal Water Pollution Control Act.

The objectives of such an amendment would be twofold. The first would be to permit the limited funding available to go further in assisting needed projects. The second objective is to encourage greater accountability for cost effective design and project management on the part of the grantee by virtue of the grantee's greater investment in the project.

Some questions which need to be addressed in this context are:

A. Would a reduced federal share inhibit or delay the construction of needed facilities?

B. Would the states have the interest and capacity to assume, through state grant or loan programs, a larger portion of the financial burden of the program?

C. Would communities have difficulty in raising additional funds in capital markets for a longer portion of the program?

D. Would the reduced federal share lead to greater accountability on the part of the grantee for cost effective design, project management and post-construction operation and maintenance?

E. What impact would a reduced federal share have on water quality and on meeting the goals of Public Law 92-500?

F. Finally, what would be the feasibility of some sort of a sliding scale of funding? -- perhaps 75% for treatment plants, 65% for interceptors, going down to perhaps 35% for stormwater discharges.

Moving on to the second issue, that issue is phrased:

2. Should the federal government limit the amount of reserve capacity of facilities that would be eligible for construction grant assistance?

There are two possible objectives to be achieved by limiting eligibility for reserve capacity. The first is to permit limited federal funds to go further in funding the backlog of projects for treating existing flows- and the second is to induce more careful sizing and design of capacity so that excessive growth-related reserve capacity is not financed with federal funds.

Some questions which may be addressed in this context are:

A. Does the current practice lead to overdesign of treatment works?

B. What could be done to eliminate problems with the current program as to reserve capacity, short of legislative change?

C. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

D. What are the merits and demerits of limiting eligibility for growth-related reserve capacity to ten years for treatment plants and twenty-to-twenty-five years for interceptors?

E. Are there any other alternatives?

3. The third issue is: Should the types of projects eligible for construction grants be restricted? In other words, should the current range of eligibilities in the act be somewhat restricted?

The principal purpose that would be achieved by limiting eligibilities would be to reduce the federal burden in financing the construction grants program. A secondary purpose would be to limit federal participation to those types of projects that are most essential to meet the water quality goals of Public Law 92-500.

Some questions which must be addressed include:

A. What impact do different eligibility structures have on the determination of need for a particular facility?

B. Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of federal financial assistance?

C. Is there adequate local financial capability to undertake investment in different types of facilities?

D. Which projects are the highest priority?

E. And, are there inequities of funding, in the sense that some communities might be getting funds for stormwater-overflow problems while others have not yet received funds for secondary treatment?

4. The fourth issue is: Should the date be extended by which publicly-owned treatment works are to achieve compliance with requirements of Section 310 of the law?

We currently estimate that 50%, or 9,000 communities serving 60% of the 1977 population, will not be able to comply

with the requirements that municipalities have secondary treatments by 1977. The amount of construction grant funds authorized thus far -- $18 billion is not sufficient to cover the 1977 needs that are estimated in the 1974 needs survey for secondary or higher levels of treatment. And, in addition, those communities that are funded with federal grants by 1977 will not all be able to complete construction by then. The issue is, we feel, the obvious fact of non-compliance with the '77 deadline. The obvious solution is to extend the deadline, either on a case-by-ase basis or by an overall extension of the compliance date.

Some questions which should be addressed are:

A. Should Public Law 92-500 be amended to allow either case-by-case extensions of the deadline, or an over-extension to a certain date?

B. Would it be fair to require industry to meet the 1977 deadline while extending it for municipalities?

C. Should an outside limit be provided to the administrator granting extenstions, for example, five years from the date of enactment, or should the possible compliance deadlines be open-ended?

D. Should EPA enforce against those communities that have been hesitant to use federal funds?

5. The last issue is -- and I think EPA's pretty committed to it: Should a greater portion of the management of the construction grants program be delegated to the states? EPA clearly believes it should; the question is, how? And what mechanisms are needed to make this happen.

A bill, H.R. 2175, normally called the "Cleveland-Wright Bill," has been introduced in Congress and would permit the administrator to delegate to the states the broad range of grant processing functions, including those that go beyond just the review and approval of documents. States would certify that the requirements for grants had been fulfilled. Included also is a provision to compensate the states directly out of state allotments for administratives costs up to 2% of a state's yearly allotment. Under H.R. 2175, EPA activities would be largely confined to overall policy making and to auditing and monitoring the grant activities performed by the states. However, EPA would remain responsible for environmental impact statements necessary on individual projects.

Some questions which must be addressed are:

A. Exactly what functions in the review and approval of construction grant applications should be delegated?

B. Should all parts of the construction grants process be delegated?

C. In addition to ordinary staffing problems, what difficulties may be encourtered in state staffing when a federal commitment is involved?

D. Will the funding level suggested in the proposed bill be adequate?

E. In actual practice, will greater delegation of program responsibility to the states make the program more efficient without compromising environmental concerns?

F. How much time would be required for individual states to assume additional responsibilities?

G. Are there alternative delegation schemes, or funding schemes, either federal or non-federal?

For the first four of these issues, the administration is contemplating the submission of legislative proposals to the Congress to amend the Federal Water Pollution Control Act. The information derived from these hearings will assist us in developing such legislation.

I might add, at this point: One area not covered is the funding level. The reason that it's not covered explicitly here -- although implicitly I think it will be -- is that it will be heavily dependent on the questions of what types of activities are eligible under the program, what the federal funding share is and to what extent do we fund the growth. So, as such, we've not directly formed what the level ought to be; I think we're assuming that whatever level is chosen, it will be adequate to achieve whatever objectives are set out in the legislation.

For the fifth issue, the delegation issue, EPA has endorsed the Cleveland-Wright Bill. These hearings will give EPA a better understanding of the capacity of the states to accept greater delegation, and will provide views and information concerning the administrative procedures that might be used to accomplish more timely delegations. The hearings will also explore any problems that might be involved to this effort.

With respect to regulations to implement the Cleveland-Wright Bill, EPA is currently in the process of developing such regulations, right, Jack?

MR. RHETT:
(Nods head.)

MR. ALM:
Now then just let me briefly talk about the ground rules for the hearing, and then we can move ahead. Anyone wishing to testify must sign the registration card available at the entrance.

We currently have what, twenty-three cards?

MR. SABOCK:
(Nods head.)

MR. ALM:
I guess we've got everybody signed up.

As Jack Ravan indicated, we want to keep the testimony to fifteen minutes. We have a little bell that will quietly ring at the end of twelve minutes to give you some idea of where you stand.

We have a pecking order, which I'll explain. Elected representatives will be given priority and will be called before others. Other persons will be called by selecting a registration card that was filed in one of four groups: unaffiliated private citizens, representatives of public agencies, representatives of special interest groups and associations and representatives of business, commercial or industrial firms. I will call one speaker from each group in rotation. Within each of the groups I mentioned, the order will be as you registered.

If there are any questions regarding procedures or when you will be called, you should contact David Sabock, executive secretary of the hearing; he's seated right over here (indicating).

I will call each speaker and, in so doing, I will indicate who the next speaker is so that you can collect your thoughts.

Again, we're very pleased to be with you today. I'm very optimistic that these hearings will provide us, OMB and the Congress with very useful information.

I think we'll start out -- the first person that will testify will be Bob Sutton, Junior, who is testifying for Ernest W. Barrett; and he's representing the Board of Commissioners for Cobb County.

(Pause)

MR. ALM:

Oh, let me just mention: The next person testifying will be John Wilburn, representing the Louisville and Jefferson County Metropolitan Sewage District.

MR. SUTTON:

I want to express Mr. Barrett's concern about not being able to be here, and I will read to you a statement that he has prepared.

"Gentlemen: I am Ernest W. Barrett, chairman, Cobb County Board of Commissioners, Cobb County, Georgia.

"Cobb County is a dynamic county northwest of the city of Atlanta and part of the Atlanta metropolitan region. We have undertaken a wastewater clean-up program that has been jointly financed by Cobb County and PL-660 funds. This program began as a 28% funding level program through the old PL-660 and has been increased by Section 206 of the present PL 92-500 law. All of this is to say that we in Cobb County are not unfamiliar with the programs of EPA.

"In order that we may conserve time, I would like to comment directly to the issue as outlined in your notes and will follow that formal first.

"One, reduction of the federal share. Cobb County, in her efforts to clean up the streams, found when the Environmental Protection Agency was conceived and the effects of the Public Law 92-500 brought about additional items of cost that caused the people of Cobb County to invest more of their funds into the program than was anticipated without receiving any direct benefit and without any cost effective evaluation. It is estimated that the additional requirements placed on Cobb County due to restrictions imposed by the Environmental Protection Agency along the Chattahoochee River corridor and up Sope Creek are in the range of $1.5. Under the present level of funding, EPA has only about 42% of the cost. This is not to say that some of the requirements were not valid; but it is to say that if the federal share had been more like 75%, that it would have been an easy pill to swallow. Therefore, the reduction of the federal share is not a valid way to implement the program.

"Two, limiting federal funding of reserve capacity to serve projected growth. In regards to limiting the federal funding of reserve capacity to serve projected growth, I very strongly object to this because we find that as we cross property of citizens the first time through they are pretty amenable to our coming across, but the second time through the costs in right-of-way corrections and restoration double or triple of what it would have cost originally. Limiting the reserve capacity, in my opinion, is a backdoor way to control land use through the size of sewers. As chairman of the National Association of County Officials' Land Use Planning Committee, I strongly object to this method. Land use planning in an urban county is a matter between the public officials and the citizens of that county -- it is not a federal matter. Therefore, I object to the limiting of federal funds for reserve capacity.

"Three, restricting the types of projects eligible for grant assistance. It is my opinion that the Congress created the types of projects as outlined with a specific intent in mind, which is to clean up the streams of our nation. Based on this, I think it behooves EPA to implement a program of construction funding that would necessarily meet the intent of Congress without damaging any phase of the total program. There seems to be incorporated within your paper a concern that there would be no local incentive to implement a phase that would require clean-up of our streams. I think our county will demonstrate to EPA that there is a major concern and that we have proceeded with projects on good faith and have been inovative in our development of these projects. The citizens of Cobb County are totally concerned with the clean-up of our streams and push me, as chairman, to see that this is done.

"Four, extending 1977 date for publically owned pretreatment works to meet water quality standards. As you can tell, I am proud of the progress that Cobb County has made under the PL-660. All of our facilities at this point in time have secondary treatment. We feel that if we are allowed to make expansions based on secondary treatment and continue this program towards 1980, which would mean an extension of the deadline and then allow us to reach advanced waste treatment by 1985, would be a logical extension of the law. Therefore, we recommend that the deadline of 1977 be extended to 1980 for secondary treatment, and that the treatment of advanced waste treatment be extended to 1985.

"Five, delegating a greater protion of the management of the construction grants program to the states. I am of the opinion that the Environmental Protection Division of the Georgia Department of Natural Resources has done an excellent job to

date in their efforts to clean up the streams of the state of Georgia, even though they have been extremely harsh with Cobb County on various occasions. I am saying this to emphasize that I feel that the State of Georgia can handle the management of the construction grants program well; but I also wish to say that we would expect that EPA would totally turn over to the state their responsibilities and not nitpick or introduce another level of management.

"I want to thank you for allowing me to present these statements to you."

MR. ALM:

Thank you very much. It was a very clear statement.

I had breakfast recently with Bob, and I appreciate his very forthright manner that he's come across again.

The next speaker will be John Wilburn, executive director of the Louisville and Jefferson County Metropolitan Sewer District.

MR. WILBURN:

I am John J. Wilburn, executive director of the Louisville and Jefferson County Metropolitan Sewer District.

I wish to thank you for this opportunity to present my testimony. I will also submit two written copies of this oral testimony for the record.

Paper Number 1, reduction of the federal share. Under this proposal, the federal government, who adopted the act, would be relieved of the financial burden as proposed by the act. In turn, the burden would be shifted to the states or local governments who are certainly in no better financial position to fund the projects.

The first of the two objectives stated is to permit the limited funding available to go further in assisting needed projects. It has been our understanding that all of the eligible projects are, in fact, needed in order to meet the requirements of the act. Therefore, if the 75% federal share, as proposed by the act, is reduced, so should the requirements.

The second stated objective is to encourage greater accountability for cost effective design and project management. I think it is absurd to assume that there would be a greater accountability on the part of the grantee simply because the federal share would be reduced. Grantees, such as MSD, do not determine their own destiny as far as the cost effective design of a project. If future experience in dealing with EPA paral-

lels past experience, MSD will have no independent say-so in determining accountability for cost effective design.

The further question has been raised as to whether the 1974 needs survey costs can be accommodated in the federal budget in time to meet the 1977 and, in turn, the 1983 requirements. I firmly believe the 1974 needs survey are indicative of the estimated costs necessary to meet the unrealistic, idealistic requirements of the act. The conclusion is obvious: Either the requirements must be reduced or the time extended, especially since the federal funds will not be available in time to meet the unrealistic deadlines. It may not be possible to predict the effect of a reduced federal share on local financing capabilities, but it is fundamental that all the recent changes in the economy, including both inflation and recession, exist in the local communities. The net effect of this paper is tantamount to saying: "We haven't got the money and, therefore, you should have it."

A reduced federal share would not only inhibit or delay construction of needed facilities, it would result in a screeching halt of the on-going implementation by MSD of a 201 facilities plan in Louisville and Jefferson County.

Kentucky does not now have a state grant program and it is very improbable that they will adopt one on the future. There pay-back state loans are the equivalent of MSD financing its own bond issues, since we must commit to funding the state bond issue. If the federal share is to be reduced by amendment, then that same amendment should require the states to provide matching grants -- not pay-back loans -- in order to receive their allocation of federal funds. Many states -- not Kentucky -- already provide state grants -- not loans.

Paper Number 2, limiting federal funding of reserve capacity to serve projected growth. This proposal is so fantastically ridiculous that I almost hesitate to comment on it. Whereas the entire concept of PL 92-500 relates to regional and comprehensive planning, I certainly have difficulty in understanding why it should suddenly be conceived, by an unknown author, that the local community would be responsible to pay for 100% of all reserve capacity over and above the existing population.

The statement that the grantee would be "permitted, and in fact, encouraged" to provide effective reserve capacity is absurd. There is certainly not an engineer who would even consider designing a trunk sewer or an interceptor or a treatment works for the present population. However, the implication is that EPA would, in fact, not disapprove a system so designed, since they state that the grantee would be "permitted, and in fact, encouraged" to provide reserve capacity.

The only logical basis of design is a cost effective analysis using present worth. Overdesign will occur only if a design other than the most cost effective is selected. EPA should fund on this basis.

Based upon the law and the knowledge that EPA would, in fact, fund 75% of eligible projects, MSD, through a local institutional arrangement with the Fiscal Court of Jefferson County, has an agreement by which Fiscal Court will appropriate $1,775,000 annually toward the implementation of a program which conforms to a 201 facilities plan. It includes the construction of two new wastewater treatment plants and hundreds of miles of eligible trunk and interceptor sewers. This commitment by local government, through its tax revenues, will fund approximately $25 million of local bonds. This amount, together with the 75% federal share, will finance a $100-million construction program for categories I, II, IIIA, IIIB and IVB only. And this is only the first phase of projects in those categories.

Therefore, if the recommendations of papers 1 and 2, in combination, are followed and the act amended, it would require approximately $60 million -- not $25 million -- of local funds. This would mean that the Fiscal Court would have to appropriate $1,775,000. I can assure everyone that if the object is to not only delay but to completely stop the program that is already under way in Louisville and Jefferson County, please follow the recommendations as presented in papers 1 and 2.

It took MSD almost ten years to convince the Fiscal Court that tax money was necessary for the initial phase of the program before MSD -- which has no taxing authority -- court continue and complete the program through subsequent issuances of revenue bonds financed by revenues from user charges from new customers on the new systems. In fact, our agreement with Fiscal Court would be terminated since it is predicated on MSD's receiving 75% of federal funds for categories I, II, IIIA, IIIB and IVB.

Paper Number 3 -- Excuse me, could I have a glass of water?

(Pause)

MR. WILBURN:

Excuse me.

Paper Number 3, restricting the types of projects eligible for grant assistance. The recommendation of Paper Number 3 is to limit the federal funding to categories I, II, and IVB. If all of the costs of meeting the requirements of eligible projects -- categories I through VI -- would have to be

met by the local communities and if, in fact, EPA funded only categories I, II and IVB, then local communities would be required to fund more than 85% of the total requirements covered by the act.

If EPA's purpose is to limit federal participation to only those projects that are most essential to meet the water quality goals of the act, then not only the funding of the other categories should be eliminated but the requirements as well. Under any condition, however, categories IIIA and IIIB should remain eligible for grant assistance.

Paper Number 4, extending 1977 date for the publicly-owned treatment works to meet water quality standards. Believe it or not, MSD has no objection to extending this date, since it really has no apparent impact on us one way or the other. We are under construction with secondary treatment facilities for the existing system, which should be completed well ahead of the present July 1, 1977, deadline. It was funded through EPA under the old law and would not be affected by a change in date under the present act.

Paper Number 5, delegating a greater portion of the management of the construction grants program to the states. Paper Number 5 proposes that the states should assume EPA's responsibility for enforcing their idealistic law. The inducement is the 2% compensation. This further erodes the federal share to the local communities. It also assumes that the amount will be adequate and that the states can hire sufficient qualified personnel to administer the program. If this amendment should be enacted, it should apply to only those states which have a matching-grant -- not a pay-back loan -- program.

Now, I'd like to take an overall look at the possible impact if the proposals of all five papers are adopted.

Paper Number 1 proposes a reduction in the federal share from 75% to as low as 55%.

Paper Number 2 proposes that the eligible cost should be based upon capacity for existing population and that the cost of all reserve capacity be funded locally. It further indicates that the reserve capacity cost in categories I, II and IVB is at least $12 billion of a total of $46.2 billion. This means the reserve capacity is 26% and the federal share would be 74%.

With only papers 1 and 2 considered, the federal share would become 74% of 55%, or 40.7%.

Paper Number 3 proposes to reduce the scope of eligible projects by retaining only categories I, II and IVB. In the 1974 needs survey, the total amount for all categories is $342 billion. Included in that total is $46.2 billion for categories I, II and IVB. Therefore, if only those three categories are eligible, the federal share would be only 13.5% of the federal share for all needs.

Now, let's consider only papers 1, 2 and 3. The federal share would be 13.5% of 40.7%, or 5.5%.

I would like to teomporarily skip Paper Number 4 and go to Paper Number 5.

Paper Number 5 proposes to pass the buck to the states for the management of the program and to compensate each state by using 2% of the state's annual allotment. Therefore, the federal share in eligible projects would be only 98% of the total allocated.

Grouping papers 1, 2, 3, and 5, the net federal share would be 98% of 5.5%, or only 5.4%. Or, in other words, the present federal share of 75% is almost fourteen times the proposed federal share of 5.4%.

With this information, let's go back to Paper Number 4.

Paper Number 4 proposes extending the July, 1977, date of the act. It would appear not unrealistic to base the time extension on the inverse ratio of the federal shares, current and proposed, and not only for the 1977 date, but for the 1983 and 1985 dates as well.

The Federal Water Pollution Control Act amendments of 1972 provided five years to meet the 1977 requirements, eleven years to meet the 1983 requirements and thirteen years to meet the 1985 requirements. These time allowances, when multiplied by fourteen, become seventy, 154 and 182 years respectively. Therefore, the new dates would become: for 1977, 1972 plus seventy years equals 2042; for 1983, 2126; and for 1985, 2154.

The National Commission on Water Quality was formed in accordance with Section 315 of the act and was given three years to make a detailed study of, and submit a report on, the 1983 requirements of the act. The report will apparently not be completed on time, but it should be delivered to Congress by mid-1976.

In light of the fact that this extensive and required study is taking more than three years, how can the anonymous author or authors of these five papers come up with meaningful amendments to the act in so short a time period?

Further, how could EPA propose any amendments which do not include the proposed elimination of the ridiculous industrial cost-recovery provisions of the act?

In summary, if the magnitude of the entire program is beyond the funding capability of the federal budget, it is likewise beyond the funding capabilities of local budgets. Therefore, the act should be amended by reducing the requirements to attain a more practical and economically feasible goal. I have always felt that EPA would swing the idealistic environmental pendulum back to normal, but I never thought they proposed to destroy the clock.

Thank you.

MR. ALM:
I wasn't able to follow all of your mathematics. We'll review the record carefully.

I did have one question: With respect to your own plans, I gather the serious problem would be not funding sections IIIA and IIIB, is that correct?

MR. WILBURN:
That is correct.

MR. ALM:
And that would add how much to the local share into the federal government loan under those categories?

MR. WALBURN:
(No response)

MR. ALM:
I think it was in your statement, but I don't recall the number.

MR. WALBURN:
I was using simply the figures, which I've now completely forgotten.

MR. ALM:
Okay; well, we'll just study the record for that.

MR. WILBURN:
Okay.

MR. ALM:

Let me make one comment: The papers presented are EPA positions or proposals. They are issue papers designed to elicit comment -- which they obviously have.

(Chuckles)

MR. ALM:

Okay; thank you.

MR. RAVAN:

Mr. Chairman, if I may ask one question.

Jack, I'm not trying to string you out of anything, I just, really, need your views. Why are industrial cost-recovery charges ridiculous? Are you talking about method or are you talking about you stand so utterly opposed to asking industry to pay a fair share?

MR. WILBURN:

I think they can pay their fair share simply by paying the user charge just like anyone else.

MR. RAVAN:

A user charge as they go? You don't want a capitalization front-end and so forth payback?

MR. WILBURN:

That's right; that's right. I don't see why industry should be discriminated against. Frankly, whatever cost is passed on to them, they'd surely pass back to the buyer of the products; and, in many cases, the costs passed on to them in this manner, maybe, would put them out of business.

But, more than that, simply trying to -- attempting to administer the industrial cost-recovery, especially as it goes on and is continually changing, would make the -- according to our accountants, just a horrendous accounting problem.

MR. ALM:

Let me ask just one further question. The comments we've heard thus far different federal share, I guess they assume no state-matching -- we haven't had anybody here from the states yet. I think the notion behind 55% would assume 25% state-matching as you had in the '66-'72 period of time, which would bring the local share to 20%. Would your comments still be the same in terms of the federal share if you had a state matching program?

MR. WILBURN:

A state-matching grant, not a pay-back loan. Kentucky has had in the past pay-back loans, which are, frankly, the same as our funding the bond issue -- we have to underwrite it. So, that's no advantage whatsoever; we still need sufficient revenues to finance pay-back loans to the states.

MR. ALM:

I take it that if there were a state-matching program -- and I think you suggested it in your statement -- that if EPA, or the Congress, were to go that way, which would be a requirement that a state have a matching program.

MR. WILBURN:

Yes.

MR. ALM:

Jack?

MR. RHETT:

I just want to clarify one issue -- this is on the user charge and cost-recovery, it's not a comment, Jack, or a question or anything of this nature: User charge and cost-recovery are two completely separate animals. User charge is only to collect for O & M and ongoing costs. Cost-recovery is a pay-back process. I just -- I think most of us understand it, but I just want to make sure that there wasn't any confusion here in that the pay-back is for industry alone, the idea being that the grant was made for the individual citizens.

MR. RAVAN:

Yeah; that was the point of my question. He's against industrial cost-recovery; he's for user charges as a fair share for industry.

MR. WILBURN:

Yes.

MR. ALM:

Okay; thank you very much.

The next speaker will be W. Edward Whitfield representing the City of Hopkinsville Sewage and Water Works Commission. After Mr. Whitfield will be Andrew Grevino with the Consulting Engineers of Georgia.

MR. WHITFIELD:

Thank you very much, Mr. Chairman. On behalf of the City of Hopkinsville, we appreciate this opportunity to be here this morning.

I can tell you that across the country, I think, today a lot of people are concerned about legislation and resulting regulations; and so, we particularly appreciate the opportunity and time to make comments regarding some of these items.

As attorney for the City of Hopkinsville Sewage and Water Works Commission, I'll be submitting their paper today.

First of all, the first comment is on the reduction of the federal share. In Hopkinsville, we have fond memories of the accomplishments our area made to reduce pollution with the old law that limited the federal share to 33-1/3% -- excluding the matching state funds. In retrospect, it is difficult to see why this plan was abandoned now that we have come to a near halt in pollution abatement under the amendment of 1972, the PL 92-500. It is apparent, however, that today we must change and make better progress; and it would appear that it would be impossible to reduce the federal share from the present 75% since so much has been started under that ratio. Those that have failed to qualify to date would certainly demand that this cost share be continued.

A modified plan involving the 75% basis could be accepted. Such a plan would allow this same ratio of federal to local funds on certain facilities such as treatment plants and interceptro sewers, and at the same time key the federal participation inversely to per capita income of the community for collector sewers -- that is, the higher federal share, up to 75%, would be granted to communities with the lowest per capita income.

As to the second point, of limiting federal financing to serving the needs of the existing population, first of all, does this mean that we are not to make provisions for growth? Or does this mean a municipality would receive one and only one federal grant to develop a system that would be in compliance with PL 92-500, after which the modifications and expansions of the system would be made from local funds such as user charges?

If the answer is "yes" to our first question, then we are working at cross purposes. An example of this inconsistency is: Our community of 8,500 acres has been caused to study and develop a plan -- 201 facilities plan -- for treatment works to serve 44,000 acres. It has taken 175 years for our town to grow to its present size, and it has doubled in size in the last thirty-five years. At this time, we are being forced to make plans for an area nearly five times our size in order that we may be eligible for federal assistance.

In the past, we, at the local level, have made provisions for growth in our water and sewer systems. Had it not been for the 1972 amendments to PL 92-500, which caused us to stop normal planning for the sake of the 201 facilities plan, we would have a sewerage system capable of serving our needs until the year 2000 in Hopkinsville. However, due to the 201 facilities plan, this delay, in excess of two years, has cost the city of Hopkinsville at least $4 million due to inflation alone. Now, are we to learn that federal grants will not be made that permits growth in the sewerage systems?

Should the answer to the first question be "no" and to the second question "yes," then we are moving in the only direction that can accomplish the results intended by the law.

As you know, the common problem with all the federal grant programs to date has been their short life coupled with variable rates of appropriations. Much would be accomplished if a change in the current law to establish a priority system and a procedure whereby one and only one federal grant, at the 75% level, would be awarded to each applicant for a sewerage system that would be in compliance with PL 92-500 with no fixed deadline until after funding and priority are matched. Thus, after the initial development, we would all be put on notice to operate the system in a business-like way -- because future expansion and-or improvements would come from user charges, et cetera.

As to the third point, of restricting the types of projects eligible for grant assistance, historically, items such as treatment plants, pumping stations and outfall sewers should remain eligible for grant assistance. Collector sewers should be omitted or handled as stated in the modified plan of Item 1 above.

There doesn't appear to be enough money in this program to service all portions; therefore, at least it is our contention, collector sewers should be made a local responsibility.

As to the fourth point, of extending the 1977 date for meeting water quality standards, we are very much in favor of the extension of this part of it; and we feel like there are many justified reasons for an extension. First of all, we had impoundment of funds by the President; secondly, more time than originally conceived has been consumed in the development of federal control agencies and their guidelines. We've had an understaffing of control agencies, both at the state and federal levels, and this has hindered progress. Inflation has ruined all budgets at the state, local and federal levels. Due to our economic conditions,

which have certainly not been favorable in recent months, first, we had shortages of manufacturing facilities with nearly full employment; now, many manufacturing plants have been idled by the recession. Some of these plants will never be started again due to their age and conditions -- all of which will cause another shortage of equipment for the pollution abatement industry. If the deadline is not extended, then a tremendous amount of work will have to be performed in a very short period of time. In fact, it is doubtful that this can be accomplished with the available construction force and equipment. One known facet that always accompanies an accelerated construction program is higher costs. And this we do not need. Our presentation here today has been made with the basic idea of reducing the federal share, and local portions, to permit more to receive grant assistance.

As to the fifth point, of delegating a greater portion of the management of the construction grants program to the states, we feel that all of the construction grants programs should be administered by the states except for the annual audits. Of course, the grants to the states would have to be increased for this to be possible; an, for that reason, we favor very strongly House Bill 2175, sponsored by Representative Cleveland, which allocates a fixed percentage of the federal grant to the state for administrative purposes pertaining to the construction grants programs.

Mr. Chairman, that's all I have to say regarding these five. I would just like to make two additional comments. Number one, we are very much opposed to the proposed rules for procurement of engineering services. And, number two, we would certainly like to see something done about the Davis-Bacon Act, which we feel like acts for unreasonable costs in the construction area.

Thank you very much.

MR. RAVAN:

Yeah. Ed, let me ask you a couple of questions, if you will.

And, Jack, you feel free.

MR. WHITFIELD:

Mr. Ravan, before you ask the question, I'd like to say that if I can't answer it -- because I'm no expert on this -- Jack Boxley, who is in charge of our system, is here. And if I can't answer it, I feel like that he can.

MR. RAVAN:

I'm just looking for an opinion now; I'm not trying to draw out your presentation or the points you made. Let's assume,

for a moment, that the planning has to be done. With that assumption, if you would have stayed within your boundaries, basically, in your 201 approach, or Step I grant, then there would have been left about four fifths of 44,000 acres, who do you suggest would do the planning for that?

MR. WHITFIELD:
Of course -- Well, we would like to -- In our local community, we've had our problems with the county. The county absolutely refuses to bear any burden of this. As a result, the City of Hopkinsville is having to plan for, you know, the whole area, a large portion of which is out in the county. And we would like to be able to work out at least some plan where they can share some of the costs with the city. That's a -- you know, the way it is now. You know, we're taking all the burden in the city of Hopkinsville.

MR. RAVAN:
And, your real pain, then, is getting them to put of 25% of the costs in that planning area?

MR. WHITFIELD:
Right.

MR. RAVAN:
And, failing that, then some method ought to be worked out covering that area?

MR. WHITFIELD:
That's true. And then, we -- we've just had so many delays in meeting the regulations and the money for this new sewer system -- for a new sewer system. You know, it's just that there's been a lot of unnecessary delays and changes of regulations, and we feel very frustrated.

MR. RAVAN:
I can appreciate your frustration.

Jack?

MR. RHETT:
Mine, again, was a general statement to make sure that everybody knew: On aid to procurement, the date for comments was extended from 9 June to 9 July. And, if you do have strong opinions -- no: any opinions please get them in to us. Get the official one; get them in to your professional organizations so that this can be laid out and we can see all sides of it.

MR. WHITFIELD:

Thank you very much.

MR. RAVAN:

I believe our next speaker is Mr. Andrew Gravino. And, following Andrew will be Mr. David G. Presnell.

MR. GRAVINO:

My name is Andrew J. Gravino, as you so aptly stated. I am the president of the Consulting Engineers Council of Georgia. And with me this morning, we are further represented by Mr. Robert A. Corbett, the chairman of our sanitary practices committee, as well as Mr. Harvey Brown, our executive director.

The Consulting Engineers Council would like to thank you for this opportunity to present our statement.

The Consulting Engineers Council of Georgia submits for consideration the following comments related to this public hearing on "Potential Legislative Amendments to the Federal Water Pollution Control Act." The Consulting Engineers Council of Georgia has membership of over 100 firms practicing consulting engineering in the state of Georgia. And, I'm sure you realize, we're also affiliates of the American Consulting Engineers Council. Also, I will have two copies of this statement for the record.

The passage of the Federal Water Pollution Control Act amendments of 1972 -- knows as "PL 92-500" -- has brought many changes to municipal wastewater management programs. The major aspect is the requirement for publicly-owned treatment words to be the most cost-effective alternative for meeting applicable water-quality goals while recognizing environmental, social and economic considerations. National objectives have been established for abatement levels corresponding to specific schedules for both private and publicly-owned waste-treatment facilities. In addition, a comprehensive national permit system -- or, national pollution discharge elimination system -- is in effect to provide enforcement of the objectives of PL 92-500. Extensive planning is provided in accordance with provisions of sections 201, 208 and 303(e).

It will soon be three years since passage of PL 92-500 and, during this time, there has been much confusion related to the requirements for implementation of PL 92-500. Some of the key requirements affecting the construction grants process have been the publication of interim grant regulations in February, 1973; a more stringent definition of secondary treatment in August,

1973; final construction grant regulations in February, 1974; and proposed procurement regulations in May, 1975. Furthermore, there have been additional regulations for implementation of other aspects of PL 92-500 as well as nearly fifty policy guidance memoranda establishing, altering and-or modifying the construction grants program.

The needs for a national cleanup effort have been approximated by a needs survey approach required by sections 205 and 516 of PL 92-500, as amended by PL 92-343. The 1974 needs survey indentified needs of approximately $342 billion, of which 235 billion were identified for treatment and-or control of stormwaters. The 1974 needs survey also identified some $28 billion for construction of secondary or more stringent treatment facilities to protect water quality. The magnitude of expenditures identified by the 1974 needs survey should not place the national cleanup effort in a state of panic, but should identify the need for a straightforward, longterm commitment to enhance the quality of the nation's waters.

The water pollution control program for publicly-owned treatment works requires a long-term, methodical abatement program. Reasonable schedules and compliance goals should be established through the cooperative efforts of EPA, state authorities and local governments to obtain cleanup objectives.

A necessary part of such an objective would be to stabilize the rules -- and I'd like to emphasize -- stabilize the rules and regulations under which the program is being administered. An amendment -- House Resolution 3658 -- has been proposed to provide that all rules proposed by EPA must be reviewed by Congress. In addition, measures should be taken to limit the frequency and impact of policy-guidance memoranda on the construction grants program.

With adequate funding and cooperative efforts toward a long-term, methodical construction grants program, it is felt that objectives may be established for conventional secondary treatment by 1980, fishing-quality waters by 1985, and that zero discharge may be eliminated in lieu of local water-quality determinations. This requires the definition of secondary treatment to re-established as conventional practice prior to EPA's definition in August, 1973.

The foregoing comments are relevant to the general objectives desired by the papers prepared for discussion at this public hearing.

Paper Number 1, reduction of the federal share. A reduction of the federal share is not supported. The construction grants program must be stabilized, which requires the support of a long-term funding commitment at the 75% level.

An effort should be made by Congress to stabilize the rationale behind allocation of construction grants funds. It is suggested that an allocation formula based on 50% population and 50% of Category I, II and IVB of the needs survey be utilized for allocation of future funds, including the $9 billion of impounded funds. This approach has been supported by state water-pollution-control authorities and is the substance of Senate Bill 1216 and House Resolution 4161. With exception of the provision to include the $9 billion of impounded funds, this same position was presented by EPA in their transmittal of the 1974 needs survey to Congress.

Paper Number 2, limiting federal funding of reserve capacity. Federal funding should not be limited on reserve capacity to serve projected growth. In certain cases, individual determinations may be necessary to determine the relation of long-term flows to land-use stability.

An additional aspect to be considered on this position are the needs to strive for a level of secondary treatment by perhaps the year 1980, provided that Congress would intervene and re-establish the conventional definition of secondary treatment prior to that promulgated by EPA in August, 1973. Such action should be directed toward local determination of acceptability of such treatment systems as waste-stabilization ponds which are expected to be abandoned as a result of EPA's definition of secondary treatment. Naturally, this will have a major impact upon the funding requirements of the state.

It is further suggested that an economic analysis be required to define a reasonable funding level for construction grant activities. The analysis of the actual authorization rate should include the ability of local governments to provide 25% financing; support operation and maintenance requirements of increasingly elaborate systems; and prepare and provide engineering services for completion of facilities plans as well as engineering plans and specifications. In addition a sudden increase and the continual rising of construction costs could be avoided by a systematic allocation formula rather than an allocation based on immediate funding to meet all eligible needs. It is anticipated an annual authorization in the neighborhood of four-to-six billion dollars would be reasonable.

Paper Number 3, restricting the types of eligible projects. The types of projects eligible for grant assistance under PL 92-500 are reasonable and necessary to provide facilities to meet water-quality objectives. The results of the 1974 needs survey should not be an indicator of a need to restrict eligibility but as an indicator of the funds required for elibigle projects and how they should receive priority for funds. By the modification of the EPA definition of secondary treatment to the conventional secondary-treatment concept, reasonable goals could be established for funding to provide secondary treatment by 1980, with fishing-quality waters as an objective for the years 1980 to 1985. Individual determinations may be necessary in regard to funding an even more stringent level of treatment to protect local water quality.

The significant needs identified for Category VI show that the treatment and-or control of stormwater is a massive project and should certainly be part of longterm objectives of PL 92-500.

Paper Number 4, extending the 1977 deadline. The 1977 objectives for private and industrial dischargers appear as an achievable goal; however, it is suggested that modifications be made in the date to allow for reasonable compliance of publicly-owned treatment works. Firm goals and attainable objectives should remain a part of PL 92-500.

Since almost three years have been devoted to start-up and development of programs for implementation of PL 92-500, it is suggested that a three-year extension be provided for the objectives and deadlines on publicly owned treatment works. In particular, it is suggested that a 1980 goal for achieving conventional secondary treatment and a 1985 goal for obtaining fish and quality waters be established. It is further suggested that across-the-board application of zero discharge be eliminated. Sufficient flexibility should be provided to allow for individual exceptions which would be governed by availability of funds and enforceable through permit-compliance schedules.

That's the twelve-minute bell, isn't it?

MR. SABOCK:
That's right.

MR. GRAVINO:
So, I've got another hour.

MR. SABOCK:
More or less.

(Laughter)

MR. GRAVINO:

Paper Number 5, delegating construction grants program. In accordance with the objectives established in Section 101 of PL 92-500, it is felt that a greater delegation of the authority for management and administration of the construction grants program should be made to the states as proposed in House Resolution 2175. An essential element of implementation of such a program would be that duplicate reviews and project holdups as a result of EPA participation be eliminated or minimized to the maximum extent possible. The construction grants program cannot be subject to duplication and second-guessing efforts if it is to be effectively administered through a delegation process.

In summary, the concepts and objectives of PL 92-500 are supported and should represent realistic and attainable goals for improved water quality throughout the nation. Strong support must be developed and maintained for a long-term commitment, with federal funding, to provide the needed support to the construction grant programs for publicly-owned treatment works.

Other than those amendments presented in this paper, it is recommended that additional amendments to PL 92-500 be withheld until the final report of the National Commission on Water Quality in completed.

Gentlemen, I thank you.

MR. RAVAN:
Thank you, Mr. Gravino.

Jack, question?

MR. RHETT:
I've got one.

You keep talking about the conventional definition about secondary --

MR. GRAVINO:
Yes, sir.

MR. RHETT:
I'd like to know what you mean.

MR. GRAVINO:
I'd like to refer your question to your committee chairman, if I might; I have an idea this is a matter of timing as far as --

MR. RHETT:
Well, wait a minute, then, if it is. I didn't realize there was one, this idea that. . . Maybe what I would ask is: Could this be furnished to me --

MR. GRAVINO:
Yes. There is no reason that --

MR. RHETT:
-- so that I can find out, really, what you all mean?

MR. GRAVINO:
Okay, we'll do that.

MR. RHETT:
The second question along this line is: Is this coordinated with ACEC, this conventional definition of secondary --

MR. GRAVINO:
I'm not sure.

MR. RHETT:
-- treatment? Or, are you just talking about --

MR. GRAVINO:
This is a term we have come up with. We'll be glad to define it for you.

MR. RHETT:
Okay, thank you.

MR. RAVAN:
Our next speaker is Mr. David G. Presnell -- and I'm not certain of that pronunciation.

MR. PRESNELL:
That's close enough.

MR. RAVAN:
And then, the next people on deck are Jim Tarpy of Nashville and Mr. Leonard Ledbetter from the State of Georgia.

MR. PRESNELL:
These remarks are presented by David G. Presnell, Junior, 100 East Liberty, Louisville, Kentucky.

I'm president of Presnell and Associates, Incorporated, and general manager of Vollmer-Presnell-Paulo, the management

consultant to the Louisville Metropolitan Sewer District and their massive plant expansion program which you heard Mr. Wilburn discuss earlier.

This program encompasses over $500 million in construction and over 700 miles of sewers. More than fifty engineers will be involved in this project.

The position of the Kentucky professional engineers in private practice and the Consulting Engineers Council of Kentucky are also reflected in my remarks. Categorically, the following is a response to the notice published in the Federal Register of May the 2nd, 1975, and I have referred to them herein as "issues" rather than "papers" because I believe that's a more accurate assessment.

Issue Number 1 deals with the possible reduction of the federal share. The integrity of the federal government's control of water pollution would be impuned by these steps being taken, and they would, in fact, significantly delay and increase the construction costs of all proposed treatment works. The statement contained in the Federal Register that a prediction relative to the impact of the reduced federal share cannot be made borders on irresponsibility by the author. We are presently in an economic structure which finds municipalities and states functioning with diminishing revenues and eroded capabilities to market significant bond issues. Today's irrefutable example is, of course, New York City.

Treatment works and interceptor sewers do not produce customers per se, and therefore generage no incentive for their construction. Reduced federal funding would specifically encourage the continued construction of small treatment plants and collector sewers on a noneffective and fragmented basis, particularly by the private sector. The grantee, typically, does presently possess sufficient funding capabilities to properly advance the program and, more importantly, any concern regarding the accountability of the grantee would -- and should -- exist under the present program. Conversely, reductions in funding would ultimately result in higher costs because of the loss in the economy's scale.

Issue Number 2, which is the limiting of federal funding on the reserve capacity, is an emotional issue. It is not to be reckoned with the realm of emotional judgment. It would be simple and perhaps an appropriate filibuster to recite by rote a myriad of reasons and specific examples as to the total lack of professional acumen attendant to a zero-growth design. A typical example might be one of our projects in Louisville, Kentucky, where even under today's constraints from EPA, which is a twenty-year

period from the completion of the 201 facilities plan, requires for the construction of many miles of 120-inch sewer. If this were, in fact, designed for twenty years hence from the period of each treatment-works segment's construction, this particular sewer would be one size larger. The attendant future addition of a parallel sewer will require a 72-inch sewer to handle the anticipated growth. I think we can all recognize the lack of rationale in that planning.

The objectives cited in the Federal Register to induce more-careful sizing and design and design capacity to serve future growth borders very nearly on the heighth of absurdity and flies in the face of every conceivable sense of design. This fact is specifically concurred in by EPA in their statement regarding Issue Number 2. That is, the limiting of eligibility for reserve capacity is not intended to preclude the cost effective sizing in the design of the facilities; the grantee would be permitted and, in fact, encouraged to provide cost effective reserve capacity, but he would be required to fund 100% of this capacity. This statement clearly and unequivocally depicts recognition by EPA that to do other than design for the future would be haphazard and the grantee would be derelict in his duty. This proposition appears only to be a readily assailable attempt to substitute the grantee's dollar for the federal dollar.

Conversely, to stop that assailable posture, a professional approach by the Environmental Protection Agency and the establishment of a reasonable design criteria commensurate with controlled population projections is needed. Legislative change is not the answer.

The demerits of prohibiting the eligibility of growth related to reserve capacity are clearly an irrational thwarting of proper land-use planning as a parallel objective to proper sewer design. This philosophy assumes the following: Number one, sound land-use planning can be accomplished at the local level with appropriate legislative jurisdiction to enforce this planning. Number two, EPA does not, and should not, have authority to oversee land-use planning at the local level. Number three, the science of land-use planning has not reached the necessary sophistication to precisely predict development trends twenty years hence and, practically speaking, this can only be accomplished by increased clairvoyancy on the part of the planners. Staging treatment words by ten-year increments may be a reasonable position then, but with the assumption that funding will, in fact, be available when expansion is needed. It seems that ten-twenty or ten-twenty-five year can be a reasonable approach to the problem of design, as long as EPA allows this design to be measured from when the construction of a particular segment is predicated in the facilities planned for segments of treatment

works. This is to say, however, that the time frame for the design of the initial segment should be twenty years from its anticipated construction segment rather than the current EPA policy of designing a multi-year program as if it were to all be constructed simultaneously.

Issue Number Three. This issue addresses restrictions on the types of projects eligible for grant assistance. Perhaps the single most significant statement is that the need for a facility does not rise and fall based on the source of funding. But its feasibility does, of course, change and this at times results in the construction of a less-needed facility because it has become financially feasible to construct.

Generally, grantee is under considerable duress to build treatment plants and interceptors with available federal funds because his physical needs far outweigh the inflow of federal funds; and because of this fact of life, funding for a certain element, such as collector sewers, is not sought by the grantee.

The question has been raised as to whether or not there is adequate local incentive to attempt to undertake investment in certain facilities even in the absence of federal financial assistance. If eligibility is limited to interceptors and treatment plants, it will become imperative that grantees make appropriate investments in collection systems in order to provide a complete system. Collection systems are invariably acknowledged to be the easiest type of facility to show a direct-cost-to-service relationship, therefore the ability to finance directly is much simpler. Nonetheless, adequate legislation giving the authority to localities for such construction must be available.

Stormwater facilities and the construction of combined sewer overflows and filtration and inflow problems probably never can be financed through local financial capability. Therefore, any local incentive may be totally outweighed by fiscal constraints from other, completely unrelated programs.

Issue Number 4 discusses extending the 1977 date for the publicly-owned pre-treatment works to meet water-quality standards. It seem inconsistent for Congress to impose any deadline for achievement and then have the President freeze the funding necessary to meet that guideline. Congress, therefore, should consider passing legislation with the following provisions: One, establish a new deadline which could reasonably be met by the grantee; two, provide the funding level to provide in meeting this deadline; three, place restrictions on the presidential power to restrict funding; and, four, place restrictions on EPA which enforce the elimination of the myriad of red tape and initiate a

realistic program to get sewers in the ground and treatment plants constructed without the present undue delays.

This entire section of the Federal Register discusses the failure of grantees to meet their deadlines because of funding problems and lack of compliance by the grantees. It's high time to ferret out the real culprit: the program itself. If the nation is really serious about water quality, the present significant delays and stumbling blocks of EPA must be deleted from the program. This public hearing should be a forum to help us strive together in streamlining Public Law 92-500.

Simultaneously to the efforts to modify this law, efforts are diligently being pursued by MVA to establish minimum standards for procurement under EPA grants, as noted in the Federal Register of Friday, May the 9th, 1975. These proposed regulations become another roadblock in the pursuit of pollution abatement, build in new bureaucratic bottlenecks, increase the cost to grantees and establish procedures which can be expected to cause project delays of up to two years more, with attendant increases in construction costs by as much as 25%.

Issue Number 5 deals with delegating a greater portion of the management of construction grant programs to the states. The ultimate delegation of administrative authority would certainly be the most efficient. However, this should be funded over the above the money allocated to the states for the construction grants program as it would, in fact, reduce the EPA costs of administration of the program.

EPA and the states should jointly agree on the priority system and establish necessary policy. Then, all of the administrative functions should be handled by the state, with EPA serving in an overview capacity.

Consider also that the states should, in turn, be allowed to further delegate plan-review authority to the local agencies where adequate staff and expertise is available. EPA's rule should only be in the proper disbursement of the funds to the state and the appropriate review of the treatment works actually constructed. The Federal Highway Administration has been generally accepted in this type of role.

The final proof of the pudding is not how much administration and bureaucracy can be involved, but how well water quality can be improved. Efforts of EPA can be directed in such a transition period to assisting states in the establishment of appropriate staffs and programs to insure uniformity in the implementation of the program.

Thank you for the opportunity to make these remarks.

Do any of the panelists have any questions?

(No response)

MR. ALM:

I only have one question: With respect to -- I guess it's Issue 2 -- 2 and 3 -- I wasn't quite sure -- you indicated that something like a ten-year planning period for treatment plants and twenty to twenty-five for interceptors would be appropriate under certain -- I wasn't sure what those were.

MR. PRESNELL:

Those guiderules being that the grantee would be able to measure his population growth twenty years from the actual time of construction of a segment of the facility; because there is no relationship at all between that period and twenty years from when a facilities plant is completed.

MR. ALM:

Okay; I think I understand.

Well, thank you very much.

(Pause)

MR. ALM:

Our next speaker will be Jim Tarpy, representing the Metro Department of Water and Sewer Services.

Mr. Tarpy, I'll make this statement to you -- and also to those following you: If you have two extra copies of your statement, I'd appreciate it if you would give one to the executive secretary and one to me.

MR. TARPY:

I just gave him both of them.

MR. ALM:

If the other witnesses would do that, it would be very helpful.

MR. TARPY:

My name is Jim Tarpy and I'm grants administrator for the Metropolitan Department of Water and Sewer Services in Nashville, Tennessee. And I'm giving this paper this morning on behalf of Mr. K. R. Hankton, Director of the Department of Water and Sewer Services.

The Metropolitan Government of Nashville and Davidson County, Tennessee, Department of Water and Sewerage Services, welcomes the opportunity to express its comments and concerns on the proposed amendments to Public Law 92-500.

The reduction in the federal share would inhibit and delay construction of needed facilities due to limitation, which presently exist in monies available to local governments. The state of Tennessee does not have an available grant program, which aids the local governments, but it does borrow monies to fund a state loan program, which presently allows the cities of the state, who can meet the guidelines, to qualify for a 25% loan of the eligible cost. These loan monies can only continue until the indebtedness of the local community reaches its maximum capacity or the state refuses to sell additional bonds to support the program. The Department of Water and sewerage Services, presently, cannot extend its own bonded indebtedness without an increase in the water and sewer revenue rates. The present economic condition of our community would find it extremely difficult, if not impossible, to obtain the support to pass a revenue increase in our local council. The metropolitan government is currently striving to obtain the optimum capital improvement per dollar invested, whether it be through federal grants or local revenues. All projects are viewed with the full understanding that the government must operate and maintain the constructed facilities, be it treatment plant, interceptor sewer, pumping station, et cetera, and it is our objective to obtain the best possible facility for the dollar, so we may use our annual budget to continue our water and sewer programs. The reduction in the federal grant to something less than 75% would place an added burden on the state and local governments to explore other sources of funding; and, during this transition period, it would continue to cause us to lag further behind in meeting the goals of Public Law 92-500. Exactly what the impact will be on our programs can only be projected, but unless other funds are provided, we would have to delay our construction program. This is a drastic approach for EPA to consider at a time when there is nine-plus billion dollars of construction monies, which could be used by local governments today to build needed facilities, that are tied up with continuing wraps of red tape. The everyday inflation in this country is eating at these dollars to the extent that the 75% grant today will only fund what a 55% grant would have funded some three years ago. Whatever action Congress might take relevant to the reduction of the federal grant monies will have a significant impact on the nation's objective of meeting the goals spelled out in Public Law 92-500.

The local governments have a responsibility to meet the needs of its citizens; and if, as projected, the population of an area is going to expand from rural land to a residential area, the city has the responsibility to protect the public health, the environmental quality of the area and the environmental impact on the area. The construction of sewer facilities provides all three of these needed functions for the community. The people are going to find a place to live, and if steps are made initially to consider the health and environmental considerations, then the cost to the community is much less.

The growth and development of a community should be a major factor considered in the design of a sewerage facilities. This design should not be for an estimated growth judged on ten or twenty years, but on good, sound engineering judgment, based on the particular situation under study.

Local financing and federal financing of projects should not be estimated for a period that exceeds the useful life of such projects. At today's extremely high bond interest rates and amortization periods, less than thirty-to-forty years provide an annual debt service so great as to make conventional financing impossible; therefore, long-term bond financing is inevitable. The plan to reduce the design period of a project to that less than the financing period of the project is folly economics. In effect, we are requiring our subsequent generations to pay for facilities that would have outlived their projected life.

The reduction of the types of projects eligible for grants assistance to only secondary treatment plants, tertiary treatment plants and interceptor sewers would place a tremendous burden on any local government. It has been projected that it would take approximately $300 million to just correct the combined sewer overflow in our system. At this time, correction of combined sewer overflow appears to be prohibitive with federal assistance; and without federal assistance, it appears impossible. If the responsibilities for correction of sewer infiltration-inflow, major sewer rehabilitation, collector sewers, correction of combined sewer overflows and treatment or control stormwaters are placed back on the local governments with no assistance, the compliance requirements would have to be extended way beyond what presently exists for correcting these sources of pollution. The local governments would establish a completely different set of priorities for correction of its local pollution problems, such as the extension of sewers to presently unsewered areas. If these types of projects are declared ineligible by EPA, most likely they will not be funded in the future.

The metropolitan government would recommend the 1977 compliance date be extended to late 1978, because this would be the earliest possible date our wastewater treatment system could meet the 1977 discharge limits. This 1978 date is, also, assuming federal and state grant applications are processed promptly and no delays are experienced. During this extended period, the Environmental Protection Agency, with the cooperation of the state agencies, could develop a review board for each state, which would be responsible for establishing compliance dates for each discharger, taking into consideration the availability of resources balanced against the ultimate goals of Public Law 92-500. It is entirely impracticable to apply the same compliance date to all discharges without some type of balancing approach based on the limited resources available to correct the pollution problems of this nation.

An example of this is the treatment and control of discharge from wastewater-treatment facilities and sanitary-sewer system should have higher priority, whereas compliance date for the management and control of stormwater and combined sewer overflows could be set at a later date.

The State of Tennessee should be given a greater share in the administration of the Public Law 92-500, and this could reduce the unwarranted time delays we have experienced in processing our recent applications and reduce the duplication of efforts from the state to the federal level.

The metropolitan government recommends that the State of Tennessee be delegated the authority to administer the federal construction grant program, as proposed in the Cleveland Bill, House Resolution 2175. The existing construction grant program has, by its very nature, inherent time delays, which have proven quite costly to local governments and American taxpayers. The duplication of efforts in review of engineering design and specifications by both state and federal agencies is just one example of such waste of effort and time delays. We have experienced delays, which have extended final approval on several of our projects, in excess of six months. These extended periods, coupled with the spiraling inflation, have cost the local government several thousand dollars, through no fault of its own. We would encourage this legislation to allow the United States Environmental Protection Agency to delegate its administrative authority to the states in relation to the construction grant program.

The metropolitan government trusts the United States Environmental Protection Agency, after careful consideration and-or deliberation on the remarks given here today, will develop, for us, a more realistic and workable law.

Thank you.

MR. ALM:

I've got two questions. One of them: You mentioned that the state of Tennessee does not have an available grant program; during the '66-to-'72 period, did Tennessee have a grant program during that period?

MR. TARPY:

Several years ago the state did have a grant program; it matched the 660. but not --

MR. ALM:

Well, let me ask the following question: If that sort of a grant arrangement -- going back to '66-to-'72 amendments -- were part of the new law, would you feel different? Would it change your comments.

MR. TARPY:

We have discussed it with the state, and they have indicated to us that they would not consider a grant program.

MR. ALM:

They would not consider it?

MR. TARPY:

No. They did indicate that they would possibly consider extending the loan to an excess of 25%.

MR. ALM:

I think that would be of limited utility, from your statements.

MR. TARPY:

(Nods head.)

MR. ALM:

One last question: You indicated that if the federal government did not finance all these eligibilities you would change the priorities. I was a little confused at this section. Are you saying that if the federal government only funded treatment plants and interceptors, it would -- then, you would fund, mainly, sewers and interceptors, is that right?

MR. TARPY:

What the local government would be willing to fund would be lateral sewers so that we could recover lateral revenue, so that we would have an additional base -- revenue base so that we could extend to other areas, and possibly construct treatment plants or whatever we might need. We're just trying to broaden our revenue base, and also to correct the pollution problem that exists in our county. We presently are located on limestone rock, and we have -- well, septic tanks just do not work. We have a minimum of two-acre lot size in the county and, as a result of this, it creates a problem or difficulty or land-use problems.

MR. ALM:

Thank you very much.

MR. TARPY:

Thank you.

MR. ALM:

Our next speaker will be J. Leonard Ledbetter, director of the environmental protection division of the State Department of Natural Resources, State of Georgia.

(Pause)

MR. ALM:

Do I get a copy of your statement?

MR. LEDBETTER:

I don't have any copies; I'll mail them later.

MR. ALM:

I might just indicate, as I promised I would, our next speaker will be Harold Pickens, Junior.

MR. LEDBETTER:

First, I'd like to welcome you to Atlanta, and thank you for conducting this hearing in Atlanta and giving us an opportunity to be heard. We trust that in the future you will consider Atlanta for such-type hearings.

I'm going to just summarize my statement and then I'll mail you copies later for the record.

The Georgia Environmental Protection Division does appreciate the opportunity to present the statement of Georgia's position on the potential amendments to the Federal Water Pollution Act.

We have recommended amendments to PL 92-500 as early as February, 1974. And in the hearings conducted by the investigation and review subcommittee of the House Committee on Public Works and Transportation we urged significant amendments be made to Public Law 92-500. Most of the issues being discussed today have been reviewed during some of those hearings.

With regard to the five potential amendments mentioned in the May 2, 1975, public notice for this hearing, we have the following comments, which I will summarize.

The issue of the reduction of the federal grant share -- Georgia's position is that no change should be made in the federal grant share. The history of delays and grant withdrawals on projects receiving PL 84-660 grants, due mostly to the inability of local governments to finance their 67% or 70% local shares, should be sufficient documentation that the federal share must remain high. A reduction of the federal share below that 75% would result in gross inequities in communities adjacent or similar to others which received or have received a full 75% grant, thus greatly damaging the credibility of EPA and state water pollution control programs.

It must also be emphasized that many applicants do not receive 75% at the present for their project. The eligible portion of the project can result in a significant amount of the total portion being funded 100% locally.

In Georgia, we have approximately 486 municipalities, about 450 of which are under 10,000 population. We have a large percentage of this population with relatively low income. Water and sewer rates must be reasonable for these people to afford the monthly user fees.

State budgets across the country are currently encountering problems. Almost daily, as you break out the newspaper, you read -- you see that another state is considering reducing the budget or cutting back 5%, 10% et cetera. Many of these states are required to live within their income. Therefore, it is unlikely that significant increases in the present state grants or loan programs will occur. Any amendment requiring states to match the federal grant with some percentage will greatly disrupt the program and, again, probably destroy the credibility of the program. It must be recognized that local governments are encountering difficulties in assisting or working with the surrounding communities for solid-waste management or complying with the recently-enacted federal Safe Drinking Water Act, et cetera. So, the water-pollution control efforts are only one of the demands on that local budget.

Issue Number 2, limiting the federal financing to serve the needs of the existing populations. If local governments are not allowed to construct adequate and treatment capacity to provide for normal growth and to attract some industry and other development, there will be little incentive to build new facilities or expand old ones until required to do so enforcement action. Limiting federal financing to the needs of the existing population will have the same effects as reducing the percentage of the federal share to below 75%. Many of those same points that I just emphasized regarding the 75% federal share issue also apply to the reserve capacity issue.

This is another example demonstrating the importance of EPA, and particularly the states, having the flexibility and authority to approve through the 201 planning process a design life that is consistent with sound economic and engineering principles, and that will not always be a rigid period such as ten-twenty.

Issue Number 3, restricting the types of projects eligible. Although nearly all of Georgia's grant allocations thus

far have been assigned to Category I, II and IVB projects, there have been some ligitimate fundings made in other categories. For example, some communities do have areas where it can be documented that runoff of failing, substandard systems is violating water-quality standards and creating public health hazards. If such communities have treatment and transport capacity available but are financially incapable of funding collector sewers, then collector sewers should be eligible for those cases.

If the goals of Public Law 92-500 are to be met, the flexibility to fund projects in all categories provided for in Public Law 92-500 must be maintained for consideration. Therefore, we consider that the real issue here is whether we should change the goals of the acts, not restrict the project elsewhere.

Issue Number 4, extending the 1977 deadline for meeting the water quality standards. It is quite obvious that the July 1, 1977, date for achieving secondary treatment in all municipal facilities to control pollution of streams will not be met. The time-consuming and difficult procedures required by the grant regulations, the impoundment of grant funds during fiscal years '73, '74 and '75, and the lack of realistic foresight on the part of the Congress have made the treatment goals unattainable.

We urge that the 1977 deadline for publicly-owned treatment facilities be rescinded and replaced with the requirement and NPDES has established in their compliance schedule, consistent with the availability of the 75% federal grant. The states' project funding list can be coordinated with the permit to provide a realistic schedule.

We oppose extending the date to just another arbitrary date. We must have the authority and the flexibility to use the permit program and the available departmental grant funds to abate pollution effectively. Our recommended approach would allow us to enforce the discharge and move forward with their program. We have not encountered any court willing to be lenient on public officials where the pollution problem exists and federal grant funds are available to assist them in correcting the problem.

We urge the Congress to retain the 1977 deadline for industries. Georgia industries already have installed a lot of water pollution-control facilities, and, with some modifications, will meet the 1977 deadline. If the program is to maintain any credibility and equity, it is imperative that these Georgia industries that installed expensive water pollution-control facilities in good faith be able to approach the market-place with competetors that are being required to meet the same effluent limitations and deadlines.

Issue 5, delegating a greater portion of the management of the construction grants program to the states. It is urged and imperative that EPA comply with Section 101(b) of Public Law 92-500, which states that it is the policy of the Congress to recognize, preserve and encourage the responsibility and rights of states to prevent abuse and eliminate pollution. However, as presently written, Public Law 92-500 is not consistent with Section 1-1(b) and often requires the administrator to conduct those functions. Title II should be amended to be consistent with Section 101(b) and authorize the states to conduct their own programs. We recognize and would accept the responsibility of a decision authorizing use of these funds.

In closing, we urge EPA to review the records of hearings conducted by committees and subcommittees of Congress which contain additional information on several of these items or issues. Also, the Association of State and Interstate Water Pollution Control Administrators, the Water Pollution Control Federation, National Governors Conference and others have proposed language regarding greatly-needed amendments to Public Law 92-500. We strongly urge that you review and consider those recommendations.

As I said, copies of our full statement will be mailed to you.

Thank you.

MR. ALM:

Thank you very much.

Let me ask a couple of questions. You mentioned in the statement that perhaps the ten-twenty formula had some validity but needed flexibility -- I believe that's what you said. Could you expand on that?

MR. LEDBETTER:

Yes. We consider that there are present situations where the consultant may be greatly over-extimating the population growth potential for some of our smaller, rural-type communities. New, at the same time, our experience has been, though, in most of Georgia, that they have been too conservative, and, by the time we got the system constructed and in operation, we were beginning to reach capacity again. So we feel that the proper approach to this would be to use the 201 planning process. And if the consultant were to work with the state and give us some flexibility on determining which ones we could use the longer life.

MR. ALM:

Okay, secondly, we talked about the state-sharing program. Did Georgia participate in this program?

MR. LEDBETTER:

No -- not as far as having any type of matching percentage. We have had a very small state-grant program, but it was not a matching-grant program at all.

MR. ALM:

So I take it. Okay.

And then, a final question: You indicated that with respect to eligibilities, rather than changing eligibilities, you could change the goals of the program. I was curious as to what you meant.

MR. LEDBETTER:

Well, the eligibility, of course, as far as we're concerned, the goal, in some cases, for some of our smaller communities, with the present definition of secondary treatment, is really not consistent with the eligibility of the -- or, the availability of federal funds and local funds. And if we could reconsider the goals and the requirement that all waters be swimming and fishing by a certain date and extended what the downstream-water uses are, in many of our cases where we have small towns with sewage-oxidation ponds, we are adequately protecting downstream-water uses. Those ponds were built with federal construction grant funds. Georgia was one of the last states in the Southeast to consider ponds acceptable; and after the state did accept ponds for secondary treatment, and federal grant funds were used to construct those, many of our smaller towns were still very much in debt for the next twenty years or longer to pay off those systems.

So what we're saying: Instead of making those waters necessarily swimable right downstream, look at those uses and, if it's for agriculture or stock-watering or et cetera, then possibly not make all waters swimable. That's what I'm talking about when you look at the goals.

MR. ALM:

Well, you suggestion would be to leave the eligibilities as they are not?

MR. LEDBETTER:

Yes.

MR. ALM:

Even -- I mean, you also said, as I recall, that most of your projects fit the traditional definition of treatment plants and interceptors but some portion of your priorities go to other priorities, is that right?

MR. LEDBETTER:

Yes. But not so far because of our priority list.

MR. ALM:

Would you like to see that expended in the future?

MR. LEDBETTER:

Well, we would like to see it expended in the future -- because, as far as we see it, we're going to have to see a large percentage of the Georgia allocation in use to upgrade oxidation ponds, which we have information that shows really protecting the downstream-water uses at the present. And then, you look at Atlanta where you have large, combined sewers overflowing at times; that does not result in meeting water pollution-control standards at all times. We need that flexibility to determine, okay, if we want to protect the West Point reservoir downstream of Atlanta for recreational uses, if we want to protect the cities downstream of Atlanta so they can use the river for water supply, which they need to do , must do, then we should have some flexibility in determining which way we're going to assign the state's allocation so that we attain those goals.

But the problem that we have now, some of the goals, some of the directions we're forced to go, is that we're going to be off upgrading two or three hundred smalltown oxidation ponds and creating horrendous operational problems for those people in those small towns when we really need to be directing the sources to places like Atlanta.

MR. ALM:

Do any of my colleagues have questions?

(No response)

MR. ALM:

Thank you very much for an interesting statement.

The next speaker will be Howard Pickens, Junior, representing the Carolinas Branch Association of General Contractors. The speaker after Mr. Pickens will be Mr. Longshore.

(Pause)

MR. ALM:

If you'll pardon me just a moment, I'm going to meet with the press; and Mr. Ravan will take over and discuss with you.

MR. PICKENS:

I am Harold A. Pickens, Junior, president of my own construction firm in Anderson, South Carolina, and senior vice-president of the Carolinas Branch of the Associated General Contractors of America, Incorporated. Our organization has a membership of over 2300 firms engaged in the construction industry in South and North Carolina, as well as elsewhere throughout the Southeast. We appreciate this opportunity to testify on these complex matters which are of the utmost importance to the public, to the construction industry and to others.

My brief remarks will be supplemented by written testimony, which we will submit within a few days.

We believe that first, we all should move ahead, as rapidly as possible, with what can be done now to unblock the progress of this vital program.

The crucial issue is that of the $18 billion allocated to the states less than 1 billion has actually been expended to date. It is urgent that this money be put to work for the public as soon as possible and at a time when it is most needed -- from our standpoint -- to provide work for our firms and for the people we employ.

As background for our recommendations on legislation, I shall briefly recount the plight of our contractors in the Carolinas. It must be appreciated that our difficulties mirror the problems and frustrations being experienced by our municipalities. As these difficulties persist and grow, there is a rapidly-growing understanding by our municipalities and the public of what has been happening to their program -- one of the largest construction programs ever enacted by the Congress. Unless there is clear evidence of positive and early improvement in the administration of the program, strong public reaction appears inevitable.

Our Carolinas contractors and municipalities have suffered a virtual moratorium on municipal sewerage projects for almost three years. We see further extension of this gap until the closing months of fiscal year 1976, when crash action will probably take place to try to obligate, before July 1, 1976, about $120 million allocated to the Carolinas in fiscal year '76 grants. A similar gap and peck could occur in efforts to obligate another $180 million in fiscal year '76 funds by September 30, 1977.

These gaps and peaks will result in the extinction of many of our smaller firms, and in a costly readjustment by the construction and supporting industries to meet program needs. They aggravate uncertainties and frustrations for municipalities. Should these obligation deadlines not be met, funds would be reallocated to other states. Especially in a presidential election year, such and event in any state would bring about political repercussions upon elected and salaried public officials involved, at all levels of government; we need no further erosion of public confidence in our governmental structure.

Therefore, we urge that EPA, OMB and the administration undertake full, priority support for the immediate enactment of the amendments which I shall now outline.

The enactment of H.R. 2175 would provide the powerful support of the Congress, and hopefully the incentive, for EPA to eliminate the grossly-wasteful state-EPA duplication of reviews and approvals, from the conception of planning through the bidding process. We are discouraged to note, even in the Federal Register announcements relating to this hearing, that EP now only "generally" endorses these bills.

To ensure that another solid roadblock to the construction of projects is not overlooked, I must emphasize the need for an amendment to provide for changes in user charges system. We are aware that EPA has introduced a bill for such an amendment.

Similarly needed is relief for municipalities which for good reason, financial or administrative, will be unable to comply with the July 1, 1977, effluent limitations.

Further, municipalities need the protection of law against court cases, especially "citizens suits," while acting in good faith during the administrative process regarding their permit applications.

We contend that amendments are needed and can be enacted now. Our contentions are supported by the March, 1975, interim staff report of the Subcommittee on Investigations and Review, House Committee on Public Works and Transportation, on Public Law 92-500. Incidentally, we commend this report for your thorough consideration.

The first three amdnements subject to today's hearings appear to fall into the category of major amendments. The matter of relaxing the 1977 standards for private industry probably falls in the same category. Such major amendments are unlikely

to be acted upon by the Congress until after the National Commission on Water Quality submits its report and probably not during a presidential election year. Mr. Gordon Wood, minority counsel for the House Public Works Committee, confirmed this publicly on April 23rd, 1975. Nevertheless, we will address these in our written testimony.

In closing, I'll repeat our major plea -- which we have repeatedly made to the EPA -- that EPA intensify its efforts to make maximum delegations of authority to the states within the current provisions of the act.

Thank you.

MR. ALM:

Thank you very much.

I gather we've fouled up the paperwork. I called you Howard, I think, when your name is Harold.

The next speaker is Jim Longshore, representing B. P. Barber and Associates. The speaker after him will be Howard Rhodes.

MR. LONGSHORE:

I'm Jim Longshore, representing the consulting engineer of B. P. Barber and Associates.

I do not feel it's necessary this morning to reiterate some of the points that have already been made; and, therefore, I'll not read a formal statement at this time.

However, I do have several letters which I would like to submit to the committee for part of the record of this hearing. These letters represent the views of not only our firm but also the views of the Regional Council of Governments in the State of South Carolina as well as four municipal governments.

I would like to take this opportunity to request that the various interrelationships and proposed amendments be given very careful consideration before any of the amendments are adopted.

Thank you.

MR. ALM:

Thank you very much. We'll consider all of these papers and put them in the official record.

The next speaker is Howard Rhodes, representing the Florida State Department of Pollution Control. The speaker after that will be Wes Williams.

MR. RHODES:

Mr. Alm, Mr. Rhett, Mr. Ravan, members of the audience, I'd like to take this opportunity to thank you for listening to our presentation today. I'll have some copies that we'll be forwarding to you after this meeting.

MR. ALM:

Thank you.

MR. RHODES:

Addressing each one of these papers today, I'd like to start, first of all, with Paper Number 1. The recommendation was that the grant be reduced from 75% to 55%, with two objectives. One of those, that it permits more projects to be funded and encourages greater accountability on the local front.

I'd like to address three of these issues very briefly. The first one is the equitability. For three years now we've been under the 75% federal grant program. In many cases some cities have -- and municipalities, counties and local governments have had an opportunity to be funded at a 75% level. Now we find that there may be a possibility or proposal that there be funding at something less than this. We have many cities in the state that are not ready, because of various things -- facility planning and numerous regulations -- and we feel like it would be an inequitable approach to fund them at less than the full 75%

The second factor is that they have based their funding over many years -- three, four and five years now -- at the 75% funding level. Therefore, they have sold bonds, in some cases, to fund the 25% funding. They've actually raised the sewer rates, in many cases, in order to allow this 25% funding to be accomplished. They've had to go back to establish a greater funding rate. Therefore, we feel like it should be retained at the 75% level.

MR. ALM:

Excuse me. Can I ask one question?

MR. RHODES:

Yes, Sir.

MR. ALM:

Excuse me.

Are these communities that would not have funds in the current allotment of $18 billion?

MR. RHODES:

Yes, sir. Several of these projects are just now starting through the facilities-planning program, and also into the Step II grants.

MR. ALM:

So these are communities that would receive funding under any new authorizations?

MR. RHODES:

That's correct. So if there are future authorizations for larger amounts, then they ought to be in a position to receive the full 75%.

MR. ALM:

Thank you.

MR. RHODES:

The next paper I'd like to address is Paper 2, the limiting of federal funding of reserve capacities to serve projected growth. On the surface, after dealing for three solid years with fighting a priority list, the first thing that occurs is how do you spread the money and achieve a greater distribution of funds? However, after looking at it through the perspective of municipalities, local governments and a state-wide viewpoint, our position would be this: that growth areas should be a guideline of ten years on sewage treatment works -- roughly ten to fifteen or thereabouts -- that it be roughly twenty-five years or somewhere in this range for interceptors. The reason for this is that, in the state of Florida, the growth pattern is so significant that it's very, very difficult to project much farther than this on any reasonable basis, and land use is not a program function for a federal agency of this nature at this time.

However, there are many small municipalities throughout the state -- and I feel like it's true throughout the rest of this region -- that to impose a limit at this point in time would cause great problems. For that reason, we would use these as general guidelines and recommend that they be instituted as such.

Further, that the state, in agreement with federal agencies -- with EPA -- have the opportunity to take each one of these facility plans and adjust them so that if the situation warrants it, that we have the opportunity to adjust and to agree to different variations -- that is, that flexibility is permeated throughout this meeting today, that we have this flexibility that if an interceptor is required to produce, over a thirty- or forty-year period, to be more cost effective, that we have the opportunity to use that flexibility in our prudence.

On Paper Number 3, restricting the types of projects eligible for grant assistance, we, I think, all recognize that there is never going to be sufficient funds in this country to finance two or three hundred billions worth of federal water pollution programs. It's our basic feeling, then, that over a reasonable period of time, that, one, that the need survey that stated the types of typical types of I and II and IVB be the ones for acceptance rather than Type II and IIIA and IVB also be included, that makes it more cost effective, we feel, in the long run; it doesn't preclude the possibility of building retreatment capacity where taking out filtration would be more effective.

MR. ALM:

Would you repeat that proposal?

MR. RHODES:

Essentially, we concur with the proposal as stated, with the exceptions that paragraphs III, IIIA and IIIB also be included.

MR. ALM:

Okay.

MR. RHODES:

Paper Number 4, we'd like to present -- that being the extension of the '77 date for publicly-owned treatment words to meet water-quality standards. We, as many, many other states across the nation, have faced the problem of the 1977 deadline. We have faced other deadlines -- they're staying close. Now, we find ourselves, over a three- or four-year period, with impounded funds, insufficient funds to do the job that was originally mandated.

Our basic recommendation would be technical extension of the deatline, inasmuch as it would give the regulatory agencies the authority to extend this deadline in cases where grant money will be made available at a future date; but without the availability of construction grant funds, it's inequitable that the local municipalities and governments would expend this type of money, or to be forced by enforcement actions to move ahead.

Further, we concur with the state of Georgia in their proposal that the NPDES formulate a program that the loan statement permits be used as an instrument whereby this can be achieved. But we emphasize that these available funds -- that these funds must be available; and we would further point out that the facility-planning scope and, also, the Step II Type design money should have priority in cases of this nature, so that you can get projects ready to move ahead. And that project would not be restricted to a Step I or Step II basis. Otherwise, you'll have project delays ad infinitum to infinity.

And, on Paper Number 5, the delegation of a greater portion of the management of the construction grant funds to the states, philosophically, we, as a state, would greatly love to head the program in determining water-quality standards, to control the entire 92-500. We've looked at the program, though, for three years and we've watched the problems that EPA's had in going through the massive law, and the massive requirements that are contained therein. We've also looked at the resources that have been available at the local level, at the state and at the federal level; and we've found this: that there are not adequate resources at any level to adequately implement Public Law 92-500.

Based on this, we would say that we would love to have the delegation of responsibility of 92-500. However, we'd like to have it with the stipulation that there would not be second-guessing, accusations, responses, audits; that we'd have the full inspection audit program. And we know that this is an unrealistic approach, that that'll never happen.

Therefore, the Cleveland-Wright amendments could provide for the state delegation of certain basic elements. We would certainly support that.

And, in implementing this -- which we feel like would have a much better opportunity of producing a project resolution -- we would offer the following suggestions: It is suggested that funds for state personnel positions, as a part of the Cleveland amendments, be authorized at least twelve months, and perhaps more, in advance of the actual delegation in order to allow the training and the acquisition of the personnel, the hiring of the personnel, to carry the program through.

Secondly, these funds should be in conjunction with Section 106 grant funds. That would provide sufficient staff to handle construction programs in time. This is a major problem today. I'm thoroughly convinced, it is the standing level, along with delayed regulations, which seem to be -- or, are in doubt -- are in the process of being done. Secondly, in order for these funds to be fit into the state budgeting process cycle, it is suggested that the funds be allocated or available for allocation at least twelve months before the fiscal year commenced to allow for proper state programming.

And, I'll conclude my remarks with that -- that it's critical that we have these funds in advance, or at least know what they're going to be, in order that they can be properly programmed. Otherwise, you have a program that's not properly going to be administered.

Thank you, gentlemen.

MR. ALM:

Let me ask two questions. One of them: You advocated, as have other speakers advocated, continuing IIIA and IIIA -- that is, infiltration inflow eligibility and major ravamp of sewers. Just for the record, I would like a short statement of why you feel this is desirable.

MR. RHODES:

Essentially, what you find is that in many systems, and we -- I'll have to speak and address that in Florida's first, because I have some direct knowledge of that. There are many, many systems that are overloaded hydraulically, primarily due to infiltration inflow type activity. If that amount can be reduced and a more significant role and more cost effectively in the overall construction expenditure of our federal dollars, then we feel like this should be the approach. However, if it cannot be done through our cost effectively, then it should be --

MR. ALM:

One other question for the record: You indicated that ten-twenty formula growth was a good guideline but in some cases cost effective to growth thirty or forty years, in terms of planning, for interceptors.

MR. RHODES:

Yes.

MR. ALM:

The issue is posed in the papers of whether the federal government should participate in that. Obviously, it would allow localities and states and would be desirable to go ahead and do that. With that guidepost, would your answer still be the same for the federal share?

MR. RHODES:

Yes, it would.

MR. ALM:

Would you feel that the federal government should participate in its share of the project even when an advantage is really cost effectiveness for a community.

MR. RHODES:

Well, what I would like to really point out there is what has been brought out by others. It is: that if you go through several large municipalities and have to put large interceptors in, it doesn't make a whole heck of a lot of difference whether it's thirty-six inches or forty-two or forty-five in the overall cost. And it's certainly better to do that than to try to put it in five years or fifty years down the road.

MR. ALM:

Okay, thank you very much.

Our next speaker is Wes Williams, representing the Georgia Water Pollution Control Association. The speaker after Mr. Williams will be Mr. Philip Searcy.

MR. WILLIAMS:

I am Wesley B Williams, presenting this statement on behalf of Stan Weill, president of the Georgia Water and Pollution Control Association. Mr. Weill sends his regrets at not being able to be here today.

The Georgia Water and Pollution Control Association is an organization that has about 2,000 members. It is also affiliated with the Water Pollution Control Federation. I am a past president of the association and a director to the Water Pollution Control Federation. Our membership is made up of a broad cross-section of people knowledgeable of local, statewide and national aspects of water pollution control and the workings of PL 92-500.

We have had the experience of being involved in the "National Water Pollution Control Experience" from the early days of the U.S. Public Health Service involvement to the present state of affairs. We look upon that alphabetic evolution with mixed emotions.

Our organization supported the development of Public Law 92-500 and thought that the concept and intent of Congress was truly responsive to problems with which we had personal experience. We did, however, feel that the timetable allowed was overly ambitious and questioned the final concept of "zero discharge" when the current state of the art was considered. We recognized, however, that little is accomplished without ambitious goals.

Our membership has reviewed the basic language and position papers associated with proposed amendments to PL 92-500. We have carefully considered past and present experience with the existing law. We have assigned representatives to participate in numerous forums which considered problems associated with implementation of the act. This statement is intended to reflect our judgments growing from this involvement.

The Georgia Water and Pollution Control Association believes that our present problems and those forecast for the future derive from a number of causes. We believe that the primary problem, however, is the lack of stability in the basic implementation of an essentially good law.

We feel that problems attributable to an overly-ambitious Congress, a maze of environmental constraints, a general lack of understanding on the part of the critical parties in the development chain are paled in comparison by the problems attributable to the continuing proliferation of guidelines, program guidance memoranda and guidance from on-high.

When such changing policy is coupled with misguided impoundment of funds, there is little reason to look elsewhere for a means to improve the program and accomplish the desirable objectives of the act in our lifetime.

The basic concept of our recommendations and comments is that the program must have stability. Stability of attainable goals. Stability of program procedures. Stability of program funding level. Stability of administration and stability of commitment.

With these thoughts in mind, our specific comments on the five proposed amendments are as follows -- and, Mr. Chairman, I -- I understand these are issues rather than amendments, as you previously stated.

Amendment Number 1, reduction of the federal share. We are unalterably opposed to such an action. We would suggest, instead, adoption of SB 1216 and H.R. 2161 which will provide a more equitable allocation of present and future funds and place a badly-developed "needs formula" in better perspective.

Amendment Number 2, limiting federal funding of reserve capacity to serve projected growth. We are opposed to the amendment. We feel that the concern indicated is not justified and that existing procedures relating to cost effective analysis and alternative analysis for such facilities is a more intelligent means of administering public funds.

We offer the suggestion that H.R.3658, which would require Congressional review of guidelines and administrative rules, be incorporated into PL 92-500. Such an amendment would be far more constructive in providing needed stability rather than overreacting to a mythical needs number.

Amendment Number 3, restricting the types of projects eligible for grant assistance. We are opposed to the proposed amendment. We believe that each of the possible project types are related to sources of pollution that, in a given instance, can prevent attainment of the fundamental objectives of the act.

We feel quite strongly that intelligent cost effective analysis required by existing regulations provides a proper device for decision making to allow a businesslike approach to project eligibility. We should attack the pollution sources that give us the most benefits for the dollar spent without regard to the type of project involved.

Amendment Number 4, extending the 1977 date for the publicly-owned treatment works to meet water quality standards. We concur with the concept of the proposed amendment. We would propose, however, that the language of such an amandment provide for attainment of a more conventionally accepted version of secondary treatment by 1980. That the goal of attainment of fish and wildlife quality be established for 1985 and that a decision on the issue of "zero discharge" be reserved until after 1980.

The rationale for such a proposal is that acceptance of a well-operated trickling filter plant or waste stabilization pond effluent as "secondary treatment" would markedly reduce wasteful early replacement of such economically operated treatment systems.

Beyond 1980, the ultimate receiving water quality would control type of treatment required.

Amendment Number 5, delegating a greater portion of the responsibility of management of the construction grants program to the states. We concur. We believe that adoption of H.R. 2175 -- Cleveland -- coupled with recommendations outlined for Amendment 2 will deal with the fundamental program flaws. The Levitas Bill will complement the proposed Cleveland Bill and greatly improve the chance for desired program stability.

As a final statement, I would like to say that our association also generally endorses the Water Pollution Control Federation's position paper entitled "Certain Amendments to PL 92-500."

Thank you.

MR. ALM:

Thank you very much.

Any questions?

(No response)

MR. ALM:

I would just make one comment: I certainly agree with you on the need for stability for this program. That's one of the objectives to look ahead at over a longer period of time, when we get to that level. It's one of the critical needs of the program. I very much agree with your comments.

Thank you.

Our next speaker will be Mr. Philip Searcy, representing the Florida Institute of Consulting Engineers.

(Pause)

MR. ALM:

Do you have a written statement?

MR. SEARCY:

(Shakes head.)

MR. ALM:

Will you have it --

MR. SEARCY:

Yes, I will. My comments were completed about 7:00 o'clock this morning on the plane. Upon my return, I'll have them typed up.

MR. ALM:

Those are usually the best kind.

MR. SEARCY:

Distinguished panel, ladies and gentlemen, my name is Philip Searcy. My business address is 2131 Hollywood Boulevard, Hollywood, Florida. As stated, I'm representing the Florida Institute of Consulting Engineers and, also, the Florida Engineering Society.

My purpose in journeying to this hearing was to be tactful and gracious and emphatic, and to be polite, but firm and to the point. Out of respect to the others who also want to be to the point, I'm just going to skip the first group of directives and get to the bottom line.

We are opposed to Amendment Number 1; Amendment Number 2 is no good; Amendment Number 3 is okay, with some reservations; Amendment Number 4 is fine, if you choose the right alternative; and Amendment Number 5 is great if you can do it, really delegate -- and I have underlined "really."

I need to explain a little bit how we got to that bottom line.

And, briefly, regarding Amendment Number 1, which is the reduction of grant, Public Law 92-500 was a very positive act. In fact, it was considered idealistic from many parts. In fact, it was considered idealistic from many parts. It took struggling pollution-control effort, set forth specific goals, provided some muscle and included a very important incentive -- increased grants.

Many projects are under construction today, many more are backlogged waiting for funds, many are in Step I and Step II stages and far too many haven't even started yet. Caught in the middle are the many counties, cities and communities who have banked on the good faith of this act and its 75% grant program.

To reduce the grant at this time would be certain to rob the grant, the EPA and the Congress of the momentum gained to date. At the same time, the increased local share would send many projects into economic orbits which would eventually see the projects landing in some courtroom for determination of progress. And I have a question mark after "progress."

There is mention of the reduction of the federal share to as low as 55%. That's an 80% increase in the local share during this period of high unemployment and economic distress when any increase in local demands is critical. 80% would be disastrous. The nation's sagging economy has already stopped many water pollution control projects because politically-sensitive, public officials are unwilling to thrust new sewer assessment and rate increases as additional burdens to their already over-taxed constituents. These are people that believe in environmental protection, many of whom will work long and hard to comply with the state and federal programs.

The proposal to reduce the federal share to spread the money to more projects is based upon the assumption that additional funds will not be forthcoming. That assumption is the problem.

And the solution is not the reduction of grants but rather the realignment of federal spending. If we're going to have a viable water pollution control program, let's quit playing dodgeball or keepaway and get on with a positive program. I believe, in my own mind, that that's what this hearing is really designed to deal with. We've got to realign ourselves, we've got to get this stability we're talking about. And Congress, the people who brought forth the act, now must fund it.

Incidentally, we believe the ratio of local to federal share has very little -- in some cases, none -- influence on the accountability or cost-effective design, project management of both constructive operation and maintenance. And that statement is based on a great deal of experience within my organization, the Florida Institute of Consulting Engineers, with both the EPA grant program and other federal grant programs.

The proposed Amendment Number 2, which would limit reserve capacity, again, faces the problem which is the assumption that federal funds would not be available, and we're trying to find means of moving the program forward.

The solution, again, is realignment of federal spending to meet the needs, if that's not too idealistic to expect. And, if that is not possible, then neither will the program be possible -- at least in a reasonable period of time. That's been concluded previously.

But cost effectiveness must be a primary consideration for determining reserve capacity. Setting arbitrary limits in law will automatically narrow cost-effective determinations; but what may appear to stretch or save federal dollars at this time may prove to make the next stage costs unreasonably high.

There is a great need for a high level of flexibility in sizing pollution control facilities. We call for faith in the ability of the design engineers, the leaders of communities and provisional staffs of the states and EPA to arrive at proper reserve capacities. If there are those that would take advantage of such flexibility -- and there are -- you now have the responsibility and the authority to control the final decision, California's system, as stated in the EPA paper, is administratively expensive -- we don't need that. We need the limited funds that are available returned as directly as possible to the communities -- and I underlined "returned."

Regarding the secondary environmental impacts of growth that could result from reserve capacity, we believe that issue belongs in the family planning program and not in the water pollution control program. We do not believe that people stop to consider the reserve capacity in pollution control facilities in mapping out population control. There may be, to some measurable extend, places where people attempt to control it by controlling such reserve capacity; but to do so is considered improper. If the people want federal population and land-use controls, then let their elected Congressional delegates establish controls openly and directly.

Amendment 3, which restricts eligibility, there is a lot of discussion on this paper, and all the way through -- and I've caught myself doing the same thing -- talking about incentives. Let's face it, for the most part -- this is sad testimony -- but, for the most part, many communities build pollution control facilities because they're required to build them, often by the law, oftentimes because of crises that have occurred -- but it's a requirement. If the cost per customer -- and I have in parentheses "voter" but I marked it out -- If the cost per customer is not too unreasonable, communities will work with the program. When the cost per customer is not too unreasonable, communities will work with the program. When the cost per customer becomes too high -- and no one can really predict what that breaking point is -- the communities will fight against the program. And, unfortunately, many believe we are rapidly approaching that point.

The key to the per-customer cost is the amount of the grant and the eligibility. Therefore, if you're to restrict the projects for eligibility -- and serious consideration should be given to relaxed compensation -- requirements, the entire program could be thrown into reverse by a strong reaction or a possibly prohibitive requirement. All parties would lose if that happens.

Eligibility must be tied to the availability of funds. This is done now. Whatever reductions are made in eligibility -- and, if any -- we, in general, agree with the comments of the state pollution control program in Florida. And we are therefore saying that, at least leave in the eligibility rights of infiltration inflow -- because we feel the correction of those problems is so closely related to the cost of operation and maintenance of treatment works that correction programs should be a definite part of those treatment projects.

Amendment 4, regarding the extension of compliance deadlines, we feel it would be unequitable to simply extend the '77 deadlines to 1983. Many communities have complied in good faith, others have not. Those that have not should not be given unfair advantage. There are, of course, some projects which deserve additional time and the law should provide an honorable limiting.

Alternative 4, presented in EPA's paper, is considered most acceptable. This provides authority for the administrator to grant compliance and schedule extensions on an ad hoc basis based upon the availability of federal funds. The paper discusses -- and rightly so -- a very significant funding problem associated with this alternative. And, of course, due to the 70% grant re-

quirement for eligible projects -- however, that goes back again to the basic problem, which is basic to the entire program, one which must be fixed by the Congress.

Amendment 5, delegation of management to the states, we believe the delegation of more functions to the states is healthy. The program is bogged down today by far too much duplication of effort and the professional staffs of EPA. And some documents are sometimes reviewed by EPA more than once. The communities, the federal programs, the taxpayers and the environment which we are trying to protect pay those bills in lost time and money. We believe the administration of the program should be as close to the people and their projects as possible.

Florida has the potential to administrate the grant program in a sound and responsible manner, and we would like to see a greater delegation of functions. However, we would not like to see a store-front or false delegation. If the proposed delegation is to be so closely scrutinized by EPA that states must constantly look over their shoulders to see how they're doing, then let's forget it.

We need delegation of review and approval of all documents, with substantial exceptions, by EPA; and we need to have this delegation extended in an honest manner.

In concluding my remarks on behalf of the Florida Institute of Consulting Engineers and the Florida Engineering Society, I want to express our appreciation for the opportunity to be heard. Our comments are given in the spirit of cooperation, dedication and concern for EPA's mission to protect the future of the public that we're all trying to serve.

Thank you.

MR. ALM:

Thank you very much.

MR. SEARCY:

Any questions?

MR. ALM:

Yeah. On the suggestion in the paper for a ten-year planning span for sewerage treatment plants and twenty-to-twenty-five-year span for interceptors, do you oppose any system like that? Do you disagree that most of them fall in the range of ten to twenty? Is the source of your feeling just in your need for flexibility or what? I'm not quite certain what your position is.

MR. SEARCY:

Well, our position is that each project has its own sizing considerations. In one situation you may logically design for ten years and in another situation you might logically design for a much longer period of time. And we believe that, frankly, although there are a lot of other reported comments there, frankly, we haven't experienced the kinds of problems which are to the extent that's insinuated in the statement. And we believe that the professional engineers, the professional staffs of EPA and the states have done a very admirable job of balancing out the design period basis. And, as far as paying for reserve capacity, we feel it's part of the project. And if you don't pay for it now, then in a short period of time people are going to come in and have other needs that are going to be even greater. I think you need to participate in the whole program.

MR. ALM:

Thank you very much.

MR. SEARCY:

Thank you.

MR. ALM:

Our next speaker will be Mr. William Meadows, representing G. Reynolds Watkins, consulting engineers.

(No response)

MR. ALM:

I guess we've lost a speaker.

The next speaker is Julian Bell, representing the City of Chattanooga. The speaker after that will be William M. Lee.

Pardon me; I'm going to have to leave the podium very briefly.

MR. BELL:

I'd first like to represent the Tennessee Municipal League, now in session in Nashville, Tennessee, and bring forth this resolution:

"The Tennessee Municipal League, assembled in its thirty-sixth annual conference, opposes the amendments to the Federal Water Pollution Control Act proposed by the Environmental Protection Agency for submission to Congress in July, 1975, including the following specific proposals: One, reduction in the federal share from 75% to 55% of project costs; two, the limitation of federal aid to serve only the needs of existing popula-

tions instead of aiding facilities to serve future growth; and, three, the restriction of the types of projects eligible."

This paper was drafted at the Tennessee Municipal League's legislative committee meeting and approved by the league.

Speaking to the position papers, in review of the proposal for reducing the federal grant level from 75% to 55%, we find little logic in the supporting arguments. One, if the federal funds are not adequate, so might the local funds be inadequate. We, as local taxpayers and home owners, support both the federal and local governments. Indeed, you're only placing a lower priority on this program.

Statements were made in the supporting arguments that the local officials are not serious or diligent in carrying out the cost effectiveness of the program. We contend that we're both serious and directly responsible to our taxpayers and voters.

You have obviously side-stepped an issue in the responsibility of the cost or the effective cost on local government. We will see it first in our bond indebtedness and secondly in our sewer service charges.

In noting the questions posed in the Federal Register, first, it is not reasonable that we raise more money locally to meet the funding requirements; and it will bring on more delays in local municipalities and local projects.

Speaking for the state of Tennessee, we have no indication that the state would have any state funding without repayment. We have a bond-repayment program in Tennessee and, if you are not aware the economic situation of the state government in Tennessee is at this time experiencing a shortage of revenue and the apparent reduction of activities. So, possibly the federal and state government of Tennessee are in parallel positions.

All communities are experiencing difficulty in raising monies in open capital markets. During the coming months, with the federal reserve being forced back into the open market to finance the federal department, we can expect higher interest rates and a more restrictive bond market.

The tragic result in the reduction of the federal share is that it flaunts a basic intent of the law. Many municipalities based their revenue and bond indebtedness on the 25% ratio. Any variation from this places the municipalities in an unstable economic position.

In Paper Number 2, it appears that you are adopting legislative controls to replace sound engineering judgments. I shudder to think of a bureaucratic dictatorship setting the growth limits for our communities. In response to the ten-year limit on plant facilities or treatment facilities, our program outlines in Chattanooga almost continual construction in our plants in increments. However, we do not look forward to the continued disruption of our community with the installation of interceptor or collector lines. We contend that these lines must be supported on a forty or fifty-year growth period.

On the questions supported on Page 23109 of the Federal Register, we do not believe that the current practices experienced lead to the overdesign of facilities, as there are reviews now at the local level -- both state and federal level -- and that the application of our professional engineering consultants with the latest technology available would lead to proper design. If there is overdesign, it is a result of the misapplication of all that we, as a group, must interpret as the best available technology.

On the installation of sewers restricting the population to a twenty-year period with the local government picking up 100% of the cost of the reserve capacity we see this as just another element to reduce the federal funding share. A slight decrease in the line size from the present construction will result only in a small incremental decrease in cost. However, if use causes their replacement, it will result in a dynamic increase in cost. Of course, we will gain some economic benefit over the short run.

Our statements relative to Paper 3, the eligibility of only secondary and tertiary treatment facilities and interceptor sewer lines restricts the local municipalities' earning capacity. We gain revenue from the number of customers we have tied on to our sewer systems; the broader the base, the less we'll experience in sewer service charges and the broader our bond indebtedness can become.

On the Chattanooga system, the example is as follows: We anticipate $180 million worth of growth. Following the Paper Number 3, Chattanooga would experience $212 million worth of construction before it tied on one additional customer. At that time, we'd be able to bond all $60 million worth of collectors at 100% local funds, assessing the bond indebtedness in Chattanooga in the following manner: 25% of 121 million, plus 31 million, would equal a $31 million addition. And, added to the $60 million, we're talking about a bond indebtedness that would approxi-

mate $91 million to be shared by 150,000 people, or approximately 65,000 customers. To further reduce the ration to the 55-45 level increases the bond indebtedness to $115 million and is approximately four times the existing sewer service charge if we pay bond payments alone. It is absurd to think a town of this size can support this indebtedness.

Our position relative to papers 4 and 5, we elected to have no comment. We feel that the state of Tennessee can comment adequately on its own position.

Now, we trust that the federal government would remain firm in its guideline procedures. We're in this position today because we have attempted, in Chattanooga, to follow the guidelines, rules and procedures as laid down under 92-500. The basic structure of the program appears to be sound. If our task is larger than we first viewed, and more costly, then possibly we should work toegther -- but not by shifting responsibility of financial fortune.

MR. ALM:

Thank you very much; let me ask two questions: With respect to the question of the situation in Chattanooga, would financing 45% of the project costs exceed the limit of Chattanooga?

MR. BELL:

It appears that it would, yes.

MR. ALM:

Okay, would you be using general obligation funds or revenue funds?

MR. BELL:

No; we -- Well, first of all, are supported by the sewer service charge, so they'd be sewer charge bond revenue; they'd have to be totally paid by the charges from the system.

MR. ALM:

Okay; and, finally, wouldn't there be a difficulty in raising the financing of a 45% level?

MR. BELL:

Yes; I think politically we'd experience difficulty. We'd also experience difficulty on the bond market. We've reached a ceiling where we're no longer allowed to bond.

MR. ALM:

If this program followed the same format as the previous Federal Water Pollution Control Act, with the states paying 25%, would you still feel the same way?

MR. BELL:
The state has a loan position -- Our loan rate is approximately the same as the state's. So, we would simply be borrowing money from the state, in essence.

MR. ALM:
What I gather is that, from the statement, if and the city people -- if a grant program were available not the state, but if the federal government put up 55% and the local government put up 25%, the burden at the local level obviously would be acceptable; so that it gets to be a question of the state level. I just talked to both the State of Georgia and Kentucky, and Florida, about it -- excuse me, Georgia and Florida.

MR. BELL:
I think the State of Tennessee would have to address that -- whether they may or may not be aware that the governor of Tennessee has called for a general, across-the-board reduction of state expenditures. He seems to have run short of this year's budget.

MR. ALM:
Thank you very much.

Our next speaker is William M. Lee, representing the Alabama Utility Contractors Association.

(No response)

MR. ALM:
I think we've lost another speaker.

The next speaker is Dale Twachtmann, representing the City of Tampa, Florida. We may or may not have time for one other speaker; if we do have time it will be Mr. Calhoun.

MR. TWACHTMANN:
Gentlemen, I don't have any written comments -- because the first ones were so angry that I tore them up and rewrote these this morning, and got here and chatted with you and found that the color of this hearing was so much more pleasant than the repugnant nature of the three papers that I had read, that I believe that this can be a constructive operation here this morning.

MR. ALM:
I appreciate that and --

MR. TWACHTMANN:
I appreciate that.

MR. ALM:

The administrator, Mr. Twachtmann, says that -- always says that you've got to have thick skin and tough hide to work for EPA.

MR. TWACHTMANN:

All of us appreciate that very well, I think. I think that some of us are so sensitive that we don't even like the matter of being called a "grantee." We think it's all our money, it's the United States', and part of it comes from local sources and part of it comes from federal sources. And we would like to be thought of as a local cooperator working with the United States. And I don't like the londlord-tenant relationship, the grantor-grantee. That's just to show how sensitive we really can be.

Congress intended the 92-500 to have a 75% grant in it. And those of you, expecially, who worked in it and those of us who watched it know that that was a bitter debate. And it took a -- They had to come with a strong percentage because they wanted a strong law; and they wanted a strong law because they wanted action. And it took a lot of courage to go to 75%. And those battles have been fought; I see no reason to fight them over again.

Of course it'll delay the work if you reduce it from 75%. The local cooperatives are strapped now for money. Tampa's is very nearly the largest program in the state of Florida; it'll be over $200 million in total program before we finish. And the total for wastewater improvement, our connection fees now for new customers are $800, our sewer improvement charges are $600, our rates per thousand gallons are right not 76¢ to take away 1,000 gallons of wastewater from your home -- it's going to go to $1 next year. And the water bond issue that I'm working on right now, in my dual responsibility of promoter of water and sewer in the city of Tampa, we expect to 7½% in a few months, if not more, for a water bond issue. Municipal bonds are at least at 7½%; it's very difficult for us to pass.

Now, the needs survey is what scared everybody. Well, the needs survey is screwed up. Because you put that stormwater thing in it. Everybody knows that. And, to put the program on the track, we're probably going to have to go back to look straight at sewers. And probably adjust our priority about stormwater back somewhat. I think we'll just have to do that.

I'm concerned, as you are, about the lack of money that we all have. But, to us, to our way of thinking, the way to approach it is to look at sewers and put that stormwater thing back in priority. That's what caused that dollar thing to go completely out of sight; nobody knew how to approach the problem.

The accountability matter is what really affronted a lot of people. Cost-effective rules shouldn't change just because of where the money comes from, and people get, I think, really concerned about your implications -- the paper's implications -- in that regard.

If we reduce the percentage it will absolutely slow construction and it will have a negative effect on the quality of water in the United States, there just isn't any doubt about it. From our viewpoint, it would be better, perhaps, to adjust the eligibles somewhat, but I'll get to that in a minute.

Okay, Paper Number 2. For those of us that live in Florida in what I prefer to call the point of the environmental wedge, you can recognize a no-growth deal real quick -- and that's, I think, what this is. This is just another way that some have found to bring about no-growth consideration into this program. In Florida we can't prevent growth; we know it's going to happen. We try to channel it and we try to control it. We can't stop it. The building of a fence at the Georgia line, which is often talked about, is never going to work, and most of them know it. This is still America and people will go where they want to go. And we have -- Our problem is as much migration as anything. We have to look to that and understand it.

And local officials are very jealous of this business of being responsible for growth, as you already heard here fourteen times this morning. And it just won't work.

Now, in the Tampa system itself, I think we're really quite clean. Our program was planned in 1971 before the passage of Public Law 92-500. So, whatever we plan to build, we were going to build regardless. And so, I think, that many other communities would do the same thing; there are certain things that have to be built.

And the ten-twenty idea, as I understood the papers, might put this decision making in the hands of state planners, if there was a state grant program. And in Florida we have no state grant program. Again, as other states have indicated, some states have no state grant program. We don't have one in Florida. State planners are not necessarily smarter than our local planners, and they may not -- because they're just not living there day-to-day. And so, decisions made by state officials on a ten-twenty thing with no day-to-day responsibility in the programs may be very difficult, for Tampa at least, limiting treatment plants to a ten-year reserve capacity and sewage to twenty years is unbelievably shortsighted. And it just would not be cost effective at all. It's been adequately stated here this morning that, in

an urban environment, to go more than one time down these very complicated right of ways where you can hardly find the place to put the sewer in -- a forth-two-inch or a fifty-four-inch -- the first time, to go there the second time and think you're going to find space is almost fool-hearty. Sometimes the space is simply not going to be available for the second line. You have to have a pretty good, long-range look at these things. And it just won't work.

And, besides, 92-500 is what brought about the fact of looking at the regional plan, through 201, so when you designate a regional treatment plant, you've added a lot of possible growth areas to us that we have to face.

Now, to get around to the matter of adjusting eligibles: If the United States is in very serious financial trouble, perhaps that's one of the things that has to be done. And the citizens of the United States want to, of course, improve water quality in this nation. And that's what you want to do and that's what we want to do. And so, I believe, as I said earlier, putting our emphasis on sewage treatment and take the emphasis on stormwater down the wheel somewhat. But I can see, from what I've heard here this morning. That that may not work for every state. So, maybe each state should prioritize these thing in accordance with what is important in their state. In the state of Florida we have almost no combined sewers; so we might be able to approach it in a different way from other states would that have a combined-sewer problem. But, the top priorities would have to go, it would seem to us, to treatment plants and interceptor sewers. And if the United States is really in deep financial trouble and needs its burdens reduced, then we should prioritize these eligible items. And we would suggest that you put treatment and control of the stormwaters near the bottom of the list; and, from our point of view, correction of the combined stormsewer, or combined sewer overflows, down there someplace as well. And perhaps, I think, this is probably bold, even I could go down some in major sewer -- oxidation ponds go down in some and, lastly, collector sewers go down in some.

Now, some of my friends in the room will say, "Why even talk about letting collector sewers go down?" Well, that's the one thing that the man in the street can understnad. If you have to explain to him why he has to pay something extra for something more, he'll understand about the sewer being built out in front of his house but he isn't going to understand that about treatment plants and interceptor sewers. And it's very difficult to do that on those items where he pays on a flat foot or a special collector basis. As far as the collector basis, you might sell it. If the United States is in desparate trouble, as we are, then you might have to all look at that together. And that's the point on that.

But if decisions have to be made on this matter -- and this really is a problem to us -- although we don't agree with these amendments, if decisions of this type are going to be made, these really tough decisions, then they have to be made very quickly. Because, it is presently political dynamite to go ahead with 100% local funding on anything as long as the possibility of getting 75% federal money exists.

And, on Paper 4, Alternative 2 is preferable. Georgia's idea is absolutely correct: use NPDES and enforce it on a steady basis. If not, we would think that Alternative 5 is the second choice, but it may allow somebody to be dilatory and is less desirable than Alternative 2.

On Number 5, Paper Number 5, some movement of the work to the states' level is desirable. But it would not be -- shouldn't be considered as a cure-all. And I don't believe I even agree that it ought to be a total delegation. The states will have trouble financing a competent staff and, getting that staff adjusted, as Mr. Rhodes said so well, to the complexity of a program of this massiveness is going to be very difficult for most states; and EPA will have to continue its supervisory role. But there must be some way to make a team effort of it and not to do all of these things twice. And we are now doing a lot of things twice -- we're reviewing at the state level and we review again at the federal level. And it's hard to do it all twice.

Well, after being here and seeing the tenor of the meeting, I think I'd like to say we appreciate being asked to come. In the past, perhaps that hasn't been done as often as it should. I think that the production of these papers, although they were as difficult as they were for some of us, the attitude that each of you have shown here seems to be honest attitudes about wanting indications from those of us who live with this day to day; and we certainly hope you will consider them carefully.

MR. ALM:

Let me assure you, that is the case. Not only the people on the panel, but the record will be reviewed by others. And I plan to review the entire record again myself. I always make these statements and then rue the day I did; but I will.

Let me ask you one question. On the question of eligibilities, one suggestion has been put to us as to fund eligibilities of different percentage rates; let me throw out a suggestion that I have, one where -- that you fund treatment plants at 75%, interceptors at the rate of 65%, combined-sewer overflows at the rate of 55%, collector sewers at 45% and stormwater discharges at 35%. Obviously, anybody can make up their own series of percentages, but I would be interested in your reaction to the notion of differing percentage levels for different types of eligibilities.

MR. TWACHTMANN:

I never heard of that before you mentioned it about an hour ago. And it -- I don't really think that I have devoted enough time to thinking about it. It sounds like it has possibilities, and I think that would be as far as I'd want to go right now. I think all of these things have so many ramifications that when you get into a group of people and you talk about it and you kick it around, other guys come up with some great ideas about, you know, the complications of doing things like that. And, just off the cuff, I'm not certain how that would work. But it is an interesting approach and one that may work.

MR. ALM:

Well, I threw the idea out to you late -- just at the beginning of this session. It was not in our information or materials.

If any of you have any thoughts about this, we'd be interested in just receiving your comments directly. Also, those speakers who will be with us this afternoon, you may want to give some thought to this and see whether you want to make a recommendation in this hearing.

I have no further questions; do you Jack?

MR. RHETT:

The only thing -- again, it's more, I guess, the point -- and I understand, really, what you were saying on this ten-twenty or zero end of the business: It wasn't a growth rate at all; it was strictly a funding thing. And I think we ought to try to keep this clear.

And another -- I think somebody here, one or two speakers -- maybe four -- hit it right dead on the nose. We're talking about, you know, 92-500 is a backlog-type law, and who funds to the future. I think the --I know I get a little sensitive, as an engineer, when somebond stands there and says: "It is -- "effectively -- "Don't you understand that to design you have to look at individual plants?" -- and this nature. Of course I understand it. But it was not the idea of who funds, and where it is practical to shift this funding and still get cost-effective, properly-designed plans.

MR. TWACHTMANN:

I understand.

MR. ALM:

I think, at this point in time, we ought to have a recess until 1:30.

Let me make one general comment: I think the quality of the presentations, and their constructiveness is really very impressive. I thank you for your kind words about our role in this, and I would like to compliment all those who have given statements.

Why don't we convene again at 1:30 with Mr. Calhoun from the city of Hollywood.

(Whereupon, the hearing was recessed until 1:30 p.m. the same afternoon.)

A F T E R N O O N S E S S I O N

MR. ALM:
I think we'll try to reconvene.

(Pause)

MR. ALM:
All right, why don't we reconvene.

We have seven more speakers on the agenda at this point in time. When we're finished with the speakers, I thought I'd open up the floor for any questions that any of you might have.

Why don't we begin with Mr. T. P. Calhoun, who is representing the city of Hollywood.

MR. CALHOUN:
Thank you.

I come to you in a little different role than the others that have appeared this morning -- I'm not an engineer nor a contractor; I'm the operator of a sewage treatment plant in a city of 130,000 and the manager of a water and sewer system. My role is selling what has been sold to us to the customer.

In 140,000 people, we, in 1964 -- '66 -- '64 and '66, the City of Hollywood, together with some surrounding cities in South Broward, did work toward regionalization and we did move toward regionalization. As a result, we now have been identified as the South Broward Pollution Control Facility. We will be servicing -- will be in the process of phasing out twenty-one sewage treatment plants, with the enlargement and extension of our plant facilities.

We have been given the role of enforcer, so to speak, of 92-500, somewhat reluctantly at times, although we actively sought it in 1964-66. We were in trouble, as many other cities were in trouble at that time, facing expansion. We looked around for new partners into our business venture and we fund them: the neighboring cities. The neighboring cities are small, bedroom communities to us and to Fort Lauderdale and to Miami. They are, by nature, not that sewer-minded, sewer-water; they are more recreation-minded, Little League-minded. They are politicians; they come from Little League organizations, civic groups, things of this nature. If they're there more than two years, that's quite often a record -- they get the ballparks, they get the lighting for the Little League and they've satisfied their needs and they go on into either the state legislature or other areas of endeavor.

We -- and I say "we," I've been in Hollywood eighteen years as a sewage plant operator -- I'm now director of utilities. But the person in my field is exposed day in and day out to the question of "Why is my sewer rate so high? Why do I need a sewer? I have a perfectly-operating septic tank. My door is being broken down by criminals; my house is burning down. I don't need a sewer to stop the fellow that's at the jalousie jerking on the jalousie every night." Or, "I don't need sewers, necessarily, to stop the fires that are burning a vacant lot next to me and threatening my home. My septic tank is not a threat to my home." I'll probably wind up this afternoon sounding like an applicant for an LLEA grant, but, let's face it, that's where the competition is for the dollar that we're out there every day trying to scrounge through budgetary sessions, through rate increases, facing a room of 250 irate citizens who can't buy the need for a sewer. If you went over there and gave it to them for zero, they're not anxious to receive it.

We just went through a program within the last two years of attempting to sell a sewer-collection system and what we call our "central area sewers." There is potentially 7100 connections to those in that area, 7100 eventually; and "eventually" might -- twenty or thirty years from now -- provide pretty good income to our system. Right now, those, perhaps, 7100 connections, depending on when they come on the line, and if the city's fathers put in a ten-year payment plan for assessments, you know the cash flow isn't going to be there until the ninth or ninth-and-a-half, or when we put liens on and property is sold twenty years from now. So, we're not looking at an immediate cash flow from 7100 connections. Hopefully, a good amount of that dollar will flow in.

We are faced with the problem of cash flow, of the competition for the dollar. Our country, Broward County, Florida, has a regulation that is going to require advanced waste treatment prior to any state or federal regulation. We're faced with buying land adjacent to our 36-million-gallon sewage treatment plant, which is currently being upgraded at a cost of $23 million, federally financed to sixteen of that. So, we're going to have to buy -- possibly buy land with a gun at our head at $55,000 an acre; and we'll probably need thirty to forty acres. It's swampland. $50,000 an acre. Now, up in Kentucky, I imagine, $50,000 buys you an awful lot of land; $50,000 in south Florida buys you one acre that is flooded half the year.

Competition for that dollar is advanced waste-treatment requirements for land, but the police -- Hollywood, has had -- it had last year a 41% increase in crime. That's the largest crime-rate advance in the country. Now, the person that has to part with $800 for a sewer collection, $600 for a capital fee

charge -- which is being proposed shortly -- and a sewer hookup of seven or $800, is not too anxious to do that. The competition in our budget session currently is going to police.

I address Issue Number 1, or Paper Number 1, or Thought Number 1, that's being discussed today: We can't make it without 75%. And many of the other small cities -- "small cities," 140,000, if that's "small" -- you pick up your own hometown paper and you either read, depending on which night it is, sewers or crime most likely. Most cities have done one hell of a job on crime: They've driven it all to south Florida.

(Laughter)

MR. CALHOUN:

Every criminal in the country is in south Florida. Miami is doing an awfully good job: They're driving them north of the county line, into south Broward. Which happens to be Hollywood. Fort Lauderdale has a new computer for crime recognition, new radio systems. They're driving them out of Fort Lauderdale, into Hollywood. That dollar that's available for us is going to crime; it's not going to sewers. We're carrying our own load in the water section. So, Issue Number 1 is vital at 75%.

Our O&M costs for the plant that we're currently building -- we now have a 36-million-gallon primary treatment plant that was legislated into absolenscence in about a half an hour by the State of Florida Legislature four or five years ago -- our O&M costs, electric alone, are $10,000 a month. Our electric costs alone are $10,000 a month for that plant alone. The new plant the we're currently upgrading, which will be ready in about a year, is going to be, at the same loading factor, $94,000 a month.

Now, we're telling people that "your $3.50 monthly sewer is probably going to look like $22 very shortly." "Why?" "Because of O&M." "Okay; I'm glad. I asked for clean water, I asked for clean air. I'm willing to pay a water and sewer bill that might look like an electric bill when I'm running the air conditioner. But I'm not willing to pay $1200 for an assessment for a new sewer when my septic tank is operating perfectly." And Hollywood celebrates -- we're very fortunate, next year we're celebrating our fiftieth anniversary as a city along with the country celebrating its bicentennial. But their septic ta-- there are septic tanks down there that people have been using for fifty years. And they cannot buy the thought of sewers. And if we start talking anything less than 75% -- and the sliding scale appeals to me personally, that there might be some merit in that -- we're not going to be able to make it; we're going to

have a revolt. We're going to have a revolt in the cities. There aren't the dollars. I've been out last week trying to sell a one-man garbage program to reduce garbage fees, a one-man truck. We very shortly get around to the water, "What's it going to cost me for the water?" We're building a 40-million-gallon water plant in order to fill up a 36-million-gallon sewage plant that we, hopefully, are looking for the revenue, looking for the customers.

Limiting the reserve capacity. We have a strip, let's say, eight miles long in our "Gold Coast Area" of south Florida. That eight miles have been developed in forty or fifty years. There's 76,000 empty units in Dade and Broward County now. But somebody mentioned a fence at the Florida line -- the representative from Tampa. There is no fence up there. They're either coming to Tampa or they're coming to Hollywood -- they may not, when they read the crime rates, come to Hollywood and you'll be blessed back in Tampa with having your growth. We need twenty, twenty-five years to look at. We're starting out from that plant with a forty-eight-inch, a sixty-eight-inch, a sixty-inch in another direction. We've got to lay those lines out there towards the west. There's no place else to go: We're hemmed in on the east of course; we're hemmed in on the north. We have an area that we need to plan for, a growth out to what is Flamingo Road; that's twelve, fourteen miles out from the plant west. That's four miles beyond what is currently build up. And it took fifty years to build up. And you're not going to see another fifty years waiting for that area to build up. People are coming in.

The order of construction needs -- I would echo what has been said this morning.

Holding the date -- I think if we hold the date of '77 but allow some good-faith flexibility built into it, we can live with it.

The State of Florida -- I -- I don't, by any means, want to address any other state; I'm not familiar with the programs of the other states, the state programs. But I do know the State of Florida has the capability in the people that they employ to take on much of the responsibility of EPA. If we could stop looking at the processing and start looking at the purpose, we might be further down the road.

MR. ALM:

Thank you very much, Mr. Calhoun. Let me assure that in Washington, D.C., we have not exported all of our criminals to Hollywood.

(Chuckles)

MR. ALM:

Let me move on. The next speaker is Linda Billingsley, representing the Georgia Conservancy. After that, John Langsfeld will be the next speaker.

MS. BILLINGSLEY:

My name is Linda Billingsley and I am representing the Georgia Conservancy, Incorporated.

We are an environmental group in Georgia with about 4,000 members.

When we were first advised of this hearing, we were not aware that it would be for comments only on the proposed legislative changes in Public Law 92-500. By law, because of our tax-exempt status, we are not permitted to comment on proposed legislation or to try to sway public opinion of such legislation. Therefore, I must restrict my comments to the present law and its capabilities. Also, I would like to ask some questions about the proposed amendments -- some of these questions have already been answered today.

First, I would like to say that there have been some problems in implementing PL 92-500. The blame can be spread to a lot of different areas. Some of the problems are: One, shortages and changes in both state and federal personnel handling the program cause the planning requirements to take a long time. A lot of you have reflected on this today.

Confusion over specifics of the regulations and lack of education of public officials by EPA on the law.

Three, most states and local political jurisdictions do not have available the critical information -- on land use, population projections and environmental information. This should be mandatory. Overlapping drainage basins in different political areas and controversies over growth projections have compounded these problems.

Four, public participation is inadequately addressed. This requirement is being ignored in many states.

Five, little consideration is being given down stream water users who have to increase their drinking-water treatment costs because of lack of enforcement upstream -- such as, removal of sediment, toxic pollutants, and so forth.

General comments I would like to make of PL 92-500: One, granting construction grants for new sewage treatments plants should be planned concurrently with an update to the sewage collection system, sometimes antiquated and leaky.

Two, engineers preparing required considerations of alternatives of wastewater disposal systems should be directed to include not only cost but also resource depletion and environmental degradation in their analyses.

Three, much improvement is needed in the regulations for meeting the toxic pollutant requirements of the law.

Four, the NPDES notices are difficult to evaluate. We, therefore, do not have the expertise to monitor these.

Five, the goals of 1983 and 1985 must and can be achieved by greater implementation and enforcement of the law by EPA. The elimination of red tape would aid EPA in achieving this purpose.

Six, greater emphasis should be put on the use of Section 208 by EPA.

Seven, we do not believe that non-point discharges are being addressed adequately. Even if the streams meet the 1983 standards, urban run-off will completely downgrade their water quality.

Eight, we hope the July, 1977, deadline can be met by both municipal dischargers and industry, with a little speed-up in administrative details.

Now I would like to pose some questions on the proposed amendments: One, without further legislation, can Step I and II grants be combined timewise to speed up the small construction programs? -- this is small municipalities.

Two, why are the public works committees of Congress not waiting for the National Commission of Water Quality's report, due in October, 1975, before proposing changes in the law?

Three, has EPA investigated or proposed the intermedia approach to multiple use of advanced wastewater treatment plants, such as burning solid waste to fuel the incineration process used extensively in AWT plants? Would this require legislation also, in view of the interagency agreement of coordination of the land-use related provisions of EPA's 208 and HUB's 701 comprehensive metropolitan planning grant program?

Four, on the use of ad valorem taxes as a means of assessing user charges, would it be legal to use this for residents and small businesses and yet collect a user charge from industry on the basis of the quality and quantity of their wastes?

Five, on the subject of transferring the construction grants program to the states for administration, what is a realistic figure in years for accepting certification by state water pollution control agencies? Is the 2% figure for administrative costs too high or too low? Since only two states, Georgia and Mississippi, are now handling NPDES permits, would this happen under grant administering, too?

Six, what is the feeling on the transfer of construction grant money to the states? Would this speed up the processing or slow it down?

Seven, on limiting federal aid to certain projects, would this possibly penalize the urban run-off research in the stormwater control program?

Eight, would a reduction in the federal share of grants -- Item 1 -- penalize small municipalities further, which are presently our biggest pollution problems in Georgia?

Nine, does the limiting of federal aid to serve only the needs of the existing population mean that only the present systems that need updating would be financed, not the new system for projected growth in undeveloped territory?

Ten, is the 1977 deadline unreachable without further legislation? With the proposed amendments, will it then be reachable?

Eleven, under the law now, since half of the pollutants present in streams is the result of urban run-off can NPDES permits be used to limit this as some of it comes from point sources -- parking lots, subdivisions, highways? Would new amendments be needed to control this?

I would also like to submit a further written statement before your deadline.

MR. ALM:

Certainly.

Thank you very much. As I indicated, we'll have a period for questions and answers, and you may want to raise some of these questions at that time.

I can just give you a quick answer to Number 1 and 4; the answer is "no" in both cases -- we've tested them legally. The answer is "no."

The next speaker is John Langsfeld, representing the Association of County Commissioners of Georgia.

(No response)

MR. ALM:
Is Mr. Langsfeld here?

(No response)

MR. ALM:
Okay, the next speaker is Howard Frandson, representing the Fulton County Public Works Department.

MR. SABOCK:
I have two telephone calls: one for John Bass and one for Bob Corbett.

MR. ALM:
After Mr. Frandson, Mr. Jim Morrison would be next.

Mr. Frandson?

MR. FRANDSON:
Thank you.

My name is Howard Frandson; I'm chief engineer for Fulton County, Georgia.

As the Fulton County representative, I respectfully submit the following comments concerning five potential legislative amendments Public Law 92-500.

Amendment Number 1 provides for the reduction of the federal share of construction grants from the current level of 75% to a level as low as 55%. Since the inception of Public Law 92-500 in fiscal year 1972, Fulton County, the largest county in Georgia, has been awarded only one construction grant. That for a 3-million-gallon-per-day wastewater treatment plant project, which had originally been submitted under Public Law 660. This means that Fulton County must depend heavily on local funds. Currently, Fulton County has a $30 million backlog of sewage projects, which are designed and are ready for construction if the funds were available.

Fulton County has issued revenue bonds in an amount equal to our financial capacity. However, we are unable to fund all of the sewage projects necessary to serve our developing communities. The covenants of the bond resolution do specify 75% federal funding where construction grants are contemplated.

Fulton County has historically assumed a responsible attitude toward the treatment of wastewater. Therefore, we are victims of our own good work and are not eligible for construction grants under the priority system as established by the State Department of Natural Resources and Environmental Protection Division, and the Environmental Protection Agency.

Further reduction in funding for sewage projects from whatever source can only result in delay.

I understand this situation is unique among Southeastern states, but the state of Georgia does not participate financially in the sewage program. Therefore, an increase in required local funding must assumed by the individual county or municipality. If the federal government cannot raise monies to fund sewerage projects, I seriously doubt that local government, with its multitude of problems in all areas of responsibility, can raise the necessary funds.

Amandment 2 proposes limiting the federal funding of reserve capacity to serve projected growth. The seven-county metropolitan Atlanta area has a current population of approximately 1,600,000 people. According to the Atlanta Regional Commission that population is projected to increase by 2 million people to 3,500,000 during the twenty-five years between now and the year 2000. That's an increase of more than the current population, from 1.6 to 3.5 million in twenty-five years.

Local government cannot ignore these statistics. We must be prepared to handle our responsibility, which is to provide those services which the people cannot reasonably provide for themselves.

Fulton County is designing wastewater treatment plants for ultimate needs. However, we construct in phases, with each phase having the capacity to handle estimated wastewater flows for a period of approximately ten years.

Fulton County is designing the underground interceptor and outfall systems to handle ultimate needs based on projected population desities. Our experience is that an increase in pipe size will add a substantial increase in flow at modest cost. For example, in a recent contract the cost against -- the cost of installing a thirty-six-inch, reinforced concrete pipe was only 6% more than the cost of installing a thirty-inch pipe -- yet the flow capacity was increased by 44%.

Fulton County has found that paralleling or relieving existing sewers can be very expensive. When we must resort to the right of immanent domain for property acquisition, the courts have awarded judgment for permanent easements according to the purchase value of the property. That's purchase value of the property. Judgments for temporary easements are approximately one half of the purchase value of the property. The courts also find that the county is responsible for substantial consequential damages.

By comparison, when we install sewer lines in developing areas, the necessary easements are usually dedicated -- because the property owners are anxious to gain the benefit of sewage service.

During times when construction costs are annually increasing at double-digit rates, we question the wisdom of deferring the question of the construction of underground sewerage when modest additional investment will satisfy projected needs.

As a general statement, I have never seen a sewer line that is too big.

Amendment Number 3 restricts the type of project eligible for construction grant assistance. The primary thrust in Fulton County is to provide interceptor sewers and wastewater treatment facilities. However, we must recognize that, in the cost of drainage and treatment for infiltration and inflow, it is approximately the same as the cost of drainage and treatment for sanitary sewerage.

We firmly believe that the economics of correcting problems at the source justify the cost of controlling infiltration and inflow.

I believe that Fulton County would be receptive to a sliding scale of construction grant percentages, as proposed by the moderator during this morning session.

Amendment Number 4 extends the 1977 date for meeting water quality standards. I suspect that I could live in a $150,000 house and have an expensive automobile in the driveway if I assigned my entire income to this objective. Similarly, local government could move more rapidly with efforts to meet water quality standards if it assigned a disproportionate amount, a disproportionate share of lit revenue to this single effort. But we all recognize that our family has more needs than simply a big house and a large automobile. Likewise, local government has more needs than to satisfy the water quality standards.

We believe that the delays as proposed are realistic.

Amendment Number 5 delegates a greater proportion of the management of the construction grants program to the state. We believe that the state environmental protection organization is closer to local government and therefore, more cognizant of local government problems. Therefore, we support the proposed amendment.

In summary, Fulton County submits that the success of our mutual efforts to provide clean water is influenced primarily by the availability of funding. Good economic judgment is necessary to use every dollar as wisely as practicable. With this consideration, we firmly believe that amendments 1, 2 and 3 should be defeated and that amendments 4 and 5 should be adopted.

Thank you.

MR. ALM:

Mr. Frandson, I have a couple of questions. One: I gather, with respect to the third issue, that you made a statement that you would look favorably upon some form of sliding scale. Also, if I understand it correctly, you talked about adding eligibilities IIIA and IIIB to the ones listed in papers 1, 2 and 4. I gather you wouldn't mind dropping some eligibility, if I understood you correctly?

MR. FRANDSON:

Well, that was meant to be a general statement, and I didn't try to be specific. But I think the sliding scale that you talked about this morning would be most practicable. I think that under those situations, all could be included -- although, in the case of Fulton County, with sewer systems that are comparatively new, we haven't experienced some of the problems that we've seen in some of the older systems.

MR. ALM:

I was also interested in your design-planning project for interceptors. You indicated that you had never seen a pipe that was too small -- to big, I mean. What you were getting at: You look at the cost in money and make these observations?

MR. FRANDSON:

Yes, of course. The metropolitan area, and this includes unincorporated Fulton County, expands outward; and when we put in the first leg, the first mile, the first two miles or whatever, of each leg that's moving away from the central area or away from the plant, we try to size it so when it finally reaches its ultimate end, ultimate terminal point, then we don't have to go

back and parallel the first leg. We think that this is economically wise. We've had some most unfortunate experience in trying to put in relief sewers in established areas. The cost of right-of-way, for example, exceeds the cost of the project. There is a difficulty in dealing with irate citizens who already have their sewer and are not interested in assisting projecting or extending their sewer lines into other areas; they just have theirs and are not interested in helping others. So, it's a very, very difficult situation and we find it much cheaper to go ahead and do it right in the first place.

MR. ALM:
Okay; thank you very much.

MR. FRANDSON:
Okay. And I thank you.

MR. ALM:
The next speaker is Jim Morrison, representing the Georgia Wildlife Federation. After Mr. Morrison, we have Mr. Maury Winkler.

Mr. Morrison?

MR. MORRISON:
Thank you.

I am Jim Morrison, executive director of the Georgia Wildlife Federation, which is our state's oldest and largest conservation organization of approximately 5,000 members throughout the state.

It is a pleasure to be here today to present our views on the five issues outlined in the Federal Register. However, we would like to comment that we didn't receive any written notice of this hearing from the Environmental Protection Agency itself. There is an excellent directory of all the state wildlife federations in the country published by the National Wildlife Federation. It has our name and address, and we'd appreciate it if you fellows would put us on your mailing list.

MR. ALM:
We can guarantee that.

MR. MORRISON:
On Issue Number 1, the proposed reduction of the federal share, we don't believe it would be any more practical to reduce the federal share for construction grants under Public Law 92-500 than it would be to reduce the federal share on inter-

state highway grants and still expect the roads to be built. Local resources, without the generous return of federal tax monies through grants, are insufficient for the task of cleaning our nation's waters.

While recognizing that the 1977 goal of secondary treatment or better for all municipal treatment works will not be met, we do not believe that the rate of federal funding should slacken until at least the $35 billion share needed to construct the secondary treatment, advanced treatment and interceptor sewers reported in the 1974 needs survey has been authorized and appropriated.

Issue Number 2, limiting federal funding of reserve capacity to serve projected growth. We believe that federal funding should be limited to that capacity of sewer plants or sewer lines needed to serve twenty years of growth estimated using the OBERS projections with census bureau input from their Series E, or the lowest, growth calculations. However, communities should be allowed to fund 100% of the cost of additional capacity calculated on the marginal cost, or incremental cost analysis which allows for economies-of-scale in construction.

We have seen some instances locally in Fulton County, for instance, which Mr. Frandson just commented on, in which lines have been built of a greater capacity than was really necessary to meet the projected growth needs in the area unless we were really going to pile people on top of people in that area.

MR. ALM:

But -- Can I, before you go on. . . Could you repeat that proposal? I understand the twenty years, but what was the other part of the proposal?

MR. RHETT:

I think it's really explained in the incremental costs.

MR. MORRISON:

Right. The federal funds should be limited to that capacity of sewer plants and sewer lines needed to serve twenty years' growth estimated using the OBERS projections with census bureau --

MR. ALM:

And the county would pay for anything -- The municipality would pay for anything beyond twenty years is that right?

MR. MORRISON:

Right.

MR. RHETT:
That's under the incremental costs, right? In other words, you take the costs that it would normally cost and they would pay the separate rather than a percentage?

MR. MORRISON:
Okay, I've got it.

MR. MORRISON:
Issue Number 3, restricting the types of projects eligible for grant assistance. We feel that the six categories of projects presently eligible for funding should remain. In most cases in the Southeastern United States, the state water pollution control agencies have effectively restricted fundable projects to categories I, II and IVB. This means that a much more equitable distribution of funding by Congress would be obtained if funds were primarily allocated among states according to a formula which placed heavy weight on these needs expressed in categories I, II and IVB. This is especially true because Congress is unlikely to ever appropriate a significant portion of the $235 billion that is is estimated is needed for storm-water treatment and-or control, yet this huge amount is included in the need allocation formula.

Issue Number 4, extending the deadline. Because the initial effect of the tremendous expansion in the requirements necessary to qualify for grants under 92-500 has had the effect of slowing actual wastewater treatment plans construction, a three-year extension of the deadline should be granted. This would eliminate the need for much complex and ineffective legal action when the July 1, 1977, deadline approaches and 60% of our nation's population is found to be served by a facility that won't meet the mandated goals.

Issue Number 5, delegating greater construction grants responsibilities to the states. This would be a mistake as the program would be slowed even more as the states attempted to staff up with adequate manpower to meet greater responsibilities. Procedures and customs are just now beginning to be established regarding the handling of the Title II regulation, and if they are soon rewritten again we believe that a year or more of momentum gained will be lost again. As an ex-federal and state employee, I can testify to that from personal experience.

Finally, one issue not scheduled to be discussed today, but one that the members of our organization who like to fish frequently find to be a problem, is the failure of treatment plants to work after they are constructed. In EPA's 1974 "Clean

Water Report to Congress" 30% of treatment plants adequately sampled during routine project follow-up were found to be not meeting the effluent quality criteria they were designed to meet. Here in our area we believe the percentage to be even higher. And unfortunately for both the fish and the fisherman, the organisms in the stream are killed by the extremes of pollution eminating from these plants, not their average weekly or monthly product.

An amendment should be added to the Water Pollution Control Act to enforce much stricter controls on operation and maintenance of federally-funded plants. Perhaps actual O&M grants should be authorized and made in some cases.

Thank you for this opportunity. I am submitting two copies of this statement today and reserving the right to submit an expanded statement during the period the record is open.

MR. ALM:

Thank you, Mr. Morrison; I have just one question. When you were talking about Issue Number 3, on eligibility, did you have any comment on the sliding-scale proposal?

MR. MORRISON:

No.

MR. ALM:

Okay.

Our next speaker is Maury Winkler. After that, Robert Sutton will be our last speaker.

MR. WINKLER:

Gentlemen at the head table, ladies and gentlemen, on behalf of David Brown, director of the water and sewer department of DeKalb County -- who regrettably could not be here today -- I submit the following comments.

The following brief comments on the five topics which are proposed amendments the FWPCA are being considered for submission to Congress.

One, the reduction of the federal share. Some basic questions need to be considered: Would the states set a stringent effluent requirement and criteria if 75% funding had not been available? Would the states require local governments to construct and operate -- that require high capital investments and high operating costs -- advanced waste-treatment plants under this

situation, that is, if 75% funding were not available? Or, would there be a reevaluation of the necessity, and also the criteria for the effluent standards set?

These questions arise because of DeKalb County's initial experience with 75% federal funding. For example, as the result of a 1972 directive by the State of Georgia that we set advanced waste-water treatment on the South River, and after having relief grants for secondary treatment for the same river, DeKalb County finds that even with 75% federal funding for construction of such mass waste-water treatment facilities, estimated to cost $80 million, and to complete it in four years, it is in financial trouble. The $20 million, DeKalb's share, will place a tremendous financial burden in both dollars and from the accelerated time schedule to construct these facilities. Obviously, DeKalb County has to be in favor of 75% federal funding, or even greater. Obviously, consistency is necessary as to percentage of federal funding, as consistency, DeKalb County believes, as the achievement of consistent pollution abatement goals is clearly dependent thereon.

And another note on the 75%: The 75% paid by EPA appears to inadvertently erode the state government's needed sense of economic concern. Greater monetary concern might be shown the higher the share of local funds.

On Issue 2, limiting federal financing of reserve serving the needs of existing population. A possible consequence of the present 75% federal funding and future limitation of this is: Were federal funding limited to serving the needs of the existing population, the new facilities needed due to increases in population would cost the local governments four times as much now as those 75% federally funded -- that is, assuming 100% local funding. This would require subsequent sharp increases in local water and sewer rates. Rate increases are not locally popular. And the goals of 92-500 would suffer limitations DeKalb County feels would unduly penalize growing communities -- not those already established, as much.

As to Issue 3, restricting the types of project eligible for grant assistance, guidelines are clearly needed, at this time, to define the type of projects which would be fully- or partially-funded by federal grants. Local governments need to know projected cut-off dates for federal funding or reduction, so that longrange fiscal planning can be done. Consistency, now, in knowing how many federal funds will be received in the future, is again necessary.

Issue 4, extending the 1977 deadline for meeting water-quality standards. DeKalb County is in favor of such extensions on a case-by-case basis where the target date cannot be realistically and economically met.

Issue 5, delegating a greater portion of the management of the construction grants program to the states. DeKalb County is in favor of reducing the layers of governmental control and review. Greater fiscal responsibility, as well as environmental and planning responsibility, should be given to the states that are capable of administering the program.

Gentlemen, you requested a comment on percentages to be funded on the various types of projects. Initially, I do not think that setting such a percentage could be a hard, fast rule for a particular type of project. Ideally, the largest percentage should go to the system or project where the greatest pollution abatement can be obtained. For instance, if a sewer is consistently overflowing, it should go there rather than to a treatment plant that only sometimes does not meet effluent criteria.

MR. ALM:

Thank you.

Jack, any questions?

MR. RHETT:

(Shakes head.)

MR. ALM:

Okay, Mr. Robert Sutton, engineer of Cobb County.

MR. SUTTON:

Gentlemen, I'm Robert L. Sutton, Junior, Cobb County engineer of Cobb County, Georgia; and I'd like to comment, first, on what I see as the general problems, as outlined in the papers.

First, there is a great concern on EPA's part to be sure that the paperwork is overdone. This seems to be passed on to the region by Washington. Second, we need a uniform or even keel as to funding. I would recommend this to be a level of four to $6 million per year, until the level of secondary treatment is reached by all communities -- "secondary treatment" being basically defined in one way, of 85% BOC removal or post-odoration. This will allow properly operated oxidation ponds now in existence to remain. Thirdly, at various meetings I've attended, I keep hearing that EPA is requesting additional funds to hire additional people to increase O&M inspections. What good is this going to do if wedo not have the money to operate, nor the people to operate. Fourthly, I would like to House Bill 4161 and Senate Bill 1216, as introduced by the Georgia delegation, be passed and implemented, since they allocate impounded funds on the bases of 50% needs and 50% population, giving Georgia a greater share. Fifthly, the disregard of EPA, Washington, for the intent of Congress in their legislation, whenever it suits their fancy, an attempt to prevent EPA from legislating, or regulation makes the passing of Congress-

man Levitas' -- of Georgia -- House Bill 3658, which calls for Congressional approval of rules and regulations, period.

I would like to comment on the papers as outlined in the notice of the hearing in the following manner: Paper 1, the reduction of the federal share. A reduction of the federal share would only increase the burden of funding at the local level, and in all likelihood eliminate from the program projects that are badly needed. There also is a maximum amount of funds available at the local level for construction and operation. If more funds are spent for construction, there will be less funds for operation. A citizen can only afford so much.

Some of the figures in the need survey, especially in the non-point source numbers, may not be correct since none of us to this day have even the foggiest idea of how to solve this problem. Therefore, a reduction in federal participation is no answer, but a uniform funding as I have outlined above.

Paper 2. Reference is made to a study that has been prepared by the Council of Environmental Quality in which EPA was criticized for funding excessive capacity, in a seminar sponsored by the Water Pollution and Control Federation. One of the writers of the report indicated that the Council on Environmental Quality took the issue of excessive capacity out of context.

There is a question in my mind as to whether EPA's proposed position is a panic solution to what EPA sees as an excessive demand on funds. Once EPA is allowed to take a position on excessive capacity, they seem to make this the rule rather than the exception, and do not follow good engineering design but make arbitrary rules and regulations as their method of evaluation. In my short experience with Public Law 92-500, I find that population projections are based on the general feeling of population and how the particular demographer feels towards birth control as to whether continuous rates of growth, as projected by local planners, is applicable.

And I would refer you to the paper, as presented by the Water Pollution Control Federation to EPA, which does disprove the theory that planning for future growth is impractical. If EPA desires to restrict growth or not fund so-called "reserve capacity," then I would suggest that they up their percentage of participation to 100% of what they determine is needed capacity.

Paper 3. The reduction of the types of projects that will be eligible for grant funding under 92-500 is ridiculous and arbitrary. To eliminate any type of project from funding would remove the local community and EPA's capability of reducing the contamination that is in our streams.

Therefore, on this item, I would recommend, again, a uniform-funding approach, as outlined above, with an orderly deadline for each level. EPA has asked each governmental body to give its needs and place an estimated cost on these needs through a need survey without even defining, again, the non-point source of the stormwater clean-up requirements. As these are places of question, as are some of the point-source pollution -- because we have had definitions of this for hundreds of years.

Paper 4. I would recommend that EPA have its secondary-treatment deadlines extended to 1980, and redefine their definition of "secondary treatment." I would also recommend that the requirement for meeting fish and wildlife and clean-stream quality demands be set in 1985 -- and that the zero-discharge date be deferred indefinitely until someone can define "zero discharge,"

Paper 5. I would like to see EPA delegate all of its responsibilities as well as its construction grants program to the Environmental Protection Division of the Georgia Department of Natural Resources. This is contingent upon this delegation being a true delegation and not some Mickey Mouse approach as has been demonstrated in the past. We have confidence in the Georgia EPD, but we become confused when we have projects approved and get last-minute regulation revisions created by EPA.

In summary, I would refer you to my general statements above, and would add one following comment. And that is this: It makes no difference who invests the funds in the facilities that we construct if we're not able to maintain and operate these facilities at the level intended. This does not mean hiring more people in EPA or EPD, but it does mean greater support for the local communities for the operation or the maintenance programs by leaving us money to operate with.

Thank you.

MR. ALM:

I have just one quick question. I'm a little bit unclear as to what you're proposing for Issue Number 3?

MR. SUTTON:

Well, what I'm saying there is that I don't believe you can reduce the various projects without -- because there are certain areas in Georgia that I'm familiar with that have problems that lie in the other project areas. And the other point is that I'm not sure that the sixth item of -- seventh, I guess -- the stormwater clean-up -- in that area there, that the definition of what we are trying to clean up. Is that finite, that you can put finite dollars on it?

MR. ALM:

Um-Hmm. Well, in your opening statement you suggested that the program be funded at the four to 6 billion a year until secondary treatment is reached. I guess the question I have is how one gets a coherent rationale here -- everything is eligible. How do you know what target you're shooting at?

MR. SUTTON:

Okay, I think that you have -- and what I'm saying is, your -- there's a secondary-treatment level. If you set your secondary treatment and leave the other items in there -- that there are a lot of oxidation ponds out here in the state of Georgia and a lot of other facilities that are functioning properly now -- that if you go and apply the rules and regulations as outlined by you at this time, they will have to be replaced; and you'll have to pay money for that item, in which you could transfer those funds to the --

MR. ALM:

But that's still treatment. I guess I was talking about stormwater, combined sewer. . .

MR. SUTTON:

Okay, I think combined sewer is going to be -- I think this is a level of -- of allowing you to have more money available, is what I'm trying to say to you. Maybe I didn't say it too well, but I'm trying to say to you: Instead of rebuilding something we've got out there that's working now, let's take some of our money and put it on some of our needs; and if you eliminate these project categories, then you release -- you destroy your option of using your money in that direction.

MR ALM:

I think I understand what you're saying. But the problem we have, obviously, is to sell both the administration and the Congress on some level of funds that will achieve some goal. And that's the problem we have to try to define.

MR. SUTTON:

Okay, I'll be glad to look into that level and give you some information on that.

MR. ALM:

Thank you very much.

The next speaker, I believe, is Earl J. Ham.

(No response)

MR. ALM:

Is Mr. Ham here?

(No response)

MR. ALM:

Well, at this point in time I'd like to leave the floor open for questions to myself and Jack -- or, perhaps if you want to get one of the other speakers.

Any questions?

(No response)

MR. ALM:

The first question is always difficult. Does anybody want to try and second question?

(Laughter)

MR. ALM:

Yes, sir?

A VOICE:

I have a question. When you say "delegation from EPA to the states," does that mean the actual cash too, and the ability to make grant offers and to process papers?

MR. ALM:

Jack, why don't you. . .

MR. RHETT:

The "delegation" we're talking about is almost complete, with an audit function. It's an overview and an audit. But let me try to explain this. I guess it might be like checking ball-bearings -- you know, you check one in so many -- from the audit setup there.

But at the same time, the law, I think, and our approach to it today, has been that the state has to provide the proper administration of it or the proper stewardship, or any portion could be withdrawn. Because there's no way, ultimately, that the stewardship, shall we say -- the ultimate responsibility cannot be transferred down. We're back to the old problem of: You can transfer out all the authority, all the work, all of this, but ultimately the administrator is the man who is accountable.

But I think, to answer your question, it is a true delegation, not Mickey Mouse or any of this nature, that's involved.

MR. ALM:

Let me talk about the general policies that I see. What EPA would like is: one, to get the Cleveland Bill, which gives a great deal of delegation to the state, evaluated for the possibility of going completely like the grant program sometime in the future. But, again, we think that is a two-stage effort. But we are very interested in getting a maximum abount of delegation at any point in time.

MR. RHETT:

I think there is one thing of interest here -- because it has been brought up before -- is this business of phasing in. It's been alluded to a number of times today. Is your states -- I'm not talking about all of them, but most of your states are woefully undermanned. They just don't have enough people to handle everything. And that's, of course, why it is extremely important with the idea of the 2%. Now, that's an "up to 2% -- because you don't just give somebody 2%; it's an auditable 2% -- that was used for administration of the program. 2% would be what would be given to somebody with a small program. One of the larger programs, obviously, would have less. Then, as the states built up their staffs, and all, to be able to handle it, they could take on more and more. I believe it was Mr. Rhodes from Florida who really alluded to this problem of hiring, staffing, training and otherwise.

There also are other problems -- they can be salary-scaled. A big one could be just pure space-allocation problems, where the states are not willing to allocate addition hiring spaces in one area where another place has a freeze -- even though there is federal money.

But we're looking into all facets of this. But it's a true delegation; there's no way you can -- and we know this -- ultimately, this problem -- that this program can operate properly from the Washington-federal level. It's ultimately a local, state problem.

MR. ALM:

Any other questions?

Yes sir?

A VOICE:

In reading what has been said -- Well, first of all, having been in an adversary position, number one, the way I read the comments that have come out today, is that there are kind of three basic things: stability, flexibility and consistency.

It seems to me that you can find all kinds of reasons but, basically, you get down to the point that is involved with the law, which is a very complex law, and what has been done to that law in the nature of regulations to make it even more complicated, that the EPA would be well advised to suggest -- to do away with some of the regulations and give back to the states and the local communities some flexibility to handle things on a case-by-case basis. Now, I can use Mr. Rhodes' and Phil Searcy's comments about combined sewers in this area of Florida. I can use others' comments about control of infiltration inflow being a low-priority item. Yet, we're involved in one project at the moment of infiltration inflow that the inflow isn't controlled -- any new secondary sewage treatment plant will operate approximately one year out of every four, because the events that occur statistically are such that it would wipe any biological process out. So, that's true in our community; and I know another community has an entirely different problem. And it seems to me that there has to be a greater degree of flexibility allowed to the states because they are closer to the problem and how they assess it.

Thank you.

MR. ALM:

Jack, I think that we basically agree with that. And one area -- we're looking to get flexibility, of course -- is the 1977 date. Perhaps we may ask for flexibility in other areas. One of the problems is that, to the extent to which we ask for flexibility, it has an impact on stability and consistency. In other words, we -- and when I say "we," I mean the federal government, the states, the localities, consulting engineers and everybody else -- have had a very painful three years adjusting to the current act. I think most of the adjustments have been made. Whenever one changes the act in a dramatic way, even in terms of simplification, there is another long period of confusion and instability. And I would say that those kinds of changes ought to be evaluated very carefully, so that we only deal with the most important changes to the law. I do agree that we do need flexibility in certain areas -- clearly in the '77 statutory date for municipalities. We definietly need flexibility there.

I don't know if I've had responsive.

THE VOICE:

I didn't expect you to respond. I think some flexibility has to be included in priorities in state to state and city to city.

MR. RHETT:

I wonder, Al, if I could come into one thing here, that I think was one that was mentioned. I've been really traveling

all around the country with a lot of groups, and one thing that sure comes across loud and clear to me right not -- and I'm coming to one part of it -- it Title II may be bad. We may not like it, it may be writtin in legalese rather than English and all, but for gosh sakes don't change it. Right now, we understand -- it's taken a long time -- we understand what's required and what we're supposed to do. Consequently, we have tried very, very hard -- there are a number of things in Title II -- just to simplify or to write it in, let's say, a little more understandable -- that could sure be done now, but we're scared stiff that if we ever tried to do something like that that we'll stop the program again.

The program has started taking off: We've been averaging over 400 million a month. I hope we can maintain it. I am quite encouraged that we can. But I think -- well, we've been picking up here, too, this business of stability. We're afraid to even think about it right now.

MR. ALM:
Yes?

A VOICE:
Will there be any correlation between these hearings and the findings on the Council of Environmental Quality:

(No response)

THE VOICE:
Can you hear me?

MR. ALM:
No, I couldn't. By the way, could you give your name and organization just so everybody'll know?

THE VOICE:
Will there be any correlation between these hearings and the National Water Quality Commission? -- commission, I believe it is.

MR. ALM:
I'm not sure. We've got a very difficult time problem. I mentioned, we could have amendments out sometime this year or early next year. Now, whatever the National Water Quality Commission has available will be very useful; I'm just not entirely sure of their schedule. The last time I talked to Joe Moran, he expected that they might have a report out this fall.

Is that your understanding?

MR. RHETT:

(Nods head.)

MR. ALM:

So, whatever we can get from him, we can move ahead. We've run into a problem where a lot of communities are concerned. A lot of communities are concerned that there is not an authorization to the program for this program for '77 and subsequent years. And that's beginning to have a deleterious effect across the country. So, we're convinced that we need to make it a long-term authorization. And to do that we need to grapple with the program, as we have discussed today.

So, I guess, in short, we'll use whatever we have; but we have to limit our own schedule.

THE VOICE:

I would like to comment, now, the intentions of that organization are very good, but some of the questions they asked me in an interview one time were quite abmiguous and, I thought, a "yes" or "no" answer was very hard to give.

MR. ALM:

You must have taken the same test I did; I refused to answer about a third of them.

THE VOICE:

"When are you going to stop beating your wife?"

MR. ALM:

That's right.

(Laughter)

A VOICE:

F. C. Biggs, ATC, Mississippi chapter, a comment and question: About the most stable thing that a contractor notices about the EPA is the total lack of working construction in any large amount of projects. You talk about the money that you're spending. We haven't seen any of it. It has been about three years.

We notice something else: We can talk this subject to death -- it's a little like having sex by proxy, it may sound great but it doens't do anybody any good. And until we get the program constructed, we're still just talking about it.

MR. ALM:

I know Jack Rhett is probably jumping off the side of the chair. Let me just mention one thing and then turn it over to Jack.

Right now, this is clearly the administrator's number one priority. He sent out a memorandum to all the regional offices. A very blunt memo about getting the construction grants program moving. He indicated, in that memo, he wanted to set quotas; and then he was looking to Jack Rhett as the national program manager to get the program moving. So, if Jack doesn't do it, we know how to go after to scalp.

So, go ahead, Jack.

MR. RHETT:

I'd like to come into a little bit of it. But, of course, the problem that you're bringing up is that the awards are uneven from state to state and locality to locality. But that doesn't mean that the program isn't moving. Presently -- I say, we put out about 5.2 billion. And I want to come back a little bit, in a minute -- that's what? 6½-7 billion if you consider 75% funding.

Under the new law, some 3,252 projects, out of the 5.2 billion, there is approximately a billion of this that's not under construction yet. And that's because of either local problems, going to contract, bidding or things of this nature. So, there is actually quite a bit out.

In addition, in the old law, there's still 3,252 projects under construction right now. So, I guess, really, what I'm -- for another 4 billion or so. Progress payments are being made on these.

Now, let me talk a little bit on outlays. Now, outlays, of course, from the federal grant program, lag quite a long way from a construction . . . We're trying to shorten that. We've been working very closely with the organization, among others, with procedures to try to shorten the -- in other words, to speed up the payment. But, outlays, this year, will be over $2 billion. Some of this is in reimbursable projects, but it's reimbursable -- that are under construction; it's not paying for, really, so much, for old work. Then, it starts to climb sharply, from the work that's out there right now, and what we're projecting within a couple of years, the outlays will be up over 4 billion.

Now, if anybody will look at the highway program or anything else, it's got exactly the same pattern. We're not running behind or anything of this nature. But that doesn't mean that the program is moving fast enough -- because it isn't. We've got to get, in our planning, averaging somewhere in the neighborhood of some 400 million a month from now over the next two years.

The difficulty is the pipeline is -- we start and look down the pipe here -- the pipeline will start to run dry here in the fall in certain areas if all of us don't get in and push to make sure the plans and specs and everything are getting out, getting in, and we're getting approvable projects. And that's a very simple statement, now, I'm making -- I realize the complexities.

But in addition to this, the administrator has just sent a team around -- we've hit all ten regions, we've hit -- what was it? -- thirteen states? --

MR. ALM:
(Nods head.)

MR. RHETT:
-- a number of consulting engineers, a number of municipalities, a number of contractors, both AGC and NUCA; and all of them have turned in a report. There are a number of things that are being done now. And, really, I am cautiously optimistic that we can keep the program moving and keep it moving quickly.

But I'm the first one to say that, if you look at it today, it's spotty. There are certain areas that have to move faster.

THE VOICE:
I have one more question -- I appreciate your answer. One other thing: If EPA is able to delegate to the states a major portion of this grant function, will EPA then be able to introduce more management into this situation by the possibility of condensation of regulations and this and that? Does that matter have any priority? Because if someone's going to manage something, they've got to get into management. I believe you fellows are kind of hung with an unmanageable program here.

MR. ALM:
I think -- Yeah; well, I think your question has a number of dimensions. If we get the authority to delegate, then the job will tend to be phased in. In other words, nothing's going to happen overnight. The states will take on more and more of the responsibility. One thing we have learned, and learned the hard way -- and that is not to try to change something overnight. We need to take this one step at a time.

The problem is, own personnel crunch, is to be able to manage the program effectively. We just do not have the personnel right now to do that. Whether or not that ultimately winds up being translated into regulations implication, I can't say. Because, again, you get to the same point that I raised and Jack Rhett also raised, and that is the extend to which you change the

rules of the game even when you try to simplify them. You introduce a great deal of instability into the system.

Any other questions?

(No response)

MR. ALM:

Comments?

(No response)

MR. ALM:

Let me make just one last announcement -- we all have an extra hour today.

The hearing record will be held open until the close of business of July 7th, 1975. Any written comments received by that deadline will be considered as a part of the record.

The next hearing on these issues will be in Kansas City, Missouri, June 17th, and the Muhlenbach Hotel at 9:00 a.m. o'clock.

Without any further business, I'll call this hearing to a close.

Thank you very much.

(Whereupon, the above-entitled matter was concluded.)

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C E R T I F I C A T E

G E O R G I A)
)
FULTON COUNTY)

I, J. Gary Proctor, being a notary public in and for the State of Georgia at large, do hereby certify that the above and foregoing is a true and complete transcription of my stenographic notes taken at the hereinabove set out time and place, and was reduced to typewriting by me personally.

I further certify that I am neither of kin nor counsel to any of the parties, nor financially interested in the event of these causes.

WITNESS my hand and official seal at Atlanta, Fulton County, Georgia, on this the 18th day of June, 1975.

J GARY PROCTOR T-39
(SEAL)

KANSAS CITY

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VII

PUBLIC HEARING ON POSSIBLE ADMINISTRATION PROPOSALS TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, RELATING TO MUNICIPAL WASTE TREATMENT GRANTS

KANSAS CITY, MISSOURI

JUNE 17, 1975

PANEL:

JAMES L. AGEE, Assistant Administrator for Water and Hazardous Materials, EPA, Washington, D. C., Chairman.

JEROME SVORE, Regional Administrator, Region VII, Kansas City, Missouri.

John T. RHETT, Deputy Assistant Administrator for Water Program Operations, EPA, Washington, D. C.

Hotel Meuhlebach
Grand Ballroom
Kansas City, Missouri

I N D E X

MR. SVORE: Ladies and gentlemen, it is my pleasure to welcome you to this hearing on the possible administrative proposals for the amendments to Public Cause 92-500.

I am Jerry Svore, Regional Administrator for EPA in the Kansas City Region. It is also my pleasure to introduce the other two members of the hearing panel.

To my far right is John T. Rhett, who is an engineer that has been with EPA for the last couple of years in charge of the construction grants program. Prior to that time he was with the U.S. Corps of Engineers.

The gentleman on my immediate right is James L. Agee, who in his past experience was also a Regional Administrator for EPA, and was the original Regional Administrator in Region 10 in Seattle. And Mr. Drain talked him into leaving one of the better jobs of EPA and go into headquarters as an assistant administrator in charge of the Water Program and Hazardous Materials.

With that introduction, Jim, I will turn it over to you.

CHAIRMAN AGEE: Thank you, Jerry.

Ladies and gentlemen, thank you very much for coming. We appreciate your presence here today to present your views on possible administration proposals to amend the Federal Water Pollution Control Act of 1972. This is the second of a series of public hearings. We have had one in Atlanta. We will have another one in San Francisco, and another one in Washington, D.C., all in this month of June.

I would like to begin for a few moments here by reading a statement and putting the Wastewater Treatment Facilities Grant Program of EPA into focus and get to the purpose of these hearings and how we will use the hearing testimony that you folks will be presenting today.

The 1972 Amendments authorized, and the Administration has allotted to the states, 18 billion dollars in construction grant funds, these grant funds at the rate of 75 per cent Federal Share would amount to something like 24 billion dollars in construction.

As some of you know, the 1974 survey of state needs indicated that approximately 350 billion dollars are eligible, and that is what our need survey indicated under the Water Pollution Control Act.

In the aggregate this would amount to a Federal Program of something like 262 billion dollars to fund that 350 billion dollar need survey that we have.

The magnitude of the need is well beyond the capability of the federal budget to fund with 75 per cent grants in any reasonable future time. As a result, today we will be considering alternative means of funding of these projects that are absolutely essential to attaining required treatment levels without negating major water quality objectives of the Act.

Also considered will be possible ways to extend the 1977 Statutory Deadline for municipalities to reach secondary or higher required levels of treatment; and, in addition a measure to improve the management of the program through greater delegation of responsibilities to the states.

I want to emphasize that these hearings will relate to changes to be made in any future funding that Congress may make available after the 18 billion dollar allocation. In other words, any of the proposed changes as to funding will not pertain to changing the provisions under which grants are to be made with presently available funds.

Specifically, these hearings are for the purpose of receiving public comment, views and information on the issues described in the May 2, 1975 announcement of these hearings, and discussed in more detail in the background papers published in the Federal Register of May 28, 1975.

These background papers are available at the registration desk today if anyone desires additional copies. The background papers are presented with the intent that they will assist in focusing discussion at the hearings--they do not cover any possible alternatives, and are not meant to confine the discussion. Nor do they indicate any pre-determined course of action already selected by EPA. On the contrary, these very hearings will assist EPA in determining our course of action.

There are five issues that we wish to address today:

The first issue reads like this: Should the federal share for funding construction grants be reduced from the current level of 75 per cent to a level as low as 55 per cent?

The objectives of such an amendment would to two-fold: The first is to permit the limited funding available to go further in assisting needed project. The second objective is to encourage greater accountability for cost effective design and project management on the part of the grantee by virtue of the grantee's greater investment in the project.

Some of the questions which might be addressed are:

A. Would a reduced federal share inhibit or delay the construction of needed facilities?

B. Would the states have the interest and capacity to assume, through state grant or loan programs, a larger portion of the financial burden of the program?

C. Would communities have difficulty in raising additional funds in capital markets for a larger portion of the program?

D. Would the reduced federal share lead to greater accountability on the part of the grantee for cost effective design, project management, and post-construction operation and maintenance?

E. What impact would a reduced federal share have on water quality and on meeting the goals of PL 92-500?

The second issue is: Should the Federal Government limit the amount of reserve capacity of facilities that would be eligible for construction grant assistance?

There are two possible objectives to be achieved by limiting eligibility for reserve capacity. The first is to permit limited federal funds to go further in funding the backlog of projects for treating existing flows; and the second is to induce more careful sizing and design of capacity so that excessive growth-related reserve capacity is not financed with federal funds.

Some questions which may be addressed are:

A. Does current practice lead to over-design of treatment works?

B. What could be done to eliminate problems with the current program as to reserve capacity, short of a legislative change?

C. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

D. What are the merits and demerits of limiting eligibility for growth-related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

E. Are there other alternatives?

The third issue is: Should the types of projects eligible for construction grants be restricted?

The principal purpose to be achieved in limiting eligibilities is to reduce the federal burden in financing the construction grants program. A secondary purpose is to limit federal participation to those types of projects that are most essential to meet the water quality goals of PL 92-500, and to require that some projects be fully financed by local and state authorities where such projects are clearly within their responsibilities and capabilities.

Some questions in these areas are:

A. What impact to different eligibility structures have on the determination of need for a particular facility?

B. Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of federal financial assistance?

C. Is there adequate local financial capability to undertake investment in different types of facilities?

The fourth issue is: Should the date be extended by which publicly-owned treatment works are to achieve compliance with requirements of Section 301 of the law?

It is currently estimated that 50 per cent, or 9,000 communities serving 60 per cent of the 1977 population, will not be able to comply with the requirements that municipalities have secondary treatment of their wastewaters by 1977. The amount of construction grant funds authorized thus far -- 18 billion dollars--is not sufficient to cover the 1977 needs that are estimated in the FY 1974 Need Survey for Secondary or Higher Required Treatment.

And, in addition, those communities that are funded with federal grants by 1977 will not be all able to complete construction by 1977. The issue is faced as to how to address the question of non-compliance with the law in 1977. The obvious solution is to extend the deadline either on a case-by-case basis, or by an overall extension of the compliance date.

Some questions which may be addressed are:

A. Should the Act be amended to allow either case-by-case extensions of the deadline, or an overall extension to a certain date:

B. Would it be fair to require industry to meet the 1977 deadline, while extending it for municipalities?

C. Should an outside limit be provided to the administrator granting an extensions, for example five years from date of amendment, or should the possible compliance deadlines be open-ended?

D. Will EPA lose credibility supporting an across-the-board extension for municipal compliance, especially in cases where it is unnecessary?

The fifth and last issue which we would discuss today is: Should a greater portion of the management of the construction grants program be delegated to the states?

A bill, H.R. 2175, has been introduced in the Congress, which would permit the administrator to delegate to the states the broad range of grant processing functions, including those that go beyond the review and approval of documents. States would certify that the requirements for grants had been fulfilled.

Included also is a provision to compensate the states directly out of state allotments for administrative costs which they incurred up to a maximum of 2 per cent of the states yearly allotment. Under H.R. 2175, EPA activities would be largely confined to overall policy making and to auditing and monitoring the grant activities performed by the states. However, EPA would remain responsible for any environmental impact statements necessary on individual projects.

Some questions which may be addressed are:

A. What exactly functions in the review and approval of construction grant applications should be delegated to the states?

B. Should all parts of the construction grants process be delegated?

C. In addition to ordinary staffing problems, what difficulties may be encountered in state staffing when a federal financial commitment is involved.

D. Will the funding level suggested in the proposed bill be adequate?

E. In actual practice will greater delegation of program responsibility to the states make the program more efficient without compromising environmental concerns?

F. How much time would be required for individual states to assume additional responsibilities?

G. Are there alternative funding schemes, either federal or non-federal to support the states in this construction grants effort?

For the first four of these issues, the administration is contemplating the submission of proposals to the Congress to amend the Federal Water Pollution Control Act. The information derived from the hearings will provide EPA with a better understanding of each of these four issues.

Should these hearings result in specific suggestions for legislation to be formally submitted to Congress, EPA would have in its possession the views of interested parties and data on the potential impact of such proposals, including data for the draft environmental impact statement that would have to accompany such proposals.

For the fifth issue, that is delegating greater program responsibility to the states, EPA has endorsed H.R. 2175 and H.R. 6991. These hearings will give EPA a better understanding of the capacity of the states to accept greater delegation and will provide views and information concerning the administrative procedures that might be used to accomplish more timely delegations. These hearings will also explore any problems that might be involved in this effort.

Now for the ground rules by which these hearings will be conducted. Anyone wishing to testify today must sign the registration card available at the entrance. Testimony should be limited to a maximum of 15 minutes. I will call the speakers in the following manner to come to the lecturn over here, and if you would do so to make your presentation, please try to confine it to 15 minutes.

Our secretary today, Dave Zobop over here, has a little timer, and it will ring. So when the 15 minutes are up, it will keep us on schedule today.

If there are any questions regarding the procedure or approximately at what time you will be called if you do wish to testify, you can see Mr. Sabock over here and he can give you a fairly good estimate as to when you might be called for this testimony today.

We are pleased to have you here today, and we are looking forward to your testimony. Are there any questions that I might answer about the purpose of these hearings at this time?

(No response.)

CHAIRMAN AGEE: O.K. There being none, we will move right into the testimony. I would like to call at this time Mr. James Shaffer, who is with the Little Blue Valley Sewerage District. Mr. Shaffer? I mentioned that the buzzer will ring, Mr. Shaffer, in 12 minutes, so that will be the key that you have got three minutes left. It is not for your benefit. It is for everybody's.

MR. SHAFFER: O.K. Ladies and gentlemen, my name is James Shaffer. I am General Counsel for the Little Blue Valley Sewer District, which is a common sewer district located in Jackson and Cass Counties, Missouri.

I have been requested to read into the record this morning a statement prepared by Mr. Harvey Jones, Chief Engineer and Chief Operations Officer for the Little Blue Valley Sewer District.

The driving force behind the nation's water pollution control effort is the Municipal Waste Treatment Grant program. This program must not be allowed to falter and come to a halt while amendments to the act are debated and new regulations and rules are formulated.

The lessons learned from attempting to implement PL 92-500 must be heeded to prevent cost escalations from pushing project financing out of reach while paperwork is shuffled.

We suggest a two-phase approach be adopted to permit the grant program to proceed without further delay. First, extend authorizations at a seven billion to nine billion dollar annual level for the next five years. This action is needed immediately to permit state and local governmental units to proceed with any semblance of order in their planning.

Second, approach any amendments to the act in an orderly fashion and avoid additional costly time-consuming provisions. This time lesten to the professionals.

Paper No. 4 states that 60 per cent of the 1977 population will not be receiving secondary treatment by that date. How much advice of the professional committee was heeded in establishing this date for secondary treatment?

The following suggestions are offered as possibilities to be considered in order to optimize expenditure of the grant dollar:

A. The federal share should be maintained at the pre-75 per cent level. State and local governments have, in most instances, made arrangements for financing projects at this level. A change in the federal share at this time would in almost every instance create delays, and in some instances probably force abandonment of projects under development.

B. Limiting federal funding of reserve capacity to any fixed perameter will not be cost effective. Local governments are not overspending because of the grants. Even the 10 per cent local share is burdensome, and the electorate also knows the final source of the matching funds. The capacity design must be established at a case by case level to be cost effective. The California Plan may have spread the money, but still could not be economical. To attempt to coordinate population projections on a statewide basis would merely result in delay, and duplications of the Regional planning efforts.

C. Funding at the 75 per cent level should be limited to treatment facilities and interceptor sewers. There should, however, be flexibility to permit funding of a lesser degree of treatment for combined sewer overflows should this be more cost effective than providing secondary treatment at the main outfall. States should have also the authority to permit funding at a lower level such as 50 per cent for treatment or control of storm water after all sanitary wastes have been cared for. Grant money should not be made available for maintenance items such as correction of inflow, infiltration, in collection systems, sewer rehabilitation, separation of combined sewers, or for the construction of collecting sewers.

D. The 1977 date for meeting water quality standards should be extended to a reasonable, obtainable date,

and should still be based upon the availability of matching funds. In addition, the requirements for treatment should be reinvestigated and where the cost effectiveness of secondary treatment cannot be proven, the requirements should be relaxed. Funds saved by this plan could be better utilized to improve potable water treatment plants.

E. Many of the roles played by the EPA should be phased out and be returned to state governments for more responsive action than

Thank you very much. That concludes our statement.

CHAIRMAN AGEE: Mr. Shaffer, may I ask you a question?

MR. SHAFFER: Yes.

CHAIRMAN AGREE: You indicated, if I heard you right, that the states should be given the opportunity to have, require a greater local share of certain eligible projects?

MR. SHAFFER: That is correct.

CHAIRMAN AGEE: Do you think it would work better to have the states have that perrogative or would you recommend that that be in, an amendment to the federal legislation, which would permit this in all states, or require it?

MR. SHAFFER: Well, I read the statement, it is Mr. Jones' statement. And I believe it would be fair for him or Mr. Paul Andrews to answer that. They are both here this morning. So, I think in fairness to them, because I have just read their statement, they should give their answer to it. Paul is here.

CHAIRMAN AGEE: Would you care to answer that?

MR. ANDREWS: Would you care to repeat the question again, please?

CHAIRMAN AGEE: I believe Mr. Shaffer said that a state should be given the opportunity to use federal funds and require a higher percentage at the local level for some kind of project. I think Mr. Shaffer said stormwater separation, for example, or for sewers.

MR. ANDREWS: I believe it was suggested a lower percentage. He said that the interceptors at treatment plants which were included in the original legislation should be maintained

at a 75 per cent level, but that some of the facilities which were added to eligible projects under PL 92-500 might be funded at a lower level under such time as the primary projects had been taken care of, the ones which are most cost affected.

CHAIRMAN AGEE: Thank you.

MR. SHAFFER: Thank you very much, Mr. Chairman.

MR. SVORE: Mr. Shaffer, I would like to ask you a specific question in connection with the Little Blue project, or your entire development in the valley.

How would changing the percentage of funding on future phases of your project affect your, how does the bond market affect this? How would you finance it? How would it affect the financing?

MR. SHAFFER: In the case of the Little Blue Valley Sewer District, it would have a very drastic affect. The proposed construction costs of the, for the completion of the construction for the district is about 270 million dollars. For those who are not acquainted with our district, it is an interceptor line and treatment plant which will service 11 incorporated cities in Jackson County and Cass County, Missouri, plus two federal installations.

In order for, because of the fact that the Little Blue Valley Sewer District is a common sewer district it is not a taxing authority. Therefore, in order for the district to provide for its local share, it was necessary to go into the public market and sell revenue bonds. It was based on the contemplated federal and state funding of 90 per cent and the local share of 10 per cent.

The district authorized the sale of 54 million dollars in revenue bonds. Twenty nine million dollars of those revenue bonds have been sold and in the prospectuses, which were prepared when the bonds were sold to the public, there were statements made, of course, that the funding was based on, that the projections for the payment of these bonds and for the payment of the local share was based on the present funding at 90 per cent by federal and state.

If the local share were increased, as an example, supposed the local share were increased from 10 to 20 per cent. Then the local share would be doubled; it would then be necessary for the district to go back to the public and try to attempt to sell a revenue bond which is not backed by taxing authority.

And in the opinion of our investment advisor, who is here today, it would be impossible for us to be able to sell the public on these bonds. So I think the net result in the Little Blue Valley Sewer District, if we were required to go back and try to attempt to sell another sizeable amount of revenue bonds based on some other contingencies, that we would not be able to effectively do that.

MR. SVORE: Thank you.

MR. RHETT: Just one procedure, I wonder if the gentleman from the Little Blue would give us his name so the reporter can pick it up?

MR. SHAFFER: Yes, the answer to that was given to Mr. Svore, or was it Mr. Agg'e question? That was Mr. Paul Andrews, who is with Burns, McDonnell Engineering Company, consulting engineers.

Also present this morning was Harvey Jones for Little Blue. He is the chief engineer. Mr. Hawkins of Hawkins Brothers, who is the bond advisor for the District is here also.

CHAIRMAN AGEE: Thank you, Mr. Shaffer.

MR. RHETT: I have one more I would like to pursue a little bit more on the sliding scale. Would this sliding scale, as you all see it, be a fixed sliding scale, so much per treatment plant, 75 per cent for treatment plants and interceptors, I think you mentioned 50 per cent for stormwater? Or would there be any flexibility in these lower ones? I was really trying to--

MR. SHAFFER: Yes, I believe our theory is that the states should be given some latitude in determining the, not only the priorities but determining the cost factors and it should be flexible.

MR. RHETT: O.K. Thank you.

CHAIRMAN AGEE: I would like to call at this time Mr. Oliver Williams, who is with the Wisconsin Department of Natural Resources. Is Mr. Williams here?

(No response.)

CHAIRMAN AGEE: All right. We will move on, then. Mr. Max Foote from the Municipal Utility Contractors of America. Is Mr. Foote here?

MR. WEAVER: I am Mr. Weaver. I am supposed to speak for Mr. Foote.

CHAIRMAN AGEE: Very good. Following the next speaker, we will ask to come forward Mr. Frank Eaton, following this presentation.

MR. WEAVER: Gentlemen, my name is Frank Weaver. I am a contractor from here in Kansas City. I am here today to speak in place of Mr. Max Foote, who is the chairman of Region 7 Municipal Utility Contractors of A.G.C.

First let me state that the position statement of Region 7's Ad Hoc Committee accurately reflects the feeling of the A.G.C. Region 7 Utility Contractors.

To be more specific, we feel that it would be a mistake to reduce the federal share of this funding. Whereas, the amount of money that is available from federal funds is said to be limited, it appears to the contractors that to date the regulations and requirements are so complex that only about half of the money allocated has actually been committed. The purpose, we feel, of the act cannot be accomodated in time to meet the 1977 and 1983 Municipal Pollution Control requirements of PL 92-500, regardless of the amount of federal participation, as long as these restrictive regulations and requirements remain in effect.

We also feel that reducing the amount of money available at this time, or in the near future, would actually only further delay the program because of the new regulations and new powers that would have to be promulgated, and because of the fact that about the only way a municipality can come up with their share of this is through taxation. And taxation purposes today are just not very popular and they are hard to get through. So we would think we would be defeating the purpose of PL 92-500 if the federal amount was restricted or lowered.

Now, as to limiting federal financing to serving the needs of the existing population, it would seem that this would not be very progressive. Region 7, EPA Office, has made restrictions which, and rules covering this, which we believe are very realistic.

In other words, they have more or less taken a case as it comes up, gone over it, seen if maybe it is just somebody's dream as to the anticipated growth, or if it is real. And if it is real they have gone along with it. Or, in some instances I know where they have cut drastically.

And we feel that it should be done on this basis rather than just automatic or an across-the-board cut. In other words, this is something which we think should be worked out between the EPA and the consulting engineers.

Now, when you restrict the type of projects eligible for grant assistance, you are liable to discriminate against some municipalities, because the needs of the city is very great. But nevertheless, they are as real to each city as the other.

The needs of some of our smaller towns are not the same as the needs of our larger metropolitan areas, but I think that they need this clean water protection as much as the larger cities. Maybe they don't need a big treatment plant, but they probably would need a collection system. So I think that it should be left more or less the way it is, but I do believe also that the system of priorities could be established at very definitely saying how it would be done. And I do think that there is a great deal of merit in maybe reducing the federal share on something like stormwater treatment, rather than waste treatment.

Now, Region 7 Contractors, as well as the National A.G.C., have advocated the passage of H.R.2175, which would grant a greater portion of the management of the construction grants to the states. We feel that the states are closer to home, and that they are more in touch with the needs of the community than the federal government. And we feel, in other words, I think the federal government is just a little too big and a little too far away.

And also maybe it would be better if things were done from a local level. Or at least a statewide level, and we feel that this really is probably the greatest thing in, that you are proposing that would help move the grants along and would help accomplish this PL 92-500.

Now, in closing, I would only like to say that Region 7 Contractors feel that the present law and regulations will never allow the quality standards to be met. We all feel that it is just like dangling a carrot out in front of a rabbit. No city councilman in his right mind would vote to use city tax money for these purposes, when federal money appears to be their for the asking.

What he doesn't realize is that the system is so complex he will probably never qualify for the grant. Neither do we feel that most of these proposed amendments will remedy this situation, or even make it much better.

I do want to thank you for giving me the opportunity to speak on this most important of all thoughts.

CHAIRMAN AGEE: Mr. Weaver, thank you. Jack or Jerry, do you have any questions of Mr. Weaver?

MR. RHETT: No.

MR. SVORE: No.

CHAIRMAN AGREE: Thank you, sir.

Mr. Frank Eaton, is he in the room? Yes? Mr. Eaton's representing the Consulting Engineers of Kansas. Following Mr. Eaton, our next witness would be Mr. Williamson.

MR. EATON: Good morning, gentlemen, Mr. Agee, Mr. Svore, Mr. Rhett, ladies and gentlemen.

I am presenting this statement today at the director of the members of the Professional Engineers in Private Practice of Kansas Engineering Society, and the Kansas Consulting Engineers Council. I welcome the opportunity to provide input and comments regarding the proposed amendments to the Federal Water Pollution Control Atc.

I realized that there would be several persons appearing to present statements, and therefore, I have attempted to be brief in my comments. This is a summary statement and we may choose to present more in detailed and specific written comments at a later date.

This is the Position Statement for the Professional Engineers in Private Practice, and the Kansas Consulting Engineers Council for presentation at EPA Public Hearing on June 17, 1975, Kansas City, Missouri.

Members of the above professional societies have met and reviewed the material presented in the May 28, 1975 Federal Register entitled, "Municipal Waste Treatment Grants," and subdivided into designations "Papers No. 1 through 5." We present the following statements relative to each of these papers.

> Paper No. 1 - Reduction of the Federal Share. In our opinion the reduction in the amount of the federal share would inhibit the construction of the needed facilities and would delay the meeting of the goals of PL 92-500. Local governments have generally adopted the criteria and water quality standards promulgated by the EPA in expectation of a promised high level of federal funding. To reduce the level of federal funding at this time would not be keeping faith with local governments, and would seriously endanger local planning where local funding has been completed but federal funding not allocated.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth. Anything less than a reasonable reserve capacity in treatment plants and interceptor sewers would be unsound economics. The incremental additional cost is small relative to future cost of parallel units. A reasonable reserve capacity cannot be described by a "10/20" program or by any other fixed time program. What is reasonable for one city is not necessarily reasonable for another. What is reasonable for a large metropolitan area is not necessarily reasonable for a city of 5,000 or 10,000 population. Reserve capacity should be evaluated upon the most effective approach for each project. A reasonable reserve capacity should be included in federal funding. One hundred per cent funding of reserve capacity by local governments will bring pressures for under design and result in greater future problems.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance. Restriction of the types of projects eligible for grant assistance, and yet maintaining the existing guide lines for water quality can create great inequities in grant assistance. All projects are individually different. One project may meet the goals by providing treatment only. Another may require treatment plus inflow correction. Yet another may require treatment, inflow correction, and combined sewer overflow correction. Restricting eligibility by type of project can result in doing only a part of the job and failing to meet the goals.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Treatment Words to Meet Water Quality Standards. It is of course obvious that direct action must be taken to extend the 1977 deadline. Of the alternatives presented in the May 28 Federal Register, that presenting the greatest fairness to the American People is to seek statutory amendments that would maintain the 1977 date, but would provide the administrator with discretion to grant compliance schedule extensions on an ad hoc basis based upon the availability of federal funds.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States. We support the passage of bill H.R. 2175 with EPA activities confined to overall policy making and auditing of the grant program.

That concludes the remarks presented by our group.

CHAIRMAN AGEE: Thank you. Mr. Eaton, you mentioned that you would recommend against changing the federal share from 75 per cent. In your judgement would the, if there were a greater than 25 per cent, would the local communities have more desire, interest, concern in the cost effective design and also the maintenance operation of facilities afterward if they had a larger capital investment at the local level?

MR. EATON: If I may say so, Mr. Glen Gray in the audience is the chairman of our committee, which drafted this statement for presentation. And if I may, I would like to have that question directed to him for reply.

CHAIRMAN AGEE: Mr. Gray, would you mind responding to that question?

MR. GRAY: Well, you know, the answer to your question really can be both ways, I think. Of course, we have to, I would personally have to agree that if the local community were putting more money into it they would be more concerned about it.

I don't think we can deny that. But on the other hand, I believe that this grant program, since it was first started, the original one, the one in 1956, I really have not found the city's feelings about it. It was different than when they were getting 30 per cent and when they were getting 75 per cent.

Personally my observation is that I don't think it makes much difference whether you are giving them 50 per cent or 30 per cent, or 75 per cent of what they are basing that to. I know what you are saying. There is some truth to it, some local responsibility is left in any kind of direct grant program.

CHAIRMAN AGEE: Thank you very much. Do you have any questions?

MR. SVORE: Pardon me, Mr. Eaton, but did you address the different percentages or different types of work, the eligibility for collection business, for instance, that 30 per cent and 50 per cent to 75 per cent. Did you touch on that? I didn't catch it if you did.

MR. EATON: Yes, may I direct that to Mr. Gray, also, please?

MR. SVORE: Yes.

MR. GRAY: I would say to the committee that the statement did not consider different amounts. Maybe it would in a written statement. To comment on that, at this time no, we have none.

CHAIRMAN AGEE: Thank you very kindly.

Mr. P. A. Williamson, is he here today?

(No response.)

CHAIRMAN AGEE: Mr. Robert Elsperman: I am sorry if I mispronounced your name.

MR. ELSPERMAN: Mr. Agee, Mr. Svore, Mr. Rhett, I am Robert P. Elsperman, Registered Professional Engineer, President of G. L. Tarleton Contracting Company, St. Louis. I am here representing the ad hoc committee of the Region 7 Pollution Control Conference.

This committee functions in behalf of municipalities and such firms and industries involved with the design and construction of water pollution control facilities in Iowa, Kansas, Missouri, and Nebraska.

The committee was formed at the behest of the first meeting of the Region 7 Pollution Control Conference, convened at the Alameda Plaza Hotel in Kansas City, Missouri, January 28 and 29, 1974. That conference was attended by 224 municipal officials, consulting engineers, contractors, and manufacturers.

The committee was charged with the responsibility of recommending changes which would alleviate problems relating to PL 92-500. This would include changes in dates, procedures, priorities, and the methods of funding. A copy of the goals and objectives is appended to this statement.

The committee held successive meetings on February 24, 1975, and March 31, 1975, and adopted the attached recommendation.

These were submitted to the full list of organizations and were subsequently adopted by the Associated General Contractors of America, and included in their recommendations submitted to EPA Administrator Russell Train on April 14, 1975.

The organizations are the A.G.C. of America, the American Consulting Engineers Council, The Professional Engineers in Private Practice, The American Society of Civil Engineers, WIMA, Water Pollution Control Federation, the American Public Works Association the Mayors' Conference, National League of Municipalities.

On May 16, 1975, the committee held a special meeting to prepare the following statement in response to the proposed amendments to the Federal Water Pollution Control Act recommended by the Office of Management and Budget.

The Ad Hoc Committee of the Pollution Control Conference, while realizing that there is a need for an overall reduction of federal expenditures feels that a reduction of the Water Pollution Control program at this time would not only cause deleterious effects on our environment, but would jeopardize the economy by weakening the industry that has tooled itself to cope with water pollution problems.

For that reason, we strongly urge that any reduction in federal participation in the Water Pollution Control program be limited to the March 31, 1975 recommendations of this committee which was subsequently adopted by the Associated General Contractors of America.

Basically we are recommending that any reduction of the federal share be accomplished by reducing the complexity of federal requirements.

Our reaction to the proposed amendments to the federal Water Pollution Control Act by the Office of Management and Budget are as follows:

1. A reduction of the federal share. Since the inception of the Act, local governments have been adopting the criteria and more stringent standards promulgated by EPA in anticipation of a promised high degree of federal funding. Should that degree of federal participation be reduced, these communities would face dire financial consequences.

2. Limiting federal financing to serving the needs of existing populations. A proposal which would not permit design and construction for eminent population growth without adequate reserve capacity would definitely not be cost saving. It also would not be effective in controlling water pollution. EPA has already established adequate controls, which in Region 7 are being properly administered to prevent overdesign. The expense of underdesign, which could involve duplication of certain costs, is pennywise and pound foolish.

3. Restricting the types of projects eligible for grant assistance. The act itself, PL 92-500 restricts funding to programs for preventing, reducing, or eliminating the pollution of the navigable waters and ground waters and in improving the sanitary conditions of surface and underground waters. In some communities this can only be accomplished by the construction of collector systems.

In others, plant construction is necessary. The establishment of arbitrary criteria would only subvert the intention of the act.

4. Extending the 1977 date for meeting water quality standards. The committee concurs that the 1977 standard is impracticable. It recommends that in extending the date, priorities and firm schedules be established on a case-by-case basis, consistent with the availability of funding. The extension should not be such that the resulting slowdown would abregate a national goal established by Congress in the act, Title 1, Section 101, Declaration of Goals and policies.

5. Delegating a greater proportion of the management for the construction grants program to the states. The committee concurs with this proposed amendment and reiterates its recommendation on Marcy 31, 1975, which in effect supports passage of the Cleveland Right Bill, H.R. 2175, and which would permit the administrator of the EPA to delegate to those states which are equipped to do so, responsibility of certifying compliance with all requirements.

This concludes my report, and I thank you for this opportunity.

CHAIRMAN AGEE: Thank you. Jack Rhett, do you have any questions?

MR. RHETT: I guess the only one that I have is, again, on the sliding scale. I am wondering what you might feel on this?

MR. ELSPERMAN: I think you are finding in certain areas that in essence this is being done through other avenues, especially as it pertains to stormwater. The committee itself did not address itself to that question.

I am certain that they can meet and formulate a more, a better statement than that.

MR. RHETT: We would sure like it if you could.

MR. SVORE: You made some comment on collector systems. Do you feel that they need to be financed at a 75 per cent level?

MR. ELSPERMAN: Sir, we feel that it has to be evaluated as to the problem with that particular area as to the project and what the requirements are to satisfy the regulation.

MR. SVORE: Would you consider a sliding scale then as far as the collection systems are concerned?

MR. ELSPERMAN: I think our committee has to, as I mentioned before, would have to address itself to that particular topic and we will do so.

CHAIRMAN AGEE: Thank you very much.

I would like to call Ken Cartz from the Missouri Department of Natural Resources. Mr. Cartz?

(No response.)

CHAIRMAN AGEE: Mr. Bruce Gilmore from the Nabraska Consulting Engineering Association. Mr. Gilmore?

Following Mr. Gilmore I would like to call on Mr. Grant from the Iowa Consulting Engineering Council.

MR. GILMORE: Members of the panel, ladies and gentlement.

This statement is on behalf of the Nebraska Consulting Engineers Association, and we appreciate the opportunity to make this statement and present some constructive, hopefully, suggestions.

Our statements to the proposed amendments to the Federal Water Pollution Control Act by the Office of Management and Budget are as follows:

1. A reduction of the federal share. In our opinion the construction program will certainly be delayed. From our experience, some of our clients will experience financial difficulty in funding their share of the water quality facilities. As long as the NPDES Permit establishes efficiency standards, and as long as the EPA regulations require cost effective designs and value engineering analysis, it appears to us that a reduction in federal grants will not increase the accountability of the grantee. A reduction in the federal share, in our opinion, will result in greater resistance on the part of the grantee to meet effluent standards and the goals of PL 92-500.

2. Limiting federal Financing to serving the needs of existing population. A proposal which would not permit design and construction for imminent population growth without adequate reserve capacity would

not be cost saving. It also would not be cost saving. It also would not be effective in controlling water pollution. The expense of under design which could involve duplication of certain costs is penny wise and pound foolish. The EPA has established adequate controls which, in Region 7, are being properly administered through metropolitan and statewide planning agencies. The determination of local population projections is best done by these agencies. The design and construction of facilities that do not include reserve capacity would result in many instances where these facilities are starting up at capacity or overloaded. This will demand that additional facilities be planned or under construction when the new facilities are started. Such planning of water quality facilities could not be cost effective. It is our opinion that the design of treatment facilities to include a reserve capacity to 10 years from date of start up may be cost effective. The changing effluent standards and the state of the art may make this a practical consideration. It is also our opinion that 20 to 25 years' reserve capacity for sewers in many instances is not cost effective. Since sewers have a life in excess of 50 years, engineers should not be limited by an administrative cut off date, but be allowed to make a cost effective analysis over a longer period of time, taking into consideration local conditions.

3. Restricting the types of projects eligible for grant assistance. The states through their priority schedules can most effectively direct available funds to meet the standards of the act. To restrict the types of projects that are eligible ignores the reality of diverse problems to be solved by the grantee. We feel that the present range of projects allows a better cost effective approach because all alternatives are funded alike.

4. Extending the 1977 date for meeting water quality standards. In our opinion, as a practical matter, it is impossible to meet this deadline. It is our suggestion that the 1977 date for publicly owned pre-treatment works to meet federal quality standards remain in the law, but that the law be amended to permit extensions of time to be made on a case-by-case basis consistent with the availability of funding and the priority schedule as determined by the state.

5. Delegating a greater portion of the management of the construction grants to the states. We concur with this amendment because it provides for more local control of the program. However, we also feel that the transfer of more administrative responsibility from the regional office of the EPA to the states should be done on a gradual basis so as not to slow down the program.

Thank you, gentlemen.

CHAIRMAN AGEE: Mr. Gilmore, on the matter of a reserve capacity, have you had any observations, or do you have any opinion as to as we put inside look to the future, taking in the design life of these sewers, that excess capacity, is that an invitation to growth? In other words, is the federal construction grant program, or the construction grant program in some way determining the complexion of the growth of a municipality?

MR. GILMORE: I don't think very extensively, sir.

CHAIRMAN AGEE: Is some of the criticism that we frequently get from our construction grant program, where you put in reserve capacity and then some people say, "Well, you are directing growth, your invitation to growth is in the wrong area." And this is something that we would like to hear about.

MR. GILMORE: Yes, well, you have the other side of the coin, I suppose, that we have no provision for growth and then we are limiting it to whatever social benefit that may be.

CHAIRMAN AGEE: Very good. Jack, do you have any questions?

MR. RHETT: No.

CHAIRMAN AGEE: Thank you, Mr. Gilmore.

I would like to call Mr. R. W. Grant, representing the Iowa Consulting Engineering Council.

Following Mr. Grant I will call Mr. Haney from Black and Veatch.

MR. GRANT: Gentlemen and ladies, I am reading the report of a special committee that we appointed in Iowa to reply. If you have questions, gentlemen, three members of that committee are here, Mr. David Curtis, Mr. David Fox, and Robert Frederick.

Our statement is as follows; and I would add that the committee has asked that perhaps after the hearings they may have additional comments over those that I am reading to you now.

The reactions of the member firms of the Consulting Engineers Council of Iowa to five papers published in the Federal Register on May 28, 1975, have been summarized by a special committee of our member firms. These reactions are as follows:

Paper No. 1 - Reduction of the federal share. The Congress of the United States of America has set a high priority for abatement of pollution of the nation's watersways. Our members are of the opinion that the federal government should review the priority of the Water Pollution Abatement Program in perspective with other federal spending. If improvement of the water quality of our rivers and streams is as high on the priority program list as indicated by the actions of the federal government, then federal assistance through construction grants should be maintained at the present percentage level or increased to a higher percentage level. It is our suggestion that the present 75 per cent level of federal construction grant funding for construction of all water pollution control related projects be maintained for projects requiring secondary treatment. It is further recommended that the construction grant program funding be increased to 100 per cent for all treatment facilities required to meet water quality standards higher than can be achieved by secondary treatment processes. An alternative to the above would be that whatever regulatory body, federal or state, dictates higher than secondary treatment requirements, should be responsible for providing 100 per cent construction grant funds for the instrumental treatment facilities required for higher than secondary treatment standards. Water pollution abatement requirements have largely been promoted at the federal level. Local governments cannot be expected to raise the necessary money for financing programs which seemingly provide little local benefit. Many small communities are at their indebtedness limits as set by state statutes, and are unable to arrange reasonable revenue type financing. Perhaps a federal loan insurance program, similar to FHA Mortgage Insurance for home loans, to guarantee municipal revenue type financing would allow communities to eliminate the bonding coverage provisions set up in most revenue sales proceedings to generate additional revenue over the required principal-interest payments so as to increase the salability of bonds. No appreciable change

in local accountability for cost effective design is anticipated in as much as past and present design methodologies and federal and state review methodologies require a cost effective analysis of project alternatives. Further, it is anticipated that water quality pollution abatement objectives would not be enhanced by a decrease in the amount of federal and state construction grants funding program. An increase in the requirement for local financing of both capital improvements and operation of treatment facilities will have an adverse impact to water quality pollution abatement objectives.

Paper No. 2 - Limited Federal funding of reserve capacity to serve projected growth. It is the opinion of many of our member consultants that under design of waste water treatment facilities, rather than overdesign, has been the predominant problem. In many of these cases the limitation of financial resources has been a major reason for the under design. We agree in principle with the design and construction of treatment facilities on a stage basis, providing that the planning stages are of sufficient length of time, 15 to 20 years, so as not to create a continuous construction program which interferes with the operation of the treatment facility. However, our experience has shown that a similar concept for sanitary sewer systems design and construction is not a reasonable or practicable or cost effective program for the owner. It is our recommendation that sanitary sewer systems be designed to handle the flows based on 50 year population growth projections, plus an allowance for infiltration inflow based on local experienced conditions, rather than an imposed standard. Other forms of legislation and land use control should be looked to for controlling growth of an area where there are environmental concerns. If federal grant monies are going to be allocated for certain designated capacities for treatment works components, we suggest the formulation and adoption by all EPA regions of a uniform system of curves for sewers, treatment plants, pump stations and other facilities for determination of percentage of capacity chargeable to EPA approved design capacity and to owner desired excess capacity. Otherwise inequities will develop between the various regional EPA offices in the administration of the policy.

Paper No. 3 - Restricting the types of projects eligible for grant assistance. If the type of projects listed in five correction of combined sewer overflows, and six,

in treatment of control of storm sewers were eliminated as being eligible for construction grant funding, and if the further treatment of waters from these sources were delayed until such time as practicable and feasible program can be developed for abatement or reduction of all nine point pollution, a substantial portion of the 225 billion of the need's requirement set out in the 1974 Need Survey would be removed from the construction grant funding program. This would reduce the remaining program for pollution abatement to a reasonable level so that an increase in the federal construction grant funding to a 35 billion level from the present 18 billion and would allow the nation to proceed with an orderly program for elimination of most of the major points of pollution. Most urban communities are not in favor of spending large sums of money to abate non-point pollution unless it can be clearly proven that the sources being abated are major source in comparison with other non-point pollution sources, such as runoff from agricultural lands.

Paper No. 4 - Extending 1977 date for the publicly owned treatment works to meet water qualtiy standards. It is recommended that the combination of alternative three and four, as set out in the paper be implemented whereby the 1977 date would be maintained, but the administrator of EPA be given the discretion to grant compliance scheduled extensions on an ad hoc basis, based on the availability of federal construction grant funds and a display of good faith by the grantee to build the necessary facilities.

Paper No. 5 - Delegating a greater portion of the management of the construction grants program to the states. The concept of the state agencies administering federal construction grants program is endorsed. It is also recommended that the federal government monitor the states; administration of the methodology and enforcement of the program to establish a consistent program throughout the nation. It is also recommended that the administrator of EPA develop standards for use by all of the EPA regional offices in order to develop nationwide consistency in the administration of the construction grant program.

That is the end of our statement.

CHAIRMAN AGEE: Mr. Grant, thank you very much. I have two questions. In your testimony I think you recommended that the federal government should fund 100 per cent of sewage treatment

facilities where the requirement is beyond secondary treatment. Would you care to expand on your reasons for this.

MR. GRANT: Which member of the committee would choose to reply to that question? They are all in a bunch there.

MR. FREDERICK: It is our basic opinion here that with the definition of secondary treatment as the national goal that where it implies greater treatment is required for the standards, that might be questionable to achieve the Clean Water Act. Either a local or a federal share would be added to the 75 per cent.

Here again, the basis for the funding would be upon that agency and would require a higher standard, per se, as to either more restrictive stream standards or a water quality limit standard imposed by the state. They would therefore fund this as far as federal funding and it would be applicable more to it. This influction principal whereby a federal requirement of blanket disinfluction, whereby no benefit can be shown, we feel this should be funded totally.

MR. RHETT: All right. You know, I'd like to pursue this slightly further, to make sure we completely understand. Really what you are saying there, or did I understand you correctly, that if the state sets a higher water quality standard than the national, then the state should pay for this? I that what you were saying?

MR. FREDERICK: Yes.

MR. RHETT: O.K. Thank you.

CHAIRMAN AGEE: Jerry, do you have any questions?

MR. SVORE: One question. You are addressing yourself to the fact that if additional capacity was needed that probably the local or the state would pay for the additional capacity that might be required. Did I understand you correctly on that?

Really, my question is whether I understood you properly or not, assuming that there, the grantee's requirements for future reserve capacity, that the contact was left at that level. Now, in the event that the federal share would only be applied to the needed capacity at the present time, as a consulting engineer what about the mechanics of ever arriving at that figure? Would that be a major obstacle where the engineer comes up with one and the EPA comes up with another answer?

How do you arrive, at what part of that project satisfies the present demands? Is this a, is it possible --

MR. CURTIS: I am Dave Curtis. What we were attempting to say especially with regard to wastewater treatment facilities, we feel that the design can contemplate a 20 or 30 year load capability. We feel the design should be developed in such a way that the state construction is over a 20 to 3- year period so that the initial construction would serve the immediate population, and 10 years later or 15 years later the basic cor plan is there to be expanded with relative ease to then serve the population that has come into the area over this development growth period, rather than try to design for that 30, 40, 50 year date now.

That excess capacity would be sitting there essentially being unused. This design would provide for expansion over a period. This is in the area of the waste treatment program.

MR. SVORE: My question probably would apply to interceptors more than to treatment plants, where the interceptor might be designed for a longer period of time than what EPA's federal share could --

MR. CURTIS: I think we are not taking exception to this. We can see a great problem associated with it, providing interceptor sewer capacity to date for some unknown future flow. I don't think that the committee members take much exception to perhaps writing down the view of the design of inteceptors, at least within certain restraints and limits.

MR. SVORE: Do you see a problem in the mechanics of determining just what percentage of that, then, should be eligible in the event that the grantee wasn'tto go to 50 years?

MR. CURTIS: Yes, we see a real problem and this is why we suggest maybe a curve system approach, simply to set a basis from which to operate from. This is the way to go.

MR. SVORE: Thank you.

CHAIRMAN AGEE: Mr. Grant, thank you. Thank you to your colleagues, also.

Mr. Paul Haney of Black and Veatch Consulting Engineers. Following Mr. Haney's testimony, I would like to call Mr. Horace Smith from Houston, Texas, representing the city.

MR. HANEY: Members of the panel, ladies and gentlemen, my name is Paul Haney. I am a partner with the firm of Black and Veatch, Consulting Engineers located here in Kansas City, Missouri.

This discussion hopefully represents a composite opinion. However, if you think you detect some personal bias in this, you are probably right.

The discussion is keyed to the series of papers published in the Federal Register, and Paper No. 1 relates to the reduction of the federal share.

The issues are Issue No., Issue No. 2, 3, 4 and 5. We will try to discuss and be responsive in that order, although I am not sure I understand all of it. I don't believe I am along in that respect.

A reduced federal share would further delay the construction of needed facilities that have already been delayed by the administrative inflexibility of the Act, and the procedures adopted by EPA.

While it may be possible for some states to assume a larger portion of the financing program, any change in the financing structure should rely more heavily on local financing, rather than either federal or state grants or loans. Any shift to an increase in state or local financing will have to be accompanied by extended time schedules to gain public acceptance of the change.

The volatility of interest rates during the past year has placed a cloud over the financing methods which have traditionally been available to local authority. But barring a return to high interest rates, local financing of a greater portion may be possible through taxes or sewer service charges. However, I am not optimistic.

A reduced federal share might lead to better cost control and management in the water pollution control program. Local leaders are in a better position to evaluate local priorities than are federal officials in Washington. Our rationale for this statement is as follows: Throughout the development of the program local governments have accepted standards and criteria that in many instances are more stringent than necessary in anticipation of a high degree of federal funding.

It might be possible to couple a reduced federal share with the change in requirements to that a local government unit could be induced so assume a larger portion of the capital cost by the prospective operating cost being reduced with a less sophisticated facility. However, a reduction in the federal share will be interpreted by most local governments as a failure to fulfill a promise.

A reduced federal share would delay even further the time schedule for meeting the goals of PL 92-500. But it appears to be impossible to meet that schedule anyway.

Eliminating legal and administrative and engineering expenses from the portion eligible for federal participation might accelerate the program. These activities are difficult to define and have been subject to threat of inordinate amount of red tape by the EPA.

On Paper No. 2, eliminating the federal funding of reserve capacity to serve projected growth, rather than providing an incentive for overdesign the current practices exert almost unreasonable pressure toward underdesign

A waste treatment plant is the, is most complex. It is developed over a long period of time and it must have considerable versatility. Complicated chemical and biochemical processes are invariably involved, yet only a minimum amount of control can be exercixed over the raw material processed by the plant.

The flow of raw sewage varies hourly in quantity and quality. A reasonable allowance for future growth is essential. A high percentage of the spills that occur are the result of underdesign of some portion of the collection system or the treatment plant.

The problems in the current program appear to be more financial and administrative than technical. Consequently, changes in technical requirements will not eliminate the problems. There are many changes that could be made to expedite the program.

For example, elimination of the requirement for detailed infiltration inflow analysis would expedite the program. This items has been administered ineptly and has become an unnecessary barrier to achieving the objectives of PL 92-500.

If all funding for reserve capacity were eliminated, there would be a strong temptation to build only for today with the hope that federal funding relief would be available in the future for expensive parallel or additional facilities.

The current 20 year cost effectiveness analysis is generally reasonable, and it might be reasonable to use that same period as the maximum design period for which the federal funding would be available. However, there should be flexibility. I don't think you can fix this precisely. With inflation continuing at high rates, future construction promises to be ever more costly.

Additional pressures toward the delaying of construction is not what the program needs. Any reduction in design periods will be counter-productive.

Currently there is at least a five year lag from initiation of engineering studies to operations, at least a five year lag. Facilities designed for less than 20 years of growth are hardly operational before they become too small. The current cost effectiveness guidelines of EPA provide a generally reasonable basis for design.

Shortening the design period would sink a program that is already mired in sludge, legislative and bureaucratic sludge generally termed red tape.

An alternative would be to permit local communities to prefinance facilities and recover the federal share as federal funds become available.

Paper No. 3 is restricting the types eligible for grant assistance. The eligibility structure has a significant effect on the priorities assigned by local officials. Those elements eligible for federal participation frequently receive higher priority for expenditure of local funds.

In the past enforcement actions have not been particularly effective or popular as a means of obtaining compliance. The available sanctions that can be applied to publicly owned systems are distinctly limited. The carrot certainly works better than the stick in solving water pollution problems.

Publicity may be even more effective in dealing with local sanctions. Local financing capability is seldom a serious problem, if there is adequate time allowed for complete public information programs.

There may be special circumstances in some severely impacted communities making local funding impossible. It is important to retain within the program the ability to allocate at least a portion of the available federal funds to communities having severe financial problems.

In Paper No. 4, extending the 1977 date for the publicly owned pretreatment works to meet water quality standards, prefinancing with reimbursement from federal funds should be permitted. It is basically unfair to require industry to meet the 1977 deadline, while extending it for municipalities.

Since municipal compliance has been dependent upon the availability of federal funding, a case can be argued despite the inequities or less stringent requirements for municipalities than for industries. However, aconsiderable discretion must be allowed in determining the requirements for the joint municipal and industrial systems.

Unless federal funding can be assured, there is little reason to establish an outside limit for extensions. The 1977 deadline is unrealistic. Credibility loss or not, it will have to be extended in some way.

Anything that extends mandatory compliance dates probably will cause some delay in local funding. A revised definition of secondary treatment would take into account that process employed seems desireable. It is doubtful whether this alone would eliminate the need for extension of the 1977 deadline.

A two-year extension is not enough if federal funding is not increased. Only with the massive release of impounded and additional funds would it be possible to meet a 1979 deadline. If the federal share significantly reduced an extension to 1983 would be a bare minimum time for compliance with the stated 1977 deadline.

Letters of authorization would appear to be preferable to short term permits. Until the permit process can be made more expeditious, short term permits should not be given any further consideraion. We favor alternative number four, which is listed on Page 23111 of the Federal Register.

Paper No. 5 deals with delegating a greater portion of the management of the construction grants program to the states. We favor delegation of all parts of the construction grants process to the states. State and local officials are quite capable of administering federal funds, and are more responsive to local interests and priorities.

Thank you.

CHAIRMAN AGEE: Mr. Haney, thank you very much for a very detailed statement. Jack Rhett, do you have any questions of Mr. Haney?

MR. RHETT: Yes, your secondary. I believe, secondary treatment, I think I would like to find out really, exactly what you mean here. Are you talking about changing the law from an effluent requirement to a process requirement? Is that what you were saying?

MR. HANEY: No, now, the definition for secondary treatment, I can't recall it exactly. Do you mean like the 30-30 on, I am not sure of the exact numbers. Anyway, we have got these numbers in there. Without reference to any type of process employed, this can be achieved by some processes that are giving what we have always termed secondary treatment. Sometimes it can't be achieved. That is what I had in mind.

MR. RHETT: In other words for different, let's say for activated sludge you would have one for physical chemical, one for --

MR. HANEY: Well, I am thinking principally of filters, strictly filters.

MR. RHETT: Strictly filters, so there would be a whole series of them?

MR. HANEY: You would be entering secondary treatment for this and you possibly wouldn't be hitting this 30-30 average all the time.

MR. RHETT: O.K. Thank you.

CHAIRMAN AGEE: Mr. Haney, thank you very much.

I would like to call on Mr. Horace Smith with the City of Houston, Texas. Following Mr. Smith's testimony we will call on Mr. Charles Kaiser from St. Louis.

MR. SMITH: Chairman Agee, Mr. Rhett, Mr. Svore, I am Horace L. Smith, Assistant Director of Public Works and Manager for the Wastewater Division of the City of Houston.

Mayor Hoffines will officially transmit this statement at a later date, and it may be supplemented at that time.

Our general observations with respect to Paper No. 1 contain two points. First, irrespective of the governmental level or the source of construction funding for wastewater and water pollution control facilities, the people of the United States will foot the bill.

Reducing the federal share will not have a material effect or impact on the magnitude of the construction required, and consequently will not significantly decrease the fiscal impact upon the people as a whole.

Secondly, there has been a traditional concept that property within local jurisdictions be assessed for capital improvement. Generally these assessments have been related

to benefits per se received by the property, and also benefits have been interpreted to be an increase in the value of the property. There is legal background which says that property can't be assessed in excess of the benefit received from the improvement. In the absence of legal requirements to provide a level, degree or standard of treatment, then it is impossible to establish benefits the property being served by a treatment facility has.

Therefore, it is submitted that the backlog of water pollution control facilities is directly related to the previous lack of standards of water quality control and not the benefit. It is conceded that some states, including the State of Texas, have set standards for water quality control prior to the federal concern in the matter.

But the emphasis of the mandate for construction of water pollution control facilities to a prescribed performance level was provided by federal legislation. With respect to the specific questions, would a reduced federal share inhibit or delay the construction of needed facilities?

It is submitted that there is not a proper yardstick to relate to in response to this issue. The administration or the implementation of PL 92-500 to date at least has certainly fallen short of expectations, and for that matter has fallen short of the Congressional mandate. Impoundment of authorized and appropriated monies coupled with EPA's inability or lack of enthusiasm to administratively implement the act is not much of a track record to compete with.

Realsitically, and appropriately, the federal government can be more expedient in the generation of money to accomplish national goals established by Congress. What is needed is equal expediency and efficiency in the implementation of the goals.

Secondly, would the states have the interest and capacity to assume through state grants or loan programs a larger portion of the financial burden of programs? It is a matter for speculation but not for projection. State legislators would not be overjoyed with such an opportunity.

Three, would communities have difficulty in raising additional funds in capital markets or in larger portions of the program? Yes, the major metropolitan cities have an abundance of worthy programs, many of which are presently unfunded.

Fourth, would the reduced federal share lead to greater accountability on the part of the grantee for cost effective design, project management and post construction operation and maintenance? This is an issue-begging question, rather than an

issue-raising question. If Congress and the EPA really want cost effective programs, then the major part of the analysis and evaluation process must be to consider local conditions with respect to discharge standards, limitation in degree of treatment required.

A cost effective analysis based upon such secondary treatment is a given perameter. It is an academic process when one considers that the selection of the level of treatment was arbitrary.

A true and therefore realistic cost effective study must consider all factors that affect cost, and certainly the ability of the environment to absorb pollutional load, without adverse effect relates to the level of treatment selected and is therefore germaine to the cost effective analysis.

Irrespective of any consistency of logic reflected in this example, it is submitted that there is, for the most part, the professional engineers charged with the responsibility of performing these studies as being capable and competent and honorable people. And the source of funds will have no bearing whatsoever upon the conclusions of their study.

Fifth, what impact would reduce federal share have on water quality in meeting the goals of PL 92-500. The 75 per cent federal share is a justifiable level based upon the magnitude of the backlog of facilities required to catch up. With the standards established by the federal government, it is submitted that the fact that the need survey has projected more construction requirements than first anticipated by the government, and is more of a justification than ever for the 75 per cent share.

The demands are so great that local and state governments will not be able to readjust their existing priorities for local funds without unduly affecting their local goals. The resulting economic impact upon the people would certainly immoderate their desire for environmental quality.

With respect to Paper No. 2, regarding limiting the federal funding of reserve capacity to serve projected growth, generally the proper planning and prudent financial management dicataes that reserve capacity be projected for growth which will be served by wastewater and water pollution control facilities.

It is the City of Houston's position that the federal government is committed to financing the lion's share, 75 per cent, of the construction of facilities required to improve existing wastewater and water pollution control systems wherein they col-

lect, contain, intercept and treat and otherwise control wastewater sufficient to discharge an effluent which is in compliance with the water quality and discharge standards of the law.

Additionally, Houston's position is that the federal government is equally responsible for the financing of a facility required to adequately dispose of waste removed from the treatment process.

With respect to the obligation of the federal government to finance reserve capacity for future growth, the City of Houston recognizes that the priority for funding should be first directed towards the construction of facilities required to bring systems into compliance with the standards of the law.

We recognize the argument that once the standards have been set and the systems brought into compliance, that then the financial burden for the future might be that of the community. We hasten to add, however, that we do not agree with the arbitrary position of the law relating to the degree of treatment and the quality of effluent discharge.

Further, we are of the opinion that the federal government and the states must establish a compatible policy of standards relating to the disposal of waste removed by treatment processes upon the land and into the air in order to finally establish local environmental quality relationships or standards.

A concern that Houston has with respect to the financing of environmental control facilities and the provisions of reserve capacity is that the level of financing and the level of environmental standards not be used to control local growth policy. A discussion of the issues is, first, does current practice lead to overdesign of treatment works.

Population and wasteload projections are the basis for the design of reserve capacity facilities and not financial capabilities. The magnitude of these factors are arrived at by professionals in this that have experience in such evaluations, and the results are related to many factors, the least of which is not local policies.

As stated previously, we would hope the primary purpose of the act is to control pollution and not growth.

Second, what could be done to eliminate problems with treatment programs, short of legislative change? The problem implied in the question has to be anticipated rather than divined, because most experiences to date is that overloaded sewers and treatment plants are the rule. And that is the major problem.

We certainly couldn't agree with state and federal supervision of projection of overgrowth. We foresee that the next step would be to control the sewer connection permit to the extent that the growth would not exceed those arbitrary projections. We submit that the locality is the best judge of the factors relating to its future, and that we must make a final decision relative to provision of reserve capacity based upon local conditions and policies.

The City of Houston, for example, has been, is, and is projected to continue to be a dynamic growing city, and it is unreasonable to even consider, for example, the projection of its short or ultimate growth upon the historical averages of the State of Texas.

We would hope that arbitrary or inflexible criteria for projection of growth is not established.

Third, what are the merits or demerits of prohibiting eligibility for growth related reserve capacity? In its own discussion of this question, EPA implied that over design is a fact. We submit that that, there is no basis for such speculation. Irrespective of this policy in thinking and objective analysis in response to the question leads us to conclude that the so-called 10-20 program adopted by California might be an equitable break point between federal and local responsibilities for financing.

Fourth, what are the merits and demerits of limiting eligibility for growth related to reserve capacity to 10 years for treatment plants and 20 to 25 for sewers? We responded to this question proviously.

Five, are there other alternatives? There is a need to proceed immediately with the implementation of the law as presently written, and to the extent of presently authorized and appropriated funds. The need for immediate financial planning, but EPA and Congress, in order to make additional monies available to finance 75 per cent of the cost of facilities identified in the need survey.

With respect to Paper No. 3, restricting the types of projects eligible for grant assistance, generally wastewater and water pollution control efforts are accomplished by a system of facilities which collect, contain, intercept, treat and finally disposes of effluent and separate wastes.

If there is not a bound system, then wastewater tributary to that system will not be controlled. An orderly and systematic approach to a pollution abatement problem is a community considers all components of the system, including the establishment of priorities on a realistic basis. We do not feel that the federal burden of wastewater and water pollution control is limited to the interception of the treatment of wastewater.

I had more to add.

CHAIRMAN AGEE: How much more do you have? You have three minutes.

MR. SMITH: O.K. Very good. I will try to complete in that time.

The basic question posed by the EPA to be explored and evaluated in the issue of restricting the types of projected projects eligible for grant assistance are vague and confusing to us. At least, the answers would be speculative and philosophical. Our general response to this group of so-called basic questions is that there would be little change in the net environmental impact. The administration of programs would be just as complex as it is presently, and there would not be a material change in investment and employment areas.

We qualify our answer on the basis that the need survey reflects, for the most part, upon requirements to bring existing systems into compliance with PL 92-500. And therefore, the inventory identifies the deficiencies by classification of system components.

Restricting the federal grant assistance to some components of the system in emphasizing the grant assistance to others would not make the system as a whole efficient. With respect to the closely related question, what impact different eligibility structures have on the determination of need for a particular facility, restricting the eligibility structure would not provide the flexibility required to establish priority of construction based upon need.

This restriction would provide another arbitrary provision in the way of implementation of abatement action through the construction of needed facilities.

Too, is there adequate local incentive to undertake needed investment? Local officials are generally responsible people with a good understanding of what the needs of their communities are. They are also responsive to the priorities established by their constituents. The basic reason that communities have not, on their own, actively reconciled pollution problems is that local funding was and is limited, and other programs were and are more important to the majority of their citizens.

With respect to number three, is there adequate local financial capability to undertake an investment on a different level type of facility? For the most part, citizens of locali-

ties are willing to be assessed an additional amount of their taxes and serve charges to implement a pollution control problem.

Local officials, however, have related to their constituents that the federal involvement in terms of financing is significant. Local officials have told their citizens that their increase in cost of wastewater service, or taxes, is to secure the 75 per cent level share for eligible construction of projects and to pay for an increased operation and maintenance expenses. Future growth can probably support its facilities' requirements.

This is an appropriate point to remind EPA and the Congress for that matter that the only issues, the only costs involved in the realization of the national anti-pollution goals, let me finish making this point, required by Congress are not just the types of projects eligible for federal grants systems. But also a multitude of other costs which the grantee, the localities must absorb.

These costs are for the most part new to the communities, and therefore another burden. The implementation of a national goal mandated by PL 92-500, for all intents and purposes, has caused communities to organize and operate wastewater service utilities.

Costs associated with engineering, planning, operation and maintenance, capital improvements ineligible for federal grant assistance, administration in management and research and development will exceed the cost recovered from the federal grant and will provide localities with sufficient incentive to seek cost effective methods.

I am sorry that I ran over.

CHAIRMAN AGEE: Mr. Smith, thank you very much. Jerry Svore, do you have some questions?

MR. SVORE: Yes, I would like to just make one comment. In practically every instance the local political subdivision likes to have control over its own destiny. And as far as expansion, future planning and so forth, if the federal government is to go along with financing of reserve capacity in interceptors, primarily, shouldn't there be some responsibility on the part of the local community to develop a firm plan, that they should be required to have local zoning and exercise that authority over their future destiny with some degree of formality?

MR. SMITH: Yes, in that type of control it is not always in the form of zoning. Nor does zoning always function to cause growth control. In most of the experiences that I have, zoning laws can be easily, as easily changed as they can be initially set.

MR. SVORE: Yes, but shouldn't it be a part of the overall plan of future expansion in any community?

MR. SMITH: I think that so far as the control of the growth of the community, that the lane use and the sewer use must be balanced. Now, I think that an in-community design of the sewer use components based upon projections of growth, based upon the experience of the growth, can certainly be analyzed.

Certainly if that growth did exceed the sewer use capacity, then that municipality would have to restrain itself, as Houston is presently doing.

CHIARMAN AGEE: Mr. Smith, thank you very much.

I will call Mr. Charles Kaiser, who represents the Metropolitan Sewer District of St. Louis and also the Association of Metropolitan Sewerage Agency. Following Mr. Kaiser I would like to call on Ken Karch from the State of Missouri.

MR. KAISER: Mr. Agee, Mr. Rhett, Mr. Svore, ladies and gentlemen, my name is Charles B. Kaiser, Jr. I am General Counsel for the Metropolitan St. Louis Sewer District and also Chairman of the Legislative Committee of the Association of Metropolitan Sewage Agencies.

I am not speaking for AMSA here today, only the Metropolitan St. Louis Sewer District, but I would like to note that AMSA will present its statement on the same subject at the federal hearing June 25 in WAshington, D.C.

I would like to thank the Environmental Protection Agency for the opportunity to appear here today to express MSD's views on the proposed amendments to PL 92-500. I will try to be brief and discuss the five issues to be covered here today in the order in which they were discussed in EPA's papers on the proposed amendments.

Paper No. 1 - Reduction of the federal share. Would a reduced federal share inhibit or delay the construction of needed facilities? I will condense this. I was quite amused by the question raised in the paper as to whether the total amount or even the amount for critical categories can be accomplished in the federal budget in time to meet the 1977 and 1983 municipal pol-

lution control requirements of PL 92-500. If the federal government thinks it has financial proglems, I think those of the states and local government are far more critical. We cannot, by just a mere vote of our board increase our debt limit to 50 billion of 100 billion. It takes statewide constitutional amendments. In short, it was my understanding that 75 per cent federal grant figures were placed in PL 92-500 so that this job could be accomplished in a reasonable time, and that Congress realized it had to be undertaken by the federal government, because it was beyond the financial capabilities of the local governments. I think that it has been discussed by many, but basically, could the state help? The State of Missouri passed 150 million dollar bond issue for matching funds. Inflation is eroding that, and if anything I think that state is thinking about reducing its share by at least 5 per cent so that these limited state funds will go a little further. If anybody can get a nickel out of the governor or the legislature for the water pollution, he is a better man than I. And I have been up here trying to do it for many years. Like Harvey Jones will tell you, you can't get a nickel for education. You can't get a nickel for anything anymore. They have made up their minds they are not going to raise any taxes. Just how much difficulty local communities would have in raising additional funds, both St. Louis and Kansas City are heavily in debt for the 100 million dollars or plus that we each put in to primary treatment in the 1960's, and whether or not we could sell additional bonds I think the financial experts have already discussed it. There is no sense in my wasting your time. We at the Metropolitan Sewer District feel that our responsibility to our local taxpayers has given us the greatest accountability for cost effective design, project management and post construction operation and maintenance of the facilities. We think that our record stands for itself. I am not so sure the opposite effect would not be the case if you severely limited the funding. It has been our experience throughout the country that when there were limites on funding, people tried to design to the funding capabilities without regard for the efficient operation of the plant, or they tried so hard to cut costs that an adequate job was not done in producing an effluent that was satisfactory for the stream conditions to which the effluent was being discharged. I am sure that if local municipalities have to go heavily in debt to build new treatment facilities they will be very reluctant to spend any additional money to hire sufficient personnel of adequate skills to operate and maintain the plants efficiently. If I remember hearing Congress scream about one thing at

GAO and the Office of Management and Budget, it was that the government was putting money in the plants but they were not being operated properly. If you break the municipalities in the construction costs, then they are not going to have sufficient funds to operate these plants. There is no doubt in our minds that a reduced federal share below the 75 per cent level for eligible projects will have a disastrous effect on efforts to meet the water quality goals set out in PL 92-500. Here, I think, we already have proof as to what effects the limit on funding would have by the Presidential impoundment of the funds provided in 92-500. I think had the President not impounded these funds, that even with all the red tape we all talk about, we would be at least 18 months to two years ahead of our construction program today. One of the problems in keeping a constant program going throughout the United States to clean up our waters was the frequent changing of the grant amount or eligibilities in federal water pollution control act. Therefore, we feel that to keep continuity and be fair to everyone, the 75 per cent level should be reatined. Whether or not the 75 per cent construction grant should apply to all types of projects eligible for grant under PL 92-500, or receive the same priority for these grants will be discussed later under Paper No. 3.

Paper No. 2 - Limiting federal funding of reserve capacity to serve projected gorwth. We certainly don't feel at MSD that the current practice leads to overdesign of treatment works. But certainly in some cases in recent years, the growth has not equalled our anticipation of some 10 or 20 years ago in certain areas. To make a brief answer to Paper No. 2, it is our belief that to spend the limited federal funding further, and in the interest of efficiency, some limitations on the eligibility for growth related reserve capacity for treatment plants is not only in order at this time but might be very wise so long as treatment facilities are designed in what we call a modular way, so that additional capacity can be added in an efficient manner without much additional cost. However, some reserve capacity must be provided in all wastewater treatment facilities to insure that they will not be overloaded by the time they are completed and to provide the lead time necessary to expand them before they are overloaded. On the other hand we feel that sewers should be designed for the ultimate growth of the watershed that they serve and that to do otherwise would be pennywise and pound foolish, and cost our taxpayers billions of

dollars in the future. In closing our discission on this subject, let us say that it appears to me an attempt to reduce the federal 75 per cent federal share without having to amend the act. I would like to say that I am a lawyer and I end up with the clients when the basement is backed up, and it has taken us 100 years to get engineers to try and design a little excess capacity in sewers. And now we are going to go backwards. And all I can say to you is that in this business, for every sewer that somebody can show me that is overdesigned, I will show you 1,000 that are overloaded and underdesigned, almost by the time we get the things in operation. So, I feel that on sewers we ought to build some capacity in there. And maybe we will learn something from infiltration and inflow studies that it is nice to talk about it, but it is kind of like taxes and death. Infiltration is with you, and I don't know how to stop it, so if you have a little extra capacity I think it is a little better to handle it in the sewer than in the people's basements.

Paper No. 3 - Restricting the types of projects eligible for grant assistance. When one considers that the 1974 need survey reported a total of need of 342 billion dollars for facilities eligible for construction grants under PL 92-500, and that a 75 per cent share if satisfied would require almost 260 billion dollars in federal funding, it becomes apparent that there must be some method of restricting the types of projects elibigle for grant assistance, or at least a priority system for determining projects eligible for grant assistance. I think that all of us who have followed PL 92-500 and have been involved in the water pollution control field in the last 10 to 20 years realize that there will not be forthcoming from Congress 342 billion dollars within the next five or 10 years. Therefore, we have to seriously look at the problem posed by Paper No. 3 very carefully. The need survey further stated that the cost of secondary treatment, advanced treatment and interceptor sewers would be 46 billion and would require a federal funding of nearly 35 billion. I think we could anticipate this level of funding and, in fact, we recommend a federal funding level of at least seven billion dollars a year for the next five years. If this is done, certainly we could construct the necessary secondary treatment, advanced treatment and interceptor sewers needed. We at MSD feel that so long as there are certain time deadlines on such things as

secondary treatment, advanced waste treatment, and interceptors for certain areas, then those areas should definitely be given priority in the federal funding to meet these deadlines. We feel there are adequate local incentives to undertake needed investment in certain types of facilities, even in the absence of federal financial assistance. All of us in the urban areas of the United States have to had to construct collector sewer systems without any federal assistance. When the septic tank problem reached a level that was either dangerous to public health or a public nuisance, we have been able to finance the construction of these facilities. In fact, many of our homeowners are still paying off special benefits assessments which were made against their properties to provide them with a sanitary collector sewer system. I think this point was well put in EPA comments on the proposed amendments when it said that it may be hard for some local agencies to raise capaital to clean up the waters for their downstream neighbors. Our people in St. Louis feel they spend 100 million dollars to provide primary treatment, and we are sending it pretty good down to Cape Gireadeau and St. Joseph and to Memphis. And they are not too happy that Memphis said no to the federal government about treatment years ago and build a new port authority, and now they are getting 75 per cent grants to build their treatment facilities. So, when you think a mess is going downstream, they are not too anxious to do it. On the other hand I can tell you that my experience has been that when local conditions caused by failing septic tanks gets so bad, you are amazed at how people can find the money and support to clean up the local mess. To this order I would like to state that I think that from talking to people that maybe we ought to all take a hard look at farm and home administration loans that used to be available for collector systems, and take a look at maybe that would be cluttering up this EPA program or even our state clean water commission program. And maybe that program should be reactivated, particularly in view of the fact that we are not going to get to the type of funding that will fund all these collector systems throughout the 50 states.

Paper No. 4 - If there is one amendment to PL 92-500 that seems to be obviously needed, it is that of extending the 1977 date by which publicly owned treatment facilities are to achieve compliance with the requirements of the Act. We all agree that it is impossible

for the publicly owned treatment works to achieve these deadlines. Therefore, Alternative No. 1 is out of the question. In fact, none of the five alternatives really solves the problem. If the 1977 deadline is impossible to meet, why keep it in the law? We feel the best solution would be to extend the deadline to a realistic year based on the level of federal funding, and then use the fourth alternative which would provide the administrator with discretion to grant compliance schedule extensions on an ad hoc basis based upon the availability of federal funds.

Paper No. 5 - Delegating a greater portion of the management of the construction grants program to the states. It seems that the general consensus of opinion of the federal government and most state and local agencies is to delegate a greater portion of the management of the construction grants program to the states. We hope if this happens we don't lose another year or two while the states staff up to do what the federal government says it does not have sufficient staff to do. Certainly we have no quarrel with this delegation to the state authorities, but we do feel that the states will have difficulty in securing any additional funding from state legislatures. Therefore, this delegation must be accompanied with some financial help from the federal government as is proposed. We only hope that they can staff up in time to not delay the clean water program. We do have one objection in the area of delegation to the states and in particular letting each state set its own priority program. We strongly feel that if a state secures its federal funding based on needs or population, then the state should set up its priority system for awarding construction grants on a needs, or population, basis. To give an example much of the federal money Missouri gets is based on the needs of the urban areas and the population of the urban areas. But it could totally disregard this when it sets its priorities and award its grants through out the state for collector systems. This could result in areas such as Kansas City and the St. Louis metropolitan area receiving little or absolutely no federal funding to achieve the goals set out in PL 92-500. This is in no way to attempt to quarrel with the rural areas of the outstate areas, but to merely state a fact that pollution originates where people are, and people are in the urban area, and this is where the pollution is that PL 92-500 was enacted to clean up. The federal government must place conditions on the award of construction grants that comply with some criteria set out by the federal govern-

ment to insure that the goals of PL 92-500 are being achieved. To quote a phrase, "Point source pollution is where people have sewer discharges into the rivers and lakes and oceans of this country." I don't see a point source coming from 20 septic tanks in a town, or 200 septic tanks. By building a collector system you are making another point source, and you are not correcting those existing point sources.

In closing, let me say we appreciate the opportunity to appear and discuss these five papers regarding PL 92-500, and it is hoped that in the future we will be able to discuss and make some other recommendations on possible amendments to PL 92-500.

CHAIRMAN AGEE: Mr. Kaiser, thank you very much. Mr. Jack Rhett, do you have any questions of Mr. Kaiser?

MR. RHETT: No.

CHAIRMAN AGEE: Jerry?

MR. SVORE: No.

CHAIRMAN AGEE: Thank you, Mr. Kaiser.

At this time I would like to call Ken Karch from the Missouri Department of Natural Resources. Following Mr. Karch will be Sue Hopper of the Natural Resources Commission of the State of Nebraska.

MR. KARCH: My name is Ken Karch. I am Deputy Director of the Missouri Department of Natural Resources, which is a state agency under reorganization in the State of Missouri that has responsibility for the Missouri Clean Water Program, including the Clean Water Commission. I am here to present the Department's testimony on the proposals that are the subject of this hearing.

Before I make specific comments about the individual proposals, I would like to say a few words about the 1972 law. First of all, I think we all recognize that going to a 75 per cent match virtually assured greater federal involvement in the construction grants program. That program is now at a level of five billion or even four billion, the largest single construction in the country.

And it has many of the atributes that other similar federal construction programs have that we are aware of. The dollar figure for achieving the needs that were identified, that Mr. Kaiser mentioned a few minutes ago, 350 billion dollars or so nationwide, has caused EPA and the states a great deal of grief in attempting to struggle to prioritize where we attempt to put our money.

And even though we have been trying to prioritize, there is one major distortion in the entire system and that is the concept of uniformity that pervades many of the programs. And all of the proposals that we are talking about that are before this public hearing, I address that particular issue in one way or another.

We are talking about the uniformity which caused us to overkill in some situations, treatment where it is not necessary to achieve the water quality of an adequate nature to suit the needs. And that wouldn't be bad provided that we could do it, and could affort it. But the fact is at the same time it leaves the inadequacies in treatment in other areas.

Now one of the patchwork approaches to solve that problem has been to address the issue of water quality, limited segments of streams, and additional treatment requirements. I just bring that up as a philisophical question.

The states also tie themselves virtually in every case, I believe. I know of none that have not tied themselves to the availability of federal dollars, and I think that is a base line that we have to work with. We think in Missouri that progress is slower than it has to be. We are attempting to work internally to solve some of those problems.

We are talking about inflation rates, which are another base line that we have to work with that range anywhere from 15 to 25 per cent a year during the last few years. These comments and base lines underlie the comments that I will make about the issues before us.

We recognize that it is going to be very difficult to decrease the percentage of federal funds on the first issue. Even though we don't think that there were any substantial demands back in 1972 to increase from 55 to 75 per cent, at least from the state perspective, a reduction in the federal share would no doubt allow an expansion in the number or projects funded. This would thereby reduce the time required to meet the overall needs of the State of Missouri.

Based on Missouri needs as reported in the 1974 Needs Survey, it will probably take 10 to 15 years to meet secondary treatment alone, if federal funding is retained at the present levels of four to five billion dollars per year. Missouri's needs in 1973 dollars to meet secondary treatment is approximately 471 million dollars. Escalated to present cost that might be 550 million dollars.

That, with an escalation for inflation in the next few years, will mean a minimum of 1980, possible 1986 before we can meet secondary requirements if we spent every federal dollar and associated state and local dollars for secondary treatment. We have got other needs as well in the state, however.

A reduced federal share will place increased burdens on the state and on local communities, however, too. We are going to use up our state bond issue, which Mr. Kaiser mentioned, 150 million dollars several years ago. We have got about 75 million dollars left. I have a table attached to my statement, which I will make available, which indicates that if we go from 75 per cent, 75-15-10, down to 55-25-20, which was the former way of doing it, our state share will go from about 19 million to 43 million, meaning that we have got less than a year and a half or so of state funds left in that bond issue.

But the local share would go from 12 and a half million to 35 million, roughly. It is going to have a significant impact on local expenditures, even though it will increase the total construction from 126 million dollars per year to 172 million dollars per year. The difference between those two figures if we spent every dollar for secondary treatment requirements, and assuming the 20 per cent inflation rate, is the difference between the achievement of secondary treatment throughout the state by 1980 versus 1986.

At the same time that is will cost local communities more, if we go that direction, it will also increase local participation in the process. And it will provide a much needed incentive for local public officials to take a more active interest in overall project costs. We think that is sorely needed.

We have got adequate projects to use the federal appropriation of 55 per cent federal funding, and we would expect the same to be true in the future.

The State of Missouri feels very strongly that the federal government is obligated to assist in providing large sums required to meet federally mandated standards. We do believe, however, that any reduction in the federal grant percentage should only be made if there is a corresponding decrease in federal requirements and control and delegation of more authority to the states.

With respect to the second issue, on reserve capacity, we do acknowledge the possible impact of funding access reserve capacity on urban sprawl and in individual cases, but we are generally opposed to restricting funding for reserve capacity.

We think that without a careful analysis on a case-by-case basis that such a limitation would result in poor engineering or economic design, and it is another case for uniformity for uniformity's sake. This would discriminate against high growth areas, which is where the most serious water pollution problems are likely to occur in the future, if they are not adequately addressed by providing adequate facilities today.

Communities are going to be reluctant to provide adequate reserve capacity if they are required to fund 100 per cent of the incremental costs, underdesign leading to overloading.

We favor retention of flexibility to select design periods, which are based on sound engineering and economic judgement to take into account things like local cost differences, growth rates in a particular area, and interest rates, that are prevelant in the particular location.

With respect to Item No. 3, restricting the types of projects eligible for grant assistance, we think that limiting eligibility to Categories I, II, and IV B, as proposed, secondary treatment, tertiary treatment where it is needed, and interceptor sewers, may be acceptable depending on how infiltration-inflow matters will be handled.

If infiltration-inflow is found to be more cost effective, correction, is found to be more cost effective than expansion of the treatment capacity, then we ought to make that eligible either under Category I or II. If, on the other hand, it is at a treatment capacity and is more cost effective than handling the infiltration-inflow in the sewer itself, then we think that ought to be handled as an eligible item in Category I or II.

If neither case is true, then we would favor retention of Category III A, so that we can address some of those problems in a particular situation.

Furthermore, deletion of the eligibility of collection sewers is going to be unpopular with small community officials, and will result in continuing health hazards in unsewered areas. We would therefore urge EPA very seriously to press for an expansion of those programs that provide alternate methods of funding for sewer systems, such as HUD and FHA grant and loan programs.

This is basically in line with the present Missouri state matching grants. When the federal share was increased from 55 to 75 per cent and collection sewers were made eligible

under the federal law, the Missouri legislature determined that the state matching grant should not cover collection sewers. Consequently, it is a separate state funded program for providing funds for sewer systems not to exceed 600 dollars per connection.

Subject to those considerations regarding infiltration-inflow, and the collection system, the Department generally supports the limiting of eligibility as proposed.

With respect to the extension of the 1977 date for publicly owned treatment works to meet water quality standards, the Department supports a combination of alternatives three and four, which would provide EPA administrators with discretion to grant compliance schedule extensions on a case-by-case basis for: (a) time required with the expenditure of good faith to build the necessary facilities; or (b) extension due to lack of sufficient federal funds.

There is no question that we will not be able to meed the 1977 secondary requirements based on inflation rates and available federal funds.

With respect to Item 5, delegating a greater portion of the management of the construction grants program to the states, we certainly support maximum delegation of authority. We also favor the Cleveland-Wright Bill, H.R. 2175, which would provide sufficient funding for the states to carry out the management of the grants program.

We think we are more familiar with the problems in our state and are better able to manage the problem, and we also feel that a considerable amount of duplication of state-federal review would be eliminated.

That concludes my remarks. I appreciate the opportunity to make them.

CHAIRMAN AGEE: Mr. Karch, thank you very much. In your analysis or review of the Cleveland-Wright Bill, the delegation of the construction grant program to the states, do you feel that the 2 per cent funding would be adequate to support the administrative staffing costs for the states to carry out the construction grants program?

MR. KARCH: I haven't personally reviewed that. I would like to call on my staff for a recommendation on that. Charley, do you have any feelings on that?

MR. STIEFERMAN: Yes, I think 2 per cent is adequate.

CHAIRMAN AGEE: How long do you think this State of Missouri would take to gear up so that a complete delegation from Missouri to EP could occur?

MR. STIEFERMAN: I would hope that we could geared up, provided these adequate funds were made available, in a period of six months to two years.

MR. SVORE: May I ask another question? Do you anticipate any problems with the legislature or with the administration as far as funding these additional positions with totally federal money?

MR. KARCH: In view of the fact that this a construction grants program, I would think that the problems would be minimal, compared, for example, with regulatory function. I think we could probably sell that idea.

MR. SVORE: What I have reference, of course, is to the attitude that many states these days, the federal government introduces a program and then they finally turn it over to the states for them to carry. And that attitude has been expressed by your state. And I was wondering if you had run into this same thing as far as it was concerned?

MR. KARCH: Again, I think there is a difference in the attitude about the program, a difference between a, essentially a grant program that provides funds to local communities versus a regulatory program, which is a very significant one I think in the attitude of the legislature. We had some difficulties as you are well aware in the last session with respect to funding for our air and water quality programs.

MR. SVORE: That was a good question to ask you.

CHAIRMAN AGEE: Mr. Karch, do you think the states can do a better job in administering the construction grant program than the federal government?

MR. KARCH: Unequivocably, yes.

CHAIRMAN AGREE: Just another example of the EPA giving themselves a hot foot.

Jack do you have any questions of Mr. Karch?

MR. RHETT: No.

CHAIRMAN AGEE: Thank you very much.

I would like to call at this time Sue Hoppel, from the Natural Resources Commission of the State of Nebraska. Following this testimony I will be calling on Paul Trout from the Container Corporation of America.

MS. HOPPEL: Mr. Chairman, my name is Sue Hoppel, and I am representing the Nebraska Natural Resources Commission. Our address is 7th Floor, Terminal Building, Lincoln, Nebraska. We are the state agency preparing Nebraska's Water Quality Management Plan for implementation by the Nebraska Department of Environmental Control. We agree with and support the goals of PL 92-500 for fishable, swimmable waters, for zero discharge of pollutants, and for public support of wastewater facilities.

We are making progress in Nebraska toward implementing these goals. We have our six most difficult water quality plans completed, and we expect to complete the other seven in the next year.

The Nebraska Department of Environmental Control is administering the NPDES program in the state and they have all the municipal permits issued. They are implementing the plans through all their water pollution control programs. Public understanding and acceptance of the new law have come a long way in the last year and we have enjoyed a useful working relationship with the EPA in Kansas City.

For the sake of continuing this progress, and since we support the original law, changes which are not necessary for program function and improvement and do not accelerate progress towards the goals should be and will be opposed by this agency. We appreciate the opportunity to address the five amendments before this hearing.

> Amendment 1 - A reduction of the federal share. We oppose this amendment. The federal share should remain at 75 per cent and sufficient funds should be allocated to meet the needs. Clean water has been accepted as a public benefit and the public is going to pay for it one way or another. The most logical way to accelerate needed treatment is to require it and pay for it. We would favor setting an ending date for the 75 per cent share, say 1983, after which the federal share would be decreased. This would discourage any unnecessary delays by grant recipients. Federal money must be raised, allocated, authorized, and spent if treatment facilities are to be built. That, not the 75 per cent, is our problem.

Amendment 2 - Limiting federal financing to serving the needs of existing population. We oppose this amendment. As a planning agency we feel the legitimate needs of the future should be considered. If these needs are not met, we will always be behind and our goals will never be achieved.

Amendment 3 - Restricting the types of projects eligible for grant assistance. From a practical point of view, the construction grant program in Nebraska is almost wholly directed toward treatment plants, and we fund some interceptors. We feel that the construction required under the most cost effective solution should continue to be eligible, and changes in the law are not necessary.

Amendment 4 - Extending the 1977 date. This deadline has to be extended, but it should be only on a case-by-case basis. We favor alternate three, which would keep the 1977 date but allow the administrator to grant extensions. Secondary treatment is still a desireable minimum goal, and will be achieved in many areas in Nebraska by 1977. Maintenance of the 1977 date should not be dependent on the availability of federal funds.

Amendment 5 - Delegating a greater portion to the states. We favor this amendment. It would expedite the construction grant process. The entire program should be transferred to the states as they are ready with appropriate reviews, audits and funding by EPA.

I appreciate the opportunity to participate here and I would be glad to answer any questions.

CHAIRMAN AGEE: Thank you very much. Jack Rhett, do you have any questions?

MR. RHETT: No.

CHAIRMAN AGEE: Jerry?

MR. SVORE: No.

CHAIRMAN AGEE: Thank you very much.

We call on Paul Trout from Container Corporation of America. Following Mr. Trout's presentation I will be calling on Richard Cunningham from the League of Kansas Municipalities.

MR. TROUT: Chairman Agee, members of the board, we appreciate the opportunity of meeting with you this morning, although we are not concerned particularly with the first three of the four papers published in the Federal Register. My company and certain others of our industry have significant interest in this subject of municipal waste treatment, and treatment plants.

In my own company's case we operate 12 paperboard mills, nine of which use recycled fiber, or waste paper as they are furnished, and therefore, are located in urban areas and after suitable pretreatment, discharge their effluent to municipal treatment systems. This is also generally true of the industry's converting plants.

As I mentioned, we do not feel it our province to comment on Papers 1, 2, or 3, but relative to Paper 4, entitled "Extending the 1977 date for publicly owned treatment works to meet water quality standards," there are several fundamental matters with which we are concerned.

Discussing the various alternatives, we feel that alternative one, as you have already noted, should be abandoned. Alternative two is based in large part on a relationship between the enforcement arm of the agency and the non-compliant municipality, and it is our opinion that this probably leaves too much to fate.

Alternative three has the barrier of the 1977 date, which various testifiers this morning have indicated is not a viable date as it cannot be attained on the parts of many of the municipalities.

The alternative four appears to by company and others in similar situations to be the most workable of the alternatives, although we still have the concern about maintaining the 1977 date.

Alternative five could be useful if the date were extended to 1983. I think probably, however, we still would report alternative four as most favorable of those listed.

We have several questions relative to Paper 4, which we would like to broach at this point. The first is what accomodations or amendments could be considered to protect industrial point dischargers who have planned to tie in to municipal systems, where it subsequently develops that the municipal system will not meet the 1977 deadline because of inadequate funding?

Secondly, where, and I think this is the subject that we must bring out, that industry is in the same competitive market for funds as municipalities, and in fact, as is the federal govern-

ment. And in this area we sometimes suffer the same economic shortfall as a municipality, where the municipality finds it impossible to meet the 1977 deadline.

Alternatively, we might be faced with the possibility of installing our separate treatment facilities, but here we have the same economic shortfall. How can we have some consideration for the same problems as face these municipalities in this economic area?

And I might comment that there have been several comments about various municipalities reaching their limit of bonded indebtedness, their lawful limits of indebtedness. I believe we should all consider that the federal government may also be reaching its limits of indebtedness, and that certainly the expediency of simply running the printing presses faster is in large part responsible for the fact that the cities' bonded indebtedness now doesn't go as far as it did earlier.

In other words, this is the root cause of inflation, which makes all of our projects suffer in this pollution abatement area.

The third question is what procedures can be developed, either through an amendment or through regulations, to advise the public that a particular municipality will not be able to meet the 1977 requirements as a result of no federal funding?

The point here is to give industrial point sources maximum leave time to either make other arrangements for effluent treatment, or secondly, to petition for exemptions based on the unavailability of a municipal treatment facility.

Thank you.

CHAIRMAN AGEE: Mr. Trout, thank you. You raised great questions. I am glad I am not here to answer them today, but I would like to get your views on one of them. What would your views or recommendations to EPA be in one of the examples you cited where an industry or industries should logically tie into that community, and that community is not moving ahead because of the absence of federal funds. Would you have a recommendation to us as to how we should deal with that kind of situation with the industry?

MR. TROUT: Well, we have, I would say, a somewhat broader recommendation as far as amendments to the act. There, by and large I think the, our industry, the pulp and paper industry, will probably at least in 90 per cent compliance with the 1977 re-

quirements. And we feel that equitable treatment of industry as well as municipalities would require that the 1977 date be extended to 1983, or at least that the 1983 requirements be not made effective until 1977 attainment has been reached by all dischargers into the waters of the United States.

CHAIRMAN AGEE: Very good.

Do you have any questions of Mr. Trout?

MR. RHETT: No.

MR. SVORE: No.

CHAIRMAN AGEE: Thank you, Mr. Trout.

Richard Cuningham, I understand that he is not here but that he will come a little later. I would like to go on then and call on Mr. F. L. Endebrook, from the City of St. Joseph, Missouri. Following Mr. Endebrook will be Harvey A. Jones.

MR. ENDEBROOK: Mr. Chairman, I am Frank Endebrook, director of Public Works, City of St. Joseph. I do represent Mayor Bennett, and he concurs in my remarks.

We want the federal funds to be maintained at 75 per cent for treatment plants and interceptors. In our case, we are ready to advertise again, and if we had to go back and vote an increase in the bonds to be able to pay our share, it would be an impossible situation.

The bonds did have a contingency in them and we can cover current situations. But if the federal share was dropped, we would have an impossible situation. I would recommend that the collector systems be limited to 33 per cent federal funding, because I don't think you are going to fund them anyway.

I do realize the situation on federal funding, and I would suggest that several things could be done. One would be to eliminate the requirement for disinfection into the Missouri and Mississippi Rivers. I would suggest also, of course, that the date for compliance be extended under EPA directions.

I would recommend that the state take on great management of projects, particularly on design criteria, on the determination of design criteria, and on population growth. This covers my statement. Thank you.

MR. ENDEBROOK: Correct.

CHAIRMAN AGEE: The proposal that we are considering testimony on would not apply to the existing 18 billion dollars that have been allotted to the states. It would be for future money beyond that. It will take us another three years or so to obligate the existing--

MR. ENDEBROOK: This might eliminate our objection, because we think we are going to be able to cover it, but if for some reason we didn't get fully funded, why then we would face that problem.

CHAIRMAN AGEE: You mentioned that you thought maybe the federal share could be reduced on collector sewers to 33 per cent, possibly because you are not going to get them funded anyway. But if you have a problem, and I am sure you do have some need for collector sewers in St. Joseph, as other people do, do you think the city would go ahead and fund them with the 33 per cent grant?

MR. ENDEBROOK: We do have a problem. We are trying to extend our sewer districts, which is the collector system. In all cases in the past, the city has fully funded them. The costs have risen from about four cents a square foot to the newest ones at 11 cents, and 11 cents a square foot makes a very heavy burden on the local taxpayer.

That is why I do think that if we could get, say 1/3 federal share on it, we might be able, I believe we could sell the people to proceed with the rest. Now, we have tried in the past two years to get federal funding on collector systems, and the answer is no. It is just that it is just not high enough in the priorities to ever be reached.

MR. SVORE: Would you recommend that this be a separate line item, so it does not compete with funds available for treatment purposes?

MR. ENDEBROOK: I would, yes, sir.

CHAIRMAN AGEE: Thank you very much, sir.

I will call now Harvey A. Jones, representing the Little Blue Valley Sewer District. Mr. Jones?

MR. JONES: Mr. Shaffer has already presented my statement.

CHAIRMAN AGEE: All right, fine. Thank you.

I will call next Melville Gray from the Department of the Environment. Following Mr. Gray's statement and testimony, I will be calling on Kenneth W. Fair, from the Citizen's Environmental Council in Kansas City, Missouri.

MR. GRAY: Mr. Agee, gentlemen, ladies and gentlemen of the audience, if my diction is impared today I hope you will forgive me. This is not my normal appearance.

We would like to make a presentation that reflects the State of Kansas, the Association of State and Interstate Water Pollution Control Administrators, and some of my own personal feelings and reflections on the program. And I hope that I am able to identify which particular segments the statement represents; if you are unable to determine, do not hesitate to ask on this.

> Paper No. 1 - The reduction of the federal share. We would like to indicate from the standpoint of the association that Congress should provide for authorization and for appropriations of at least five billion dollars per year, for FY 76 through FY 80 for construction grants. This would be in addition to the impounded nine million dollars, which was recently released, giving a total of approximately 34 billion dollars authorized. This approximates the need survey costs of Categories I, II, and IV B, and can reasonably be accomodated in the engineering and manufacturing and construction business. Knowledge of funds available for future years could do much to expedite planning and scheduling of projects. And if provisions are made for reasonable reimbursements for Steps 1, 2, and 3 grants, considerable lag time can be eliminated in the construction of needed facilities. I think we have to consider also the public works aspect of this proposal are significant from the standpoint of the nation's economic situation. With regard to the overall reduction and the allocation of these funds, we would recommend that state allocations for construction grants be made on a 50 per cent need basis, and 50 per cent on population, with Categories I, II, and IV B being considered for the 50 per cent needs, but allow actual expenditures of these monies on the basis of state priority determination, and to maintain the eligible grant at the 75 per cent level. We would suggest considering limiting or making ineligible the legal and engineering fees as being ineligible for reimbursement or for actual participation in the construction grants. As a general comment with re-

gard to the potential for reducing the federal share, I would call your attention to the fact that we have many communities throughout the nation and throughout the, our state that went ahead and constructed waste treatment facilities under the 30 per cent grants. At that time, the majority of the states were recommending against increasing above the 30 per cent grant share. However, this was increased to the 50 per cent level, or 55 per cent level, hence making those who had proceeded on their needed construction programs suffer as a result of rapidly assuming their responsibilities. Once again, the grant increase was made to 75 per cent, and once again we had additional cities who had suffered for earlier fulfilling their responsibilities. Now we are asking that additional communities be penalized in the potential for reduction from 75 per cent to some lesser figures. And I say penalized in this sense, we in Kansas have 276 active projects. Those communities which wish to proceed on a construction grant program now, and have been designed to do so for the past three years, the lack of proceeding has not been caused by any fault of theirs. But the fact is that the grants program has not proceeded as rapidly as anticipated, and they have been ineligible to proceed with construction. In the past three years we have dropped to 15 per cent of our construction activities, as opposed to the passage of 92-500 on October 18, 1972.

Paper No. 2 - Limiting federal funding of reserve capacity to serve projected growth. We reject the proposal of the 10/20 design period. We think it is inappropriate from a cost effectiveness standpoint, and what we really need is greater flexibility in determination. We would be opposed to establishing a 50 or 40 year limit on the construction of interceptor sewers, and would point out the need for flexibility in this sense. We have cases in our communities whereby once you commit a route for the construction of an interceptor, this is it. And that costs will increase by tenfold by the virtue of there not being another route for that interceptor and you either tear out an existing interceptor to make room for an increased size of the proposed interceptor, or take a circuitous route that will prove to be extremely costly.

Paper No. 3 - Restricting the types of projects eligible for grant assistance. I would refer you to the comments under Paper No. 1 in the possibility of limiting or restricting eligibility for A and E and for legal fees; and additionally, point out that under the present

priority system, if grants are made available to the states on the basis of Categories I, II and IV B, there is a built-in system which is inherent in the current priority procedures in that if a project is not of a high priority, such as the majority of the states are considering collector systems, then they will not be within the eligible limits of funding, not from the funds available. We feel that this is adequate safeguard in the procedure, and even though grants may be allocated on the grounds only of I, II, IV B, that the states should still be allowed to fund at a high priority level; for example it might be a storm sewer project. In some cases you are going to find in these other categories of projects, as a high priority a real contribution to pollution and is needed to be funded in order to eliminate this particular source.

Paper No. 4 - Extending the 1977 date. It is our position that the Congress should consider amending Section 301 (b) (1) of 92-500 as it related to the requirement that publicly owned treatment works must achieve a minimum of secondary treatment by July 1, 1977. The amendment should be similar to those that have been under consideration by EPA; specifically the administrator of EPA, and with this one addition. Or, if a state has been delegated to permit issuing authority under NPDES, the state also should be able to extend the time for achieving the requirements set forth in Sections 301 (b) (1), (b) and (c). If it is determined that the construction of the necessary treatment works can not be completed within the time frame, specified in those paragraphs, or that adequate federal funds will not be available for their construction, I think the dichotomoy is obvious here in that the state that has NPDES authority is writing and issuing the permit, and to not also have authority for extension of time would cause considerable confusion, delay and extra work on the part of both the state and EPA. And we do need to expedite this program. We support this recommendation for several reasons. To begin with, the 18 billion dollars authorized under PL 92-500 was grossly inadequate. This has been confirmed by the two need studies that were conducted by the states since the original passage of the act. And even though EPA had, at times, tried to discredit the need surveys and the total dollar figures involved, the National Water Quality Commission has recently completed a study of point source costs to fully comply with PL 92-500. And this totals up to be within 2 per cent of the dollar figures submitted by the states. This is 105 billion dollars versus the

107 billion dollars. At the present level of funding, or even the proposed level of funding, it should be quite obvious that the 1977 date deadline will not be met because Congress is not of a frame of fimd to allocate or authorize in excess of 100 billion dollars within the next two years. Some projects because of their size, Detroit for example, did not be completed even though funding might be available if the total state allotment were used for this one project. Other projects could not be completed in that the lead time for planning, design, and construction of necessary treatment facilities frequently exceeds five years. And I would remind you that there is no provision for taking in the gross considerations of Steps I, II, and III at one time, and you must await the completion of the individual steps. Adherence to the 1977 deadline requirement and the permit program already has increased the state work load. Short term permits have been issued, which expire before July 1, 1977; and where it was determined the 1977 deadline could not be met because of construction time or lack of funds, we do not believe that this exercise should be repeated more often than is necessary. We further are concerned about the additional work loads that may result from action required by citizen's suits if we fail to enforce the 1977 requirement. We also feel that some consideration should be given to industrial organizations on a time deadline factor, because indeed many industries have been prohibited from building their own waste treatment plants due to the presumed benefits of discharging to a community areawide collection system; and that, until such time as that community system is completed, then industry has no place to go except into the receiving stream.

Paper No. 5 - Delegating a greater portion of the management of the construction grants program to the states. We do endorse and support the Cleveland Wright Bill, which provides that states may administer and certify to administer the performance of the responsibilities required under the actions of PL 92-500. We do have one specific recommendation for clarification in this legislation. It is recommended Congress clarify the term authority as used on Page 2, Line 8. This is used in a legal sense, as in other instances in the past, a state may be required to have a specific state law authorizing the state agency to make certifications of the proposed Clevelnad Wright Bill. This would require a year, or in some cases, two years for state legislatures to adopt the necessary legislation, and further delay the intent of the bill in expediting the construction grants program. It is further recommended

that the administrator's rules and regulations, as authorized by the bill, be minimal and not unduly restrictive. It is assumed, but we need clarification, that a state could request certification in any or all of the program functions as delineated by the Cleveland Wright Bill. The bill provides for up to 2 per cent of the construction grant monies to be used for additional state program grants to cover the costs of performing the responsibilities of the bill.

Two other items I would like to call to your attention is in relation to the operation and maintenance charges. And we firmly believe that municipalities should be allowed to use whatever legal mechanism is available to them in their state or local community to pay for the costs and to assure that sustaining the system will be proveded for.

Additional item is in regard to Section 106 (d), in the non-federal program funds of states. In this day and age we find many states suffering severe budgetary limitations. It is not considered to be in the best interests of the nation or the states in the event a state legislature should cut back on the base limits of funds as required under the law to completely disallow federal funding of that state program. We feelthat this should be modified to provide a proportionate reduction in the federal state program grant, corresponding to the decrease below the base level required for state maintenance.

Mr. Chairman, this concludes my remarks. If there are any questions, I would be happy to address them.

CHAIRMAN AGEE: Thank you, Mr. Gray.

I would have one question, I think you recommended in your statement that the architect engineers fees should not be eligible for the construction grant program. What are your reasons for making this recommendation?

MR. GRAY: The recommendation to make A and E and legal services not eligible for the construction grants program is based upon the proposed regulations coming from EPA covering A and E and legal services. We feel that this could bring about as much as an additional six months or more delay in the processing of and the awarding of a construction grant.

We feel that normally we are speaking in terms of 5 per cent of the construction costs of the project. And that it would be better for Water Pollution Control and for overall

efficiency and for cutback on administrative responsibilities to delete these as being eligible, and hence, allow the municipalities to, so to speak, fend for themselves, of which I have no fear that they can compete with their A and E and legal services.

CHAIRMAN AGEE: Thank you. Jack or Jerry, do you have any questions?

MR. RHETT: No.

MR. SVORE: No.

CHAIRMAN AGEE: Thank you, Mr. Gray.

I would like to call at this time Kenneth W. Spare with the Citizen's Environmental Council of Kansas City, Missouri. And following that I -- Mr. Spare is not here?

Thank you. Richard Cunningham, representing the League of Kansas Municipalities. Following Mr. Cunningham I will be calling on Esther Woodward.

MR. CUNNINGHAM: Mr. Chairman, my name is Richard Cunningham, Associate Director of the League of Kansas Municipalities. The leasgue of Kansas Municipalities represents over 475 cities in the State of Kansas. These cities compose approximately 99 per cent of the total population of persons within cities of the State of Kansas.

The League of Kansas Municipalities has had a long interest in various environmental matters. League policy committees have considered environmental matters for several years and the purpose of my testimony is to describe to you the attitudes of Kansas local government officials insofar as they relate to the five questions under consideration by this hearing board.

First, let me note to you how League policy is developed. The League of Kansas Municipalities does have a policy statement which represents a foundation upon which the cities build legislative programs at both the state and federal levels.

The Policy does not attempt to set forth the League's position on specific bills which may be considered by the legislature and Congress. Rather, the policy attempts to set forth principles and guidelines at the basis for specific action by staff. This policy is developed through an extensive process of committee meetings composed by both elected and administrative city officials. Finally, each year the Statement of Municipal Policy is considered at an annual convention of City Officials. It is on the basis of this policy I appear here today.

With regard to question number one, should the federal government reduce its share of municipal wastewater treatment grants, the answer to that question is a strong and emphatic no. The cities of Kansas are primarily dependent upon the property tax and other relatively stable revenue sources for funding. And these sources are not expanding.

The federal government has established through both congressional and executive branch decisions a clear indication of the standards toward which environmental quality improvement efforts should be directed. As noted later in my presentation, there is question as to the appropriateness of these standards now that they have been interpreted by the Environmental Protection Agency staff, but we can find no reason why the ratio of the federal match should be reduced. If the intent is to save federal dollars, then most city officials in Kansas would suggest that there should be some other priorities that could be tested. Another approach to cost reduction or deferral would be deferral of deadlines.

Question number two regarding limiting federal financing to serving the needs of existing population is not clear. It seems an idea, whose implementation, even with a vast bureaucracy, would be almost nonenforceble. Added or new population pays federal taxes just as does existing population. We can see than attempts to limit to existing population might lead to rather unrealistic conclusions, actions and certainly would seem to be arbitrary in its basic nature. We therefore oppose such a limitation.

Question number three, should the EPA restrict types of projects eligible for grant assistance, might receive some support from Kansas cities, but I would expect the vast majority would be in opposition to any reduction of projects eligible for assistance. It seems that all municipal facilities contributing to potential or additional pollution of our streams and waterways should be eligible.

Any reduction of types of projects eligible would most likely be done on a rather arbitrary basis and such changes could discriminate against particular types of situations or parts of the country. Kansas city officials are particularly sensitive to regulatory and legislative actions that do not adequately recognize the character of Kansas. The concept suggested by Question 3 is one which does not seem to have much merit and therefore would not be supported by the majority of cities in Kansas.

Should the 1977 date for water quality deadlines be extended? The cities of Kansas have suggested that such exten-

sions should have been considered previously. We do support such action. We believe that the deadlines should be timed to the federal government's ability to provide its share of matching costs and the construction industry's ability to deliver.

Additionally, we are quite concerned about the ability of the EPA, state agencies, and consulting engineers to do their part as it relates to current and existing technology, as well as ever-changing administrative regulations. The cities of Kansas would support some extension of deadlines.

In answer to question number five, should a larger portion of the management of the construction grants program be delegated to the states, the cities of Kansas would support such delegation. The cities, however, would want the federal government to continue to exercise monitoring oversite as to the quality of administration, state by state.

In recent times, the cities of the State of Kansas have generally had a favorable record of experience with the State Department of Health and Environment. This had not always been true. I believe that the cities are not as concerned about whether it be the state government or the federal government who administers the program, but that as little as possible duplication exists and that the bureaucrats, for whomever they work, be responsive and sensitive to the realistic situations and needs that exist in various parts of the State of Kansas. We, therefore, would support some further delegation of management of construction grants programs to the states.

Two final notes. To our knowledge, the League of Kansas Municipalities did not receive a notice of this hearing, other than through the Federal Register. The League of Kansas Municipalities, as well as leagues in other states, are used to receiving some type of timely, direct mailed notice as to important matters and we consider this hearing an important matter. We would not be here otherwise. There are many other matters on our agendas.

We strongly recommend that when hearings of such magnitude are held, that regional administrators of the EPA be directed to notify municipal leagues so they in turn may consider notifying their constitutent members. I understand very well that postage costs are high these days and that there are a great number of special interests who would like to be notified directly.

We do believe, however, that city governments, who are governed by elected officials in this representative system

of government, should receive some type of unique consideration. Cities are not special interests. City government is the democratically selected representatives of the people who reside in cities.

We appreciate this opportunity to be heard. We do not, however, appreciate the fact that we were notified in a rather untimely and ineffective manner. According to last estimates, Kansas cities need to expend approximately 2.25 billion dollars in the next several years to meet existing standards for plants (Parts 1, 2, and 4 (b)). Another 2.4 billion dollars is estimated for other standards. Effectively dealing with water quality is serious business in Kansas.

Finally, we ask that EPA intensify its efforts to simplify the administration of the municipal wastewater treatment program. The improved treatment of water can not occur if all of the inlets to the system are clogged with paper.

If Congressional changes are needed, then you can be sure that many city officials from Kansas will do their dead-level best to convince the Kansas Congressional delegation of the rationale for such changes. In the meanwhile we plead with you to get the scissors out and cut every inch of bureaucratic tape out that is not vital to your true legal obligations.

CHAIRMAN AGEE: Mr. Cunningham, thank you very much. Your recommendation or statement not supporting the elimination of some of the eligible features of the construction grants program, I just want you to reaffirm this for me. You don't feel that the sewers a sewer extension, should be removed from the priority or from the eligible features?

MR. CUNNINGHAM: I believe the comment was that city, some cities might look at some possible changes in eligibility, but that probably the majority of cities would not want any change from what is there now. And I am sorry, since I am not a specific city official from the City of Dodge City, Kansas, I can't tell you what my governing body would say. But I can speak to you on behalf of all of the cities.

I think overall they would say no change, but I think it would also be realistic to say that some cities would look to some possible modifications, but which ones, no answer.

CHAIRMAN AGEE: In working with your cities in Kansas, do they have any problem with the priority lists that are established by Mr. Gray and his people?

MR. CUNNINGHAM: I think it would be fair to say that from the information that we have that there have been relatively

few complaints about the priority lists. I think that the traditional kinds of separation between the large city and small city exists. There are some small cities who wonder if they will ever get on the list, particularly with the extremely limited funds.

On the other hand, we have had relatively few complaints, particularly when compared to other categorical federal grant and issue programs where lists are extremely long.

CHAIRMAN AGEE: Very good. Thank you. Jack, Jerry, any questions?

MR. RHETT: No.

MR. SVORE: No.

CHAIRMAN AGEE: Thank you, sir.

I would like to call now on Esther Woodward, representing the Water Quality League of Women Voters, Coalition for Water Quality from the League of Women Voters.

MS. WOODWARD: Thank you.

CHAIRMAN AGEE: Mr. Sabock did remind me to ask all of the people who have testified that if you have written statements we would really be very pleased to have them. It will make our job much easier, and we won't have to rely entirely on the recording machine. So, if you have written statements, please leave us a copy.

MS. WOODWARD: I am Esther Woodward, Coordinator of the Mo-Kan Coalition for Water Quality, one of eight citizen organizations contractors in EPA District 7 in the Water Quality Awareness and Information Exchange Program of EPA to implement 101 (E) of the law.

It is confusing because I am also on the Environmental Quality Committee of the League of Women Voters, which is one of the member organizations.

The Mo-Kan Coalition for Water Quality is hereby protesting the inadequate public notice of this hearing. I understand 300 telephone calls were made by the public affairs department of District 7 on June 11, after a disastrous showing of public interest in Atlanta on June 9. As Mo-Kan Coordinator, I received such a phone call and asked and received the background papers the same night. I was told the Federal Register notice of May 2 was all that was legally required. That does not seem to fulfill 101 (E), which ways the administrator and the states are "to encourage, assist and provide for public participation."

It is tragic that the background papers for this hearing were not distributed at the very least to the eight contractors of the Water Quality Awareness and Information Exchange Program in District 7. I now formally request that at least 25 copies be sent to each of them immediately.

Mo-Kan Coalition was in contact weekly with the PAD of District 7 during May, and published a newsletter mailed June 9 to 380 organized citizens. It could have announced the meeting and given background material. Our only conclusion can be that the failure to notify as least these eight contractors, of course understanding EPA has other important matters, but this is an organization for public awareness organized by EPA, that it either seems malicious or incompetent, one or the other.

We hereby formally request that the designated Water Department Coordinators with this program and the Public Affairs Department of District 7 establish lines of communication on matters concerning PL 92-500, so that the eight contractors for public participation can be kept informed and up to date.

As one member of the coalition, the Environmental Quality Committee of the League of Women Voters of Johnson County, Kansas, concurs in this statement. We expect to make a written statement before July 7 on the subject of this hearing.

CHAIRMAN AGEE: We will look forward to receiving your written testimony. Thank you very much. We will see that you will get copies of them as you requested.

David Snider of the City of Springfield, Missouri. Mr. Snider.

MR. SNIDER: Thank you Mr. Chairman. I will make my remarks brief, because I really am speaking as the Director of Public Works, but without the city's sanction at this point. Again, not to be derragatory, but we just learned about this meeting also and came up at the very last minute.

We do want to comment, though, briefly on the five items. Of course, the first one, we are funded for sewage treatment plants, and they are currently under contract, and the 75 per cent will not bother us there. But, we are very concerned about the future, and the fact of our inability to provide additional taxation from our population and the inability to even get bond issues passed of any magnitude.

So anything different than this 75 per cent, 15 per cent by our State Water Commission, would definitely deter our

ability to provide future treatment plants, or even future interceptor trunk sewers, which we have about 42 miles under consideration and design at this time.

As far as your Paper No. 2, this is very complex. In discussing it with my Superintendent of Sanitary Services, the question we have is really academic in that what is excess growth, and what is excess capacity? And in our part of the country, once you put the line in you don't want to think about having to go back there again, due to the fact of difficulty of getting easements and this sort of thing.

And many times ultimate growth versus say 10 or even 20 year's growth is very close, especially in our fast-growing community, and I am certain in other communities this same situation would occur. Say a 10 year growth versus ultimate population which is only 15 years away changes the line from 24 inches to 27 inches, or even 30 inches. And cose effectiveness, we question it seriously.

In regard to Paper No. 3, we are basically in agreement with the position taken here in that, except that some major sewer rehabilitation needs to be left in there, although maybe not total, but at least part, some major rehabilitation. Infiltration inflow, we feel should be left in, definitely. Collectors, we have no problems at this point in time with financing collector systems ourselves.

Like the gentleman from St. Joseph, though, our costs are now approaching 10 cents a square foot, and of course our concern right now is trying to get treatment plants and trunk sewers. So we are really not even giving priorities ourselves to collectors, but it would definitely be of benefit, I am certain.

Stormwater control, I think that is the thing that is going to show up in our part of the country, because we are under that special area of having to have tertiary disinfection type treatment plants, and once we get those in operation we think there is going to be a noticeable degree of problems from stormwater run off. And after last night's storm, three inches in an hour and a half, it becomes a great concern. We have had fishkills, which have been proven not to be from our sanitary system, but our storm system more than anything else.

In regard to Paper No. 4, the 1977 deadline, we are under contract and can't make it. Our contractor, he can't get materials and this type of thing, and I just look at this as I relate it to other federal aid programs. I have been directly involved with some, and sometimes the dates are set and they do not take into effect enough of the ability to get the money. And if Congress can not see itself clear to fund these programs, then the dates have got to be accordingly.

I am not so sure I agree with any five, other than I will agree with the compromise of three and four, which some discretion on specific programs should be given directly and definitely. But to come up with hard and fast dates, I have heard this 1983. I say that is no better as far as I am concerned than 1977. If Congress or the President would impound funds, what good is it?

It is not going to be done, and my question is what type of discipline are you going to give communities if they can't make it because they don't have the funds? It can go on and on.

Finally, on Paper No. 5, we have had, of course, extremely good working relationships with the regional office here, as well as our state and city water commission, but I guess being local we like to see things one step closer to the people. So therefore we would support, I am certain, a getting it to our state, giving them enough time, of course, to staff up and to be ready to accept it advertently.

Thank you.

CHAIRMAN AGEE: Mr. Snider, thank you.

Mr. Rhett, do you have any questions?

MR. RHETT: No.

CHAIRMAN AGEE: Jerry?

MR. SVORE: No.

CHAIRMAN AGEE: Thank you very much, Mr. Snider.

Mr. Kenneth W. Spare, is he here?

(No response.)

CHAIRMAN AGEE: Mr. T. A. Williamson?

(No response)

CHAIRMAN AGEE: Mr. Oliver T. Williams

MR. WILLIAMS: Thank you, Mr. Chairman. I hope you will recognize that the actions of the Milwaukee Bucs in trading Abdul-Jabbar is not representative of the mentality of all the people from Winconsin.

My name is Oliver D. Williams. I am the Administrator of the Division of Environmental Standards in the Wisconsin Department of Natural Resources. If I were to have a major message to bring to this hearing today, it would be a call for some program stability.

Predictability of funding levels is critical to budgetary and program planning, whether at the state or municipal level. Uncertainty at both levels concerning which projects can be financed, and when, has resulted in severe loss of credibility for the pollution control program.

We found that the changes in the construction grants program in the 1972 amendments and thereafter created considerable chaos. Only now, nearly three years later, are we beginning to achieve in Wisconsin some public understanding of the new requirements. And here we are today, discussing further changes.

Announcements of Federal initiatives have raised false expectations about how quickly there would be visible results from these efforts. I am sure that all Wisconsinites share the national awareness that environmental quality problems are urgent.

On the other hand, we know that major changes take time. Nowhere has this become more evident than in the administration of municipal waste treatment grants, where the gestation period, from conception of a project through, facilitates planning and design, to awarding of a contract and final construction, can easily stretch out to the full five year life of an NPDES permit.

This problem has become particularly acute in the public perception of the 1977 deadline. The national pollution control effort will suffer drastic credibility problems when it hits home to the taxpayer that the release of the impounded money, despite the great publicity which it has received, will scarcely dent the construction needs in this country. While the issues being discussed here today are important, it is regretable that the paramount question--how much is Congress willing to authorize for Fiscal Year 1977 grants and beyond--apparently is not being discussed in this or any other national forum.

The simple fact is that the Congress, in the bold enactment of the 1972 amendments, assumed a major federal responsibility for cleaning up the nation's waters. Without any significant prod from the states that I am aware of, Congress opened the federal purse in magnanimous fashion, offering guaranteed 75 per cent grants for municipal projects, with almost unlimited eligibility.

The warnings of those experienced in the municipal grants program, if heard at all, went unheeded. As a result, federal appropriations at seemingly generous proportions are, when combined with rampant inflation, producing far less in tangible results than the relatively modest appropriations accomplished in pre-1972 years.

Now, after a handful of high priority communities have shared in the 75 per cent bonanza, the suggestions are put forth that this be cut back to 55 per cent so that the federal dollar will stretch further. This smacks of a bail-out. If, as the position paper introduction states, "the magnitude of this indicated need appears to be beyond the funding capability of the federal budget," how is the pressure to be eased by shifting the burden to state and local budgets.

The same taxpayers are footing all of the bills, and it is no easier for clean water advocates to win the battle of the budget at state and local levels than it is the Congress.

What is needed, in our view, is a clear federal statement that it intends to get out of the construction grants business after specified objectives are met. These objectives might be the attainment of BPT, BAT or water quality related effluent limitations through the construction of necessary waste treatment facilities on a one-time-only basis. By limiting the use of federal funds to treatment facilities and those interceptors and sewer rehabilitation projects identified as necessary to insure the integrity of those facilities, there is some hope that the plant owners will become more cognizant of their management responsibilities.

Further, by limiting federal funding to treatment facilities, the question of the sizing of interceptors or the extension of collection systems will become relatively academic.

These decisions, related to land use determinations and the intrinsically local judgements of whether or not to seek and encourage community growth, can be made in the framework of local and regional planning, with whatever involvement state agencies feel they need to make.

The regulatory form of PL 92-500, the permits program, can never be made to function effectively in the municipal sector if the permitee can effectively raise the issue that his compliance is predicted upon a pending federal or state grant.

Thich brings us to the issue of whether the 1977 date should be extended.

There is de facto recognition that the 1977 deadline has already been extended. A vast majority of municipal permits have been issued on an "operation and maintenance" basis, recognizing that existing facilities cannot achieve the defined secondary standards, let alone something better to assure compliance with water quality standards.

If the priority system under which federal construction grants are distributed is to have any significance at all, there must be recognition that enforcement will be geared to availability of funding for the initial design period. To select an alternative deadline date, such as 1983, is useful only if it becomes the deadline for Congress to carry out its end of the bargain.

If selection of a target date is not geared to this theory, then alternatives three or four are the only logical choices. Those familiar with administrative law should, however, review this decision carefully. If ad hoc extensions will not protect permittees against civil suite, then another direction should be taken by Congress. The perchant for citizen or environmental group lawsuits is increasing, and administration of the clean waters program is not enhanced when a substantial portion of staff time is tied up in legal actions.

I have already touched on Paper No. 3, dealing with restricting the types of projects eligible for grant assistance. These should, in my opinion, be limited to secondary and tertiary treatment plants and correction of sewer infiltration/inflow, and those interceptors which have traditionally been eligible.

At some later date, should studies moving forward under 208 planning so indicate, special funding for correction of combined sewer overflows and treatment or control of stormwaters might be considered. Point source pollution, because of the regulatory relationship to the permit program, should be funded separately from control of nonpoint sources, such as stormwater runoff.

Our experience has shown that one of the greatest drains on the federal grant program may be construction of collector sewers. These have traditionally been a local responsibility, and I strongly encourage return to that basis.

I intend to leave to municipal officials and their consultants the burden of response to Paper No. 2. We will, with support from EPA, administer this aspect of the grants program in whatever fashion Congress or EPA, through its regulations, might determine to be in the national interest. This is an area in which state-by-state consistency appears highly desireable.

With respect to Paper No. 5, Winconsin has mixed emotions. We have had an excellent working relationship with the EPA grants staff in Region 5, and do find that we can be mutually supportive in achieving the objectives of the federal regulations, both those promulgated by EPA and by other federal agencies.

Wisconsin is already reviewing plans and specifications and operations manuals, and is certifying I-I reports and environmental assessments. While we believe that we can assume full responsibility for the construction grants program and carry it out successfully, there are some functions which might better be left at the rational level. We would suggest flexibility in working out these arrangements.

As to the source of funding for these administrative responsibilities, our preference would be a beefing up of the Section 106 program grants rather than a skim-off of the construction grants program funds. It scarecely makes sense to cast about for mechanisms to stretch the construction grants dollar and, at the same time, hitch new administrative costs to the same wagon.

One other topic I believe worthy of consideration in this legislative package is a realistic appraisal of the 208 program. It is already abundantly clear that the budgeting, and the time schedules, for effective planning in designated areas are unrealistic. Even more critical is the prospect that state agencies, with no financial support, must provide 208 planning in non-designated areas. In Wisconsin, at least, this cannot be accomplished in any meaningful was at present budget levels.

Certainly the admonition of Judge John Lewis Smith, Jr., to complete this process by 1976 is not feasible, and this should be addressed in Congressional oversight hearings.

In summary, although I believe that the Congress should not have been so generous in selecting to finance 75 per cent of eligible project costs in the 1972 amendments, I now feel that the federal government has a responsibililty to live up to that commitment and to fund the program at a level commensurate to the need. That need can, however, be reduced by cutting back on the types of projects considered eligible for federal grants, such as collection systems, stormwater controls, etc. A funding level of 5 billion dollars per year, which is less than 2 per cent of the federal budget, would not be inappropriate for this effort. At this rate, treatment facilities should be upgraded to secondary or better by 1983 or sooner.

The 1977 deadline for compliance with secondary standards is totally unrealistic and must be extended. Permit issua-

nce and enforcement must be geared to the priority system for distribution of these grants if it is to have any validity. Congress cannot now duck the clear resonsibilities stated in the 1972 amendments, but it should have learned from that experience that it would be a mistake to establish a new deadline without shouldering full responsibility for its achievement.

Again, we strongly support extension of the 1977 date, only that it be done with caution in such a way that it does not expose the permittees or the agencies to a nuisance legal action.

Thank you.

CHAIRMAN AGEE: Mr. Williams, thank you very much.

Jack or Jerry, do you have any questions of Mr. Williams?

MR. RHETT: No.

MR. SVORE: No.

CHAIRMAN AGEE: Thank you. I think we have exhausted all the cards that I have for anybody who wished to make a presentation.

Is there anyone that did wish to make a presentation that had not been called on? How many other people wanted to make a presentation?

It appears we just have one more. Why don't you make your statement, sir, and we will hear it now.

MR. DRAIN: Mr. Chairman, my name is Dan Drain. I am the Director of the Department of Environmental Control in the State of Nebraska.

I do not have a written statement, but I would like, after hearing the remarks of the various people who have proceeded me this morning, to make a few comments indicating the position of the State of Nebraska in this important matter.

First, let me note, which is apparent to everybody here, including you gentlemen, that the statements that have been presented have been remarkably similar in their positions on these various five papers. This, to me, tells a story, and expresses how the people in general must feel about these certain matters.

I would like to comment on three, the federal share at 75 per cent. I think there are a lot of reasons for why it should remain at this level, as have been very well expressed this morning. One of the things which would reinforce this, in my opinion, which has not been addressed here this morning to my knowledge, is the fact that in the large projects like a municipal wastewater treatment facility involving millions of dollars, these are public funds. These are tax dollars.

These are dollars provided by the American people, not merely for the benefit of that community and providing them a wastewater treatment plant, but as we all know, for the benefit of those who use the water, and the people who live downstream. So, therefore, it seems to me only proper that the federal government should undertake to support such at the highest possible level, items which are supported by tax dollars and in the public interest.

Therefore, I think that is another good reason.

I also have not heard anyone mention this this morning, but it ties in with the whole program of construction grants for wastewater treatment facilities, and recognizing that this is a long term program, and recognizing that stability is needed. Not only do we have the possibility of achieving the water quality objectives of PL 92-500, but something that we cannot overlook in this kind of a broad national program supported by national tax dollars, is the continued incentive and support it gives to the very depressed construction industry.

We can not only help to achieve our water quality objectives through this program, we can certainly put federal tax dollars to good use in what I would consider a way of providing jobs which are much needed in our country from an economic point of view. And in realizing something from the mere payouts which you get in other programs, you have got brick and mortar to show for it.

So, I add those comments to the first item of the public, federal support in the program, 75 per cent.

On the subject of eligibility, the State of Nebraska in its priority evaluation system in effect gives the major support to items, Categories I, II, IV B. Those are the ones that really rank high on the priority list, and those are the ones which these dollars are going to support. We have a situation where a lot of communities need collection systems, and they can't afford to buy them. And we recongize this. I also recognize that one of the motivating factors which is apparent in

trying to reduce the number of categories is to bring the 300-plus billion dollars reflected in the need survey down to some comprehensive figures which the Congress can understand, and which they could possibly expect to appropriate in the foreseeable future.

So, I think we have reduced categories down so that we can get the dollars into something that most people can understand, that are attainable. Perhaps, as a suggestion, it would be fine to reduce the categories of eligibilitly to these three, but at the same time encourage at the national level through EPA and contracts with the federal agencies, support on the part of HUD and Farmer's Home Administration, as has been mentioned here this morning.

In helping to provide small communities who can't afford to put out the money for these types of needed facilities so that money other than EPA funds could also contribute to the water pollution control goals.

As far as the extension of the date is concerned, beyond 1977, I suppose all of us would readily admit that to be truly honest extending it to 1983 for attainment of secondary treatment is the way to go. But on the other hand, and we have kicked this around at great length and really never came to a consensus in our own department, there is merit to retaining the 1977 date, because we actually expect to achieve secondary treatment in many of our municipalities, and we are not going to slow down with respect to dates in our permit system.

I think we shouldn't overlook the fact that there are a lot of people in the United States who look with a certain amount of suspicion at programs in which you set a date and then back it down. On that basis I would say we have good reason to try to retain that date in the interest of maintaining credibility.

But, as has been pointed out, here is a combination of those alternatives to allow some flexibility in extending the dates where there has been good faith shown, or the municipality just can't comply, or if you will, if it is tied to the federal construction grant program and money is not available. I recognize that we were, I know you wanted to stick to the papers today, but the gentleman from Wisconsin, Mr. Williams, brought up something which is very close to our thoughts in Nebraska, which are not unique to Nebraska, but are general as far as this part of the country is concerned.

We are faced with the requirement in PL 92-500 to provide a 208 plan for non-designated areas. That happens to be the

State of Nebraska, in our case. It was pointed out that funds have not been made available, separately indentified to support this type of thing at the state level.

I would support, from Nebraska's standpoint, the recommendation or suggestion of Mr. Williams, that this matter be considered very seriously by EPA and perhaps if not included in this set of amendments, at an early date.

Thank you, sir.

CHAIRMAN AGEE: Mr. Drain, thank you very much.

Is there anyone else in the room that would like to make a statement today?

MR. BOMGRAN: Mr. Chairman, my name is Carl Bomgran. I am the Water Division Director for EPA in Kansas City. I just want to make one point.

Mr. Cunningham's letter was mailed from the Regional office. Mr. Svore advised them of this hearing. We will furnish you with a copy of that, Mr. Chairman.

CHAIRMAN AGEE: O.K. Thank you. If there are no other statements to be given today, I will shortly adjourn this hearing. I would like to advise everybody that the hearing record will be held open until the close of business on July 7, 1975, and that any written comments received by that deadline will certainly be considered as part of the record.

I would encourage you to, if you did not make a statement today, if you feel inclined to send us your comments, we really need help on these matters. We will be holding two additional hearings, one in San Francisco on June 19, and one next week. What is the date of the one in Washington, D.C.?

MR. SABOCK: June 23, and possibly it will go over to June 24 in Washington, D.C. So we have two additional hearings.

With that I will adjourn this hearing.

(The hearing was adjourned.)

C E R T I F I C A T E

I, DAVID L. ARGIE, do hereby certify that I appeared at the time and place first hereinbefore set forth; that I took down in stenomask the entire proceedings had at said time and place, and that the foregoing one hundred sixty-six pages constitute a true, correct and complete transcript of my said stenomask notes.

David L. Argie

REPORTER

SAN FRANCISCO

ENVIRONMENTAL PROTECTION AGENCY

PUBLIC HEARING ON POSSIBLE ADMINISTRATION PROPOSALS TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, RELATING TO MUNICIPAL WASTE TREATMENT GRANTS

Thursday, June 19, 1975
9:00 O'Clock A.M.

Colonial Room
Hotel St. Francis
San Francisco, California

The Panel:

JAMES L. AGEE, Chairman
Assistant Administrator for Water and Hazardous Materials,
EPA, Washington, D.C.

PAUL DE FALCO, JR.
EPA Regional Administrator, San Francisco

JOHN T. RHETT
Deputy Assistant Administrator for Water Program Operations,
EPA, Washington, D.C.

Reported by:

Paul Schiller, C.S.R.

I N D E X

I N D E X

I N D E X

...The Hearing was called to order at 9:00 a.m. ...

MR. PAUL DE FALCO: Good morning, Ladies and Gentlemen. My name is Paul De Falco. I am the Regional Administrator of Region IX of the EPA. I would like to welcome you all to this hearing to discuss your views on possible Administration proposals to amend the Federal Water Pollution Control Act of 1972.

I would like to introduce the Panel: On my far right is Jack Rhett. Jack is the Deputy Assistant Administrator for Water Program Operations with specific responsibility for Construction and Grants Program, which most of you are interested in.

And to my immediate right, the Chairman for today's session, Mr. Jim Agee, who is the Assistant Administrator for the Water Program in Washington.

At this point I would like to turn the program over to him.

CHAIRMAN AGEE: Paul, thank you very much.

I have a brief statement that I would like to read to set this session in focus and give the background why we're going into it and what we might get out of it.

I appreciate your coming here today to present your views on possible Administration proposals to amend the Federal Water Pollution Control Act Amendments of 1972. This is the third of a series of Public Hearings that are being held across the country in this month of June. The first was held in Atlanta, Georgia on June 9th; the second in Kansas City, Missouri on June 17th; and the last hearing will be held in Washington, D.C. on June 25th, so we are holding four hearings across the country.

I would like to begin these hearings by putting the Wastewater Treatment Facilities Grant Program of EPA and these hearings into focus. The 1972 Amendments authorized, and the Administration has allotted to the states, $18 billion in construction grant funds. These grant funds, at the rate of 75% federal funding, will support $24 billion in total eligible costs. However, the 1974 survey of state needs indicated that approximately $350 billion is the estimated cost to satisfy all of the eligible treatment works as defined in the Act, or $262.50 billion in 75% grants.

The magnitude of the indicated need is well beyond the capability of the federal budget to fund with 75% grants in any reasonable future time. As a result, today we will be considering alternative means of funding those projects that are absolutely essential to attaining required treatment levels without negating major water quality objectives of the Act. Also considered will be possible ways to extend the 1977 statutory deadline for municipalities to reach

secondary or higher required levels of treatment, and, in addition, a measure to improve the management of the program through greater delegation of responsibilities to the states.

I want to emphasize that these hearings will relate to changes to be made in any future funding that Congress may make available after the $18 billion allocation. In other words, any proposed changes as to funding will not pertain to changing the provisions under which grants are to be made with presently available funds.

Specifically, these hearings are for the purpose of receiving public comment, views and information on the issues described in the May 2, 1975 announcement of these hearings and discussed in more detail in the background papers published in the Federal Register of May 28, 1975. These background papers are available at the registration desk today if anyone desires additional copies. The background papers are presented with the intent that they will assist in focusing discussions at the hearings--they do not cover all possible alternatives and are not meant to confine the discussion. Nor do they indicate any predetermined course of action already selected by EPA. On the contrary, these very hearings will assist EPA in determining our course of action.

The five issues that we would like to have discussed today:

1. The first issue is:

   Should the federal share for funding construction grants be reduced from the current level of 75% to a level as low as 55%?

The objectives of such an amendment would be twofold: The first is to permit the limited funding available to go further in assisting needed projects. The second objective is to encourage greater accountability for cost effective design and project management on the part of the grantee by virtue of the grantee's greater investment in the project.

2. The second question that we would like to discuss today is:

   Should the Federal Government limit the amount of reserve capacity of facilities that would be eligible for construction grant assistance?

There are two possible objectives to be achieved by limiting eligibility for reserve capacity. The first is to permit limited Federal funds to go further in funding the backlog of projects for treating existing flows, and the second is to induce more careful sizing and design of capacity so that excessive growth-related reserve capacity is not financed with Federal funds.

3. The third issue we would like to cover deals with the eligible pieces:

   Should the types of projects eligible for construction grants be restricted?

The principal purpose to be achieved in limiting eligibilities is to reduce the Federal burden in financing the construction grants program. A secondary purpose is to limit Federal participation to those types of projects that are most essential to meet the water quality goals of PL 92-500 and to require that some projects be fully financed by local and State authorities where such projects are clearly within their responsibilities and capabilities.

4. The fourth issue is:

   Should the date be extended by which publicly-owned treatment works are to achieve compliance with requirements of Section 301 of the law?

It is currently estimated that 50 percent of 9,000 communities werving 60 percent of the 1977 population will not be able to comply with the requirement that municipalities have secondary treatment of their wastewaters by 1977. The amount of construction grant funds authorized thus far - $18 billion - is not sufficient to cover the 1977 needs that are estimated in the FY 1974 needs survey for secondary or higher required treatment, and, in addition, those communities that are funded with Federal grants by 1977 will not all be able to complete construction by 1977. The issue is faced as to how to address the question of non-compliance with the law in 1977. The obvious solution is to extend the deadline either on a case by case or by an overall extension of the compliance date.

5. The fifth, and last issue is:

   Should a greater portion of the management of the construction grants program be delegated to the States.

A bill, H.R. 2175, has been introduced in the Congress which would permit the Administrator to delegate to the States the broad range of grant processing functions, including those that go beyond just the review and approval of documents. States would certify that the requirements for grants had been fulfilled. Included also is a provision to compensate the States directly out of State allotments for administrative costs which they incurred up to a maximum of 2 percent of a State's yearly allotment. Under H.R. 2175, EPA activities would be largely confined to overall policy making and to auditing and monitoring the grant activities performed by the States. However, EPA would remain responsible for any Environmental Impact Statements necessary on individual projects.

For the first four of these issues, the Administration is contemplating the submission of proposals to the Congress to amend the Federal Water Pollution Control Act. The information derived from the hearings will provide EPA with a better understanding of each of these four issues. Should these hearings result in specific suggestions for legislation to be formally submitted to Congress, EPA would have in its possession the views of interested parties and data on the potential impact of such proposals, including data for the draft environmental impact statement that would have to accompany such proposals.

For the fifth issue, delegating greater program responsibility to the States, EPA has endorsed H.R. 2175 and H.R. 6991. These are bills that are normally referred to as the Cleveland-Wright Bills. These hearings will give EPA a better understanding of the capacity of the States to accept greater delegation and will provide views and information concerning the administrative procedures that might be used to accomplish more timely delegations. These hearings will also explore any problems that might be involved in this effort.

Now for the ground rules by which these hearings will be conducted. Anyone wishing to testify today must sign the registration card available at the entrance. Testimony should be limited to a maximum of 10 minutes, if you can possibly do so.

We have between 30 and 40 people who have indicated that they would like to testify today. We have an egg timer, on Dave Sabock's desk, and it will ring in 10 minutes, and somewhat after that the trap door opens and lets you out of here.

But please try to limit your testimony to 10 minutes. If you have written statements that are longer, try to summarize them for us, but we would be very, very pleased to have the full text of your written statements. That way we can really get at your total views, and it would be much easier for us, also better for you, so if you do have written testimony, please submit it to us.

With that, I think we can probably get started.

I might spend a moment or two, if anybody has any questions about the hearings or the procedures that we might want to follow. Are there any questions at this time? (There were no questions.)

Very good. I do have a whole stack of cards here and I will just peel them off top-wise.

The first individual that did ask to testify this morning is Ralph Bolin, and he is representing the Bay Area Sewage Services Agency. He is the President of the Bay Area Sewage Agency.

The second individual to testify this morning will be Donald G. Miller--I will try to alert the next speaker so you won't get surprised.

We will now hear from Mr. Ralph Bolin.

MR. RALPH C. BOLIN: Members of the Panel and others in the audience. I am Ralph Bolin, and, as you have indicated, President of the Bay Area Sewage Agency. I am also the Mayor of the City of Napa, and my comments are presented in response to the notice by the Environmental Protection Agency regarding proposed changes to Public Law 92-500. They are rather thick, but I assure you that even though I have two colleagues with me to testify, our total time will be less than 10 minutes.

Everyone who has been actively concerned with protecting and improving the waters of the nation can agree that Public Law 92-500, while providing some of the most comprehensive programs for environmental enhancement, nevertheless is in need of revisions to assure accomplishment of necessary programs, provision of equity to wastewater dischargers, and to be cost-effective and to realize our national clean water goals. As President of the Bay Area Sewage Services Agency, a 9-county regional public body responsible under California law for development and implementation of water quality management plans in the San Francisco Bay Region, I can assure you that the people of the San Francisco Bay Area and the wastewater discharging agencies whom we serve welcome this opportunity to air our views. Because of the lengthy program scheduled, I will keep my remarks brief and general, and I will be assisted by BASSA Trustee Robert H. Mendelsohn, who is also a Supervisor of the City and County of San Francisco; and BASSA Trustee Laython N. Landis, Director of the Oro Loma Sanitary District and a Commissioner of the East Bay Dischargers Authority.

I would like to comment on a general concern that we, in the water pollution control business, have -- that today's hearing and subsequent amendments to Public Law 92-500 will not herald a change in direction in the nation's water pollution control programs away from the goals to which all of us have committed ourselves. While federal law has presented many constraints and restrictions to swift program functioning, we are hopeful that these have been worked out in the three years since the Act was adopted. We are also hopeful that the national program can proceed on the foundations which have been built for it. We hope that ways have been found to streamline the administrative procedures that have shackled many of the current programs in the Bay Arrea and which have created the impression that we are fighting a no-win war against pollution. Lastly, we are hopeful that the Environmental Protection Agency will find the means to blend environmental protection and public works spending in the most forthright manner to provide economic as well as environmental benefits to our communities and our construction industries.

Several months ago, I was in Washington and met with some of you regarding concerns of the San Francisco Bay Region. We were assured that positive actions were being taken to restore momentum to the nation's water pollution control programs. I trust that today's hearing will be a step in the direction of getting the nation's pollution control programs off dead center.

The Bay Area Sewage Services Agency has gone on record, following many months of investigation, that forthwith action is necessary to enable water quality management programs in the San Francisco Bay Area to proceed without delays in evaluation, approval and processing of grant funds. The Bay Area Sewage Services Agency also has gone on record as seeking authorization for full reimbursement of monies due local agencies for projects constructed between 1966 and 1972 as provided for in Public Law 92-500. Copies of the Agency's policy statements are included in the appendix papers submitted with this presentation.

Before I introduce Trustee Robert Mendelsohn, I would like to close with a request that your Agency review the circumstances and application of federal law which appear to be delaying a satisfactory solution for the Crockett-Valona Sanitary District, located in Contra Costa County. A summary of the Sanitary District's problem is contained in Section 6 of the appendix. Rigid application of land ownership provisions is precluding a cost-effective solution involving the benefits of consolidation of municipal and industrial dischargers into a mutually beneficial program. The Sanitary District's best solution is to consolidate its present flows with those of the California and Hawaiian Sugar Company refinery in a common plant. Unfortunatley, the District's share of the joint plant construction has been ruled as ineligible for grant funding, a circumstance which will force a much more costly and duplicative solution to be followed. The Bay Area Sewage Services Agency is concerned with this problem and will be pleased to offer its services to EPA in finding a satisfactory solution.

I would like now to introduce Robert Mendelsohn from the City and County of San Francisco.

MR. ROBERT H. MENDELSOHN: Thank you, Mr. Bolin.

Mr. Chairman, Gentlemen: Thank you for the opportunity to address you briefly. The Mayor took the first four minutes -- Mayors do that, I will try to keep mine to about three and leave time for Mr. Landis.

Gentlemen: My comments on proposed amendments to Public Law 92-500 are based upon the regional experiences of the Bay Area Sewage Services Agency and the local experiences of the City and County of San Francisco where I serve as a member of the Board of Supervisors. I also have a deep interest in environmental protection acquired through participation as a member of the California Coastal Zone Conservation Commission.

I would not, Mr. Chairman, speak to all of the questions you raised, but I certainly would like to speak first with regard to the question of whether or not the federal share of the Clean Water Grant Program should be reduced.

I guess you're going to hear something similar from me that you heard in the Atlanta and Kansas City hearings, and if you had another 20 hearings you would hear it in 20 cities throughout the country.

Such consideration at this time seems almost incomprehensible in view of the overwhelming commitment which the communities in the Bay Area, including San Francisco, have given to the region's clean water program. The issue of reimbursable grants, alone, speaks rather to increasing the federal commitment. We have determined from EPA's own figures that approximately $5.2 million of funds authorized under Public Law 92-500 have not been reimbursed to those qualifying local agencies who acted on their own and in good faith to protect the region's waters during the years immediately prior to enactment of Public Law 92-500.

Gentlemen, we will provide this information to you and you will see a breakdown of the $5,200,000. But that is $5,200,000 that we are already spending, and we can't afford to spend and which, in fact, as far as we are concerned, the Federal Government owes us.

I would urge that the Environmental Protection Agency take immediate action by whatever means available, as a matter of equity and sound business principles, to reimburse fully those agencies which quality.

We have determined that nearly $2 billion in water pollution control facilities must be built in the San Francisco Bay Area if state and national goals for clean water are to be achieved. The federal share for the San Francisco Bay Area would amount to approximately $1.5 billion.

According to the California State Water Resources Control Board, only $1.8 billion in federal monies have been allocated to California under PL 92-500 since 1973. The San Francisco Bay Region's share is approximately 20%, or $360 million. Contrasting this to the Region's $1.5 billion need for federal monies based on a federal share of 75% of project cost indicates the inability of the Act to do the job at current spending levles. Reduction of the federal share to 55%, as proposed in your Agency's position paper, would mean that the Bay Region would be eligible for only $1.1 billion in federal monies, and would require the taxpayers of the Bay Region to be saddled with an additional burden of $400 million for Bay Region needs.

In the City and County of San Francisco, approximately $982 million, nearly a billion dollars in San Francisco alone must be spent for a comprehensive system to eliminate wet weather overflows from the City's combined sewer system.

We get that addition flow, gentlemen, in the rain, and when there is a heavy fog, when we get a heavy fog -- and we hardly ever do -- providing the treatment necessary for discharge to offshore coastal waters.

Accomplishment of San Francisco's program will require approximately $740 million in federal assistance at the 75% level. The local share of San Francisco's program will amount to nearly $125 million, which, for our population of 679,000, creates a financial burden of $185 on every man, woman and child in a City faced with the extreme financial pressures which all urban core cities now are experiencing.

Let me quickly pass the baton for hopefully no more than one minute to Mr. Landis.

MR. BOLIN: Supervisors talk longer than Mayors.

MR. LAYTHON N. LANDIS. Thank you, gentlemen. Since I'm not a mayor or supervisor, I will keep it very short. You will get the entire testimony, let me get the highlights and continue where my colleagues left off.

First off, with respect to the 75% federal level, we definitely feel that you must maintain that level, as the Supervisor indicated. Most of us out in the community cannot afford even the 12% that we are faced with in many instances.

With respect to designing to existing population, to determine the community's needs, we find that when you try to do this, we wind up with very inadequately designed facilities, it is like opening a half a can of meat, how do you add to it? It is an economy of scale situation, you can't do it. We think that these need to be looked at on an individual case basis.

One of our other concerns in the Clean Water Program is that we find ourselves in land use consideation, whether it is termed population control, and the whole thing gets mixed up in trying to clean up the water, and we think the issues should best and need to be addressed to the clean water situation and drive on from that program.

We also feel that there needs to be some more flexibility in the administration of the grant assistance. We feel that the priorities that have been established by the California State Resources Control Board should be used as a model for the rest of the nation. We think we are leaders in this day. We suggest that you look to what California is doing and use that as a model for the rest of the country.

With respect to the extension of the 1977 requirement and also the 1983 requirement, we think this is mandatory. You cannot allegedly have capacity, you have got to construct them, the EIS says that is required. We would definitely recommend that you on a blanket basis extend that 1977 date.

We hate to find ourselves constantly under violation, which we're going to be with the 1977 deadline. They're just not realistic dates at all.

With regard to industry, we find that the pressures on them are greater than they are on the municipalities, and as was mentioned earlier, there are instances where a combined facility would be much more economical, and we recommend it on a case-by-case basis.

But those things we looked at and where it is possible that we build joint facilities, that is overall in the best economic interests of the country.

With respect to a greater portion of the grants program to be given to the state, we laud Mr. De Falco in what he has done to date in the contract with the State of California, and we hope that to be a model for the rest of the nation.

We very, very strongly recommend that you stay with this program, and we are hopeful it will be successful.

With respect to the delays that we have encountered, these things are very, very costly. We tie up projects, and with the escalation of costs -- and we have some specifics in the written testimony -- these things run on the order of 80 to 100,000 dollars a day for some relatively small projects, just the escalation of costs.

Lastly, in my position as a member of the East Bay Dischargers Authority, we have again in the appendix to our testimony some detail of how not to do it, and we would hope that this might also be used as a model to other people across the country with respect to the obstacles that you do encounter and the delays that occur.

That terminates my testimony.

As a member of BASSA, I'm also submitting testimony as a representative of the East Bay Dischargers Authority, an Authority with whom all of you are very, very familiar. It is kind of a model as to how not to do it.

I will leave you that written testimony, let me get five items very, very quickly.

With respect to the reduction of the federal share, as I mentioned earlier, as a BASSA representative, we strongly recommend that it not be reduced.

With respect to the present population, economy of scale comes in, the testimony will speak to that.

With respect to restricting types of projects, we think that good business practices ought to apply, since you ought not to blanket out specific types. I think you need to look at these each individually.

Again, with respect to State administration, we strongly recommend that that be carried forward.

Lastly, with respect to the 1977 deadline, the East Bay Dischargers Authority sees no way that we can meet the MPD requirements.

In summary, for the East Bay Dischargers, we think plain good business practices and good judgment is the best way to administer the program. We do not recommend any specific or major changes in the law. If there are changes to it made, we feel strongly those would be the bigtest bottleneck.

Thank you.

CHAIRMAN AGEE: May I ask you a question on the excess capacity. Assuming that it is right at that particular installation that you have reserved capacity, one of the things we are trying to seek an answer to is this: Should the federal grant money support excess capacity for future development, or should the federal support be limited to the existing population, given that it might be better design and cost effectiveness to have excess capacity, and whether federal funds should be used to support new growth?

MR. LANDIS: To answer your question, we think the federal funds need be, and these things need to be looked at perhaps on a case-by-case basis. I can cite an example, and the gentleman has yet to testify from the Livermore Valley.

If you look at the population projections we have to work with, we are already five years past where we were supposed to be with regard to people.

Actually, you would have to build one-half in ME or three-quarter in order to expand that plant. It is not economic, and the community is predominantly residential and could not afford it.

You're talking about 80% of the cost of the project to build something, and in those kinds of instances, we think it is incumbent upon the Federal Government to investigate them and to make grants

whereby the local community can afford it. Otherwise, they can't. It takes money and the people just don't have it, particularly today, in today's economic climate.

CHAIRMAN AGEE: Thank you.

Paul or Jack, do you have any questions?

MR. DE FALCO: I wonder if Supervisor Mendelsohn might respond to that same question, since he has a different area of concern, possibly.

MR. MENDELSOHN: Whether or not we ought to be funding for expanded growth?

MR. DE FALCO: Right.

MR. MENDELSOHN: My basic feeling is very strong that before we ought to be talking about growth beyond the present growth level, we ought to be talking about meeting responsibilities to the problems that we have already got, and which I have indicated in San Francisco are enormous.

But you will find that an urban answer to that is going to be a little different than a suburban one.

MR. BOLIN: May I make one comment to the same subject. I am Mayor of a city of about 45,000, and we are struggling to slow the growth down in the City of Napa. I know Paul and others of you are familiar with Petaluma and other cases. We cannot stop it, period.

We can slow it considerably and we are successfully doing that, I think, in Napa, but the point that Laython is making is that it is very difficult for us to build just for today and build a cost-effective plant, when we know that even though we might have a growth rate of one percent instead of five or six, we're going to have some growth, and if we don't take that into consideration it is very difficult for us to do the proper thing in the construction of plants.

CHAIRMAN AGEE: Thank you very much.

MR. RHETT: One thing that I would like to make sure of, when we were talking about limiting, we were not talking about limiting growth, we're talking about who pays here. In other words, in the proposal, in the issue paper, it is strictly whether federal funding should be used or not, and I want to make that clear.

One other question, but I think it is very apropos when you talk about your wet weather flows or anything of that nature, what about the possibilities of using a sliding scale? We take a need survey, you start to throw in straight storm water and our needs start to get way out.

How about something like 75% for treatment plants, interceptors, scaling down the line to combined sewers, and ultimately down at the bottom of the list storm water overflow? Have you considered this? It is a combined system.

MR. MENDELSOHN: I think San Francisco is the only city in the Bay Area, because it is the oldest and largest city that has a single sewer system. We don't have storm drains, unlike the newer communities, but like the other older cities in the country that, of course, you have run into.

Therefore, we got a unique problem in the Bay Area which is enormously costly for our citizens.

You asked who pays? It is clear, the taxpayer pays, whether it is federal, state or local money. However, right now the San Francisco Bay Region as a region is spending much more in monies to the Federal Government through the Federal Income Tax than we are receiving in programs of this nature.

You can look it up, as the saying goes, and I do believe that this region ought to be getting a better return on its money that it is sending to Washington. These are not monies that come from someplace else as, of course, you know.

MR. RHETT: I realize that.

CHAIRMAN AGEE: Thank you very much.

Gentlemen, I would like to call on Mr. Donald Miller, who is a Councilman of the City of Livermore. Following that I will call on Mr. Stanley Daly.

MR. DONALD G. MILLER: Thank you very much.

I am Donald G. Miller, Councilman, speaking on behalf of the City of Livermore. Before discussing the issues, I would like to provide some background information to show why we are strongly concerned about the Federal Water Pollution Control Act.

Our city has 50,000 people out of 100,000 people in the Livermore-Amador Valley. This valley is 40 miles southeast of San Francisco and is a natural smog bowl partially separated from the Bay Area which is in turn a critical air basin. Our Valley itself has the worst smog in Northern California, and is the next worst region after Los Angeles. We had 93 adverse oxidant days in 1974 and have already had over 20 this year. Almost all of the pollution is from cars, and most of it is generated by local residents commuting out of the valley and driving locally. The Livermore-Amador population is largely commuter, and the rapid population growth of the last 10 years has been almost entirely white middle-class commuters.

Our Council and the majority of our citizens are concerned about air pollution and its effects on our health. We are also disturbed by the peculiar view that long-term effects on air quality and energy wastage should be ignored in sizing wastewater treatment projects.

Our testimony on the five areas of interest follows general lines:

A. Reduction of the Federal Share

The cost of plant improvements to clean up wastewater pollution is expensive far beyond the means of local governments. Consequently, we urge that there be no reduction in the federal share for cleaning up the water for existing populations. However, if federal funds are short, we urge that none be provided for plant expansions, particularly in crictical air basins.

B. Limiting Federal Financing to Serve Existing Populations

We strongly support the principle that FWPCA funds should be used primarily for pollution cleanup, not for massive plant expansions. The law should be very specific on this point.

Population growth from plant expansions almost universally leads to more air pollution and energy wastage. Consequently expansions should be allowed only in areas where (1) federal air quality standards are already met and (2) where the expansion will not result in fuel wastage or exceeding of air quality standards later, both based on conservative estimates. Clearly expansions in critical air basins should be sharply limited.

If expansions are permitted in critical air basins, then the law must require and EPA must administer severe restrictions on the use of any excess capacity until the federal air quality standards are met. Mitigation measures should only be considered once they are actually in effect. Promises are without value.

Air pollution is a generally recognized health menace. Consequently, it is wrong in principle to use clean water grants which include expansion to solve water pollution problems, if at the same time the air quality problem is worsened; esepcially when both problems can be solved if there are no expansions.

C. Restricting Types of Eligible Projects

We urge that eligible projects be restricted only to those whose size and nature are simultaneously consistent with the Clean Air, Clean Water, and Energy Conservation Acts.

This point is important. We commend EPA's limited attempts in this direction, but hope that both the law and EPA would be stronger.

We believe it is irresponsible to endanger public health with air pollution and to waste national energy resources by encouraging population expansions and commuting. Special interests looking to economic gain and some local government agencies oppose this view. You and Congress will hear much testimony from them. They argue that among other things grant restrictions interfere with local land use control.

It is precisely the failure to control land use by some city and county governments in our area that has led to our smog. In fact, the City of Livermore itself in past years has been guilty of this practice, it is not now. This smog will continue to worsen if their desired expansions are permitted.

D. Extension of Dates for Water Quality Standards

Clearly the 1977 date cannot be met. However, near term dates and pressure to meet them must be maintained - or no real progress will be made towards reducing pollution.

Expediting wastewater management programs is desirable, providing they are consistent with environmental and energy conservation goals. However, no compromises should be made by ignoring long-term effects.

E. Delegating Greater Portions of Management to the States

We recommend that EPA retain overall control.

So far, grant administration by the State in our Valley has not shown much regard for environmental problems, despite California's Environmental Quality Act. For example, the State Water Resources Control Board staff has approved substantial population increases for sizing sewer projects in the LAV. As I mentioned in the beginning, we have the worse smog in Northern California. These approvals have occurred in spite of EIR and air pollution reports which clearly point out that the Federal Air Quality Standards will never be met if there are any further population increases in the LAV (without unacceptable changes in life styles). These approved population increases correspond to the deliberate concentration of population in the worse part of this overall critical air basin. Since our population growth is almost wholly commuter, such approvals also show a distressing disregard for national energy conservation goals.

In these circumstances, we do not believe that state agencies are necessarily better qualified than EPA to administer grants. The state is surprisingly susceptible to pressure to downgrade environmental standards.

Our final comments are, first:

We believe in the principle of cleanup first in priority and expansion last.

2. We stress that self-fulfilling prophecy aspect of utility expansions in environmentally sensitive areas.

3. We know that EPA receives criticism from every direction. We wish to support their efforts, and believe they should take a stronger role.

4. We have repeatedly stressed the intimate connection between air quality, water quality, and energy conservation because it is important to our health and future. Many local governments wish to ignore this connection in part because of competition amoung themselves, in part because of a devotion to the obsolete slogan that growth is always progress, and unfortunately in part because they are sometimes dominated by special interests whose concern for the public interest and the public's health is non-existent at best.

Finally, everyone now recognizes that what happened in LA was a ghastly enviornmental mistake. Those of us trying to learn from that mistake hope that this lesson will be written into the FWPCA. We need the support of that law and responsible agencies to keep us from being the San Fernando of the North.

Thank you for the opportunity to testify.

I would be glad to answer any questions, and particularly on expansion.

CHAIRMAN AGEE: Paul, do you have any questions?

MR. DE FALCO: No questions.

CHAIRMAN AGEE: Jack?

MR. RHETT: No.

CHAIRMAN AGEE: Thank you.

I would next like to call Mayor Stan Daly, Mayor of Camarillo.

MR. STANLEY DALY: Honorable Chairman and Gentlemen, and Honorable Members of this Hearing Body.

I owuld like to correct the record, I believe on the speakers' list my name is D-a-l-y, it nevaer fails, I come up to San Francisco, it is D-a-i-l-y. In fact, when I was back East in 1970 one of my staff members set up an appointment with Senator Humphrey, and at the appointed hour I walked in, and the red carpet was laid out, several

aides were there, and I said, "I have an appointment to see the Senator," and he said, "Who are you?" I said "Mayor Daley." "Mayor Daley?" I said "Yes, Mayor Daley from Camarillo," and he said "Where?"

Anyway, I am the Mayor of the City of Camarillo and a Director of the Camarillo Sanitary District, a subsidiary district of the City of Ventura.

I am a Director of the Ventura County Regional Sanitation District and Chairman of the Advanced Planning Committee of that District.

I would certainly like to thank your body for having this hearing and taking the grass roots approach by asking for input from us on the local level.

Now that PL 92-500 has been in effect for several years, we can now assess what changes are needed.

We want to commend you on the law, we think that it has accomplished much.

We would here today like to make a special plea that this law be amended or changed to include the use of ad valorem taxes for maintenance and operation of treatment facilities.

Many areas within the service area of our district that when served, many of which are now on septic tanks, will require additional improvements to our water reclamation plant.

We currently are using ad valorem taxes for maintenance and operation purposes.

There are certain functions that are of a totally general benefit in our society, for example, the education of our young as a function of general benefit.

Similarly, sanitary facilities are also of a general benefit, if no more than through the health and safety spectrum.

We feel that the use of ad valorem taxes is a fair, and if there is such a word as equitable, an equitable system for funding these types of services.

If I may, I would like to offer into the record a resolution from the Camarillo Sanitary District, piror to which I would like to pull out what I think is the meat of the resolution.

Number one, we commend the Congress of the United States for progress that has been made toward improvement of water qualtiy standards through enactment of that law.

We observe that it is necessary to revise this legislation that has been in operation for a time.

We are opposed to the reduction of the federal share of waste treatment grants and limiting the scope of the grants to facilities to serve the existing population and restricting the types of eligible projects.

We are in favor of extending the 1977 date for meeting water quality standards, delegating a greater portion of grant and management to the states, and allowing the use of ad valorem taxes for operation and maintenance of treatment facilities.

I would like to offer this into evidence at this time.

Thank you for allowing me to make this presentation on behalf of the agencies involved.

CHAIRMAN AGEE: Mr. Mayor, thank you very much.

Paul, do you have any questions?

MR. DE FALCO: No.

CHAIRMAN AGEE: Thank you.

Next we have Mr. Peter Gadd, a private citizen.

MR. PETER R. GADD: Mr. Chairman, Gentlemen of the Committee, Ladies and Gentlemen:

Mr. name is Peter R. Gadd, Chairman of the Kings River Water Association, whose service area boundaries compreise approximately one million acres of highly productive farming acreage in the San Joaquin Valley.

Although my remarks today are being made relative to the subject matter suggested to be discussed before this hearing group, my statement is especially directed, and will be delivered to the United States Congress.

Public Law 92-500, the "Federal Water Qualtiy Control Act Amendments of 1972" should not be amended, it should be rewritten. It is too broad in scope, as it attempts to cover water and water pollution in all of its aspects in the United States. The differences in problems and solutions between municipal, industrial, agricultural, mining, lakes, waste treatment, basin planning, oil pollution as it relates to water, marine sanitation, and ocean discharge are too broad a coverage for any one law even if certain above-named problems were identical for different areas in this country. They are not.

In my humble opinion the question before this hearing group today should not take the form of possible amendments to try to alleviate the inadequacy of funding an unfundable law. It should recommend to Congress that the law be rewritten.

It is obvious that when Congress passed this law and the President signed it that the actual costs, impossible time constraints, policy state surveillance, and overbearing monitoring of the private citizen was not contemplated.

Now, three years after the signing of this Act into Law, all of these unbearable factors are emerging for public scrutiny. The public, and particularly the taxpayer, does not like what he sees. He especially does not approve of the half measures, through amendment, that are offered to remedy the fatal weaknesses of this law. Amendment can only worsen an already impossible situation.

The Office of Management and Budget stated in part "This requirement is made even more pressing by the results of the most recent EPA-State survey which indicates a need under current law to fund eligible projects in excess of $350 billion." I should say the figure will be in excess of $350 billion. It doesn't include any of the cost to agriculture. Naturally, nobody knows what this cost will be but it will also be astronomical. For this reason alone this law, when rewritten, should exclude agriculture.

One of the solutions offered by the five papers printed in the Federal Register of May 28, 1975 and being discussed here today propose as a solution a greater monetary input by States and Local Agencies and lesser federal funding than called for by the law "without negating the major water qualtiy objectives of the Act." Does it really matter at what level of taxation the taxpayer's back is broken?

I give Congress and the President the benefit of any doubt. At the time they passed this law they undoubtedly thought they were doing what was best for the country. Time has proved them wrong. Give them a chance to rewrite the law in light of the mistakes that were made. One of the mistakes of course was their failure to contemplate that the cost of this law, according to the Office of Management and Budget, would come close, if not exceed the present National Debt.

I trust that Congress will now realize that agriculture is a subject of its own and cannot be incorporated in the rewriting of this law. Agriculture faces a number of problems to survive that may be present, but to a far lesser extent, in other spheres of enterprise. When a crop is planted the weather factor may produce disaster. When the crop is sold, the prices may prove disastrous. When the total cost of 92-500 to the farmer is finally determined, the first two problems mentioned may be found to be of secondary importance.

I thank you for your time, gentlemen, and if there are any questions you might ask, I would be glad to answer.

CHAIRMAN AGEE: Mr. Gadd, thank you very much. Are there any questions, gentlemen?

MR. RHETT: No.

MR. DE FALCO: No.

CHAIRMAN AGEE: You mentioned a thought that the Act was too broad and should be rewritten. If there were only amendments, would you favor an extension of the 1977 date requirement?

MR. GADD: If that were the only alternative, I feel it would be something that would have to be done, because the 1977 year is an impossible situation.

CHAIRMAN AGEE: Thank you, sir.

MR. GADD: You're welcome.

CHIARMAN AGEE: Mr. Fred Harper.

MR. FRED A. HARPER: Thank you, Mr. Agee. I happen to have two statements to present, but I will stay within the 10-minute period or slow down with the bell.

I think it was in this room, Paul, that you introduced us to Bill Ruckelshaus a few years ago, and a lot of things have changed. Many of us have gotten older and grayer, some of us lost our good dispositions -- I think some have even lost their wives. God or bad, we are here.

First of all, I would like to make a presentation representing the Association of Metropolitan Sewage Agencies. This Agency was formed about five years ago for the purpose of bringing together the wastewater treatment entities throughout the United States that have a population of 250,000 or greater.

The purpose of getting together was to jointly work for the reduction and elimination of water pollution in the United States, and to do everything reasonably necessary to achieve such purpose.

Earlier this year, AMSA, as this organization is known, conducted meetings for their 53 member agencies in each of the EPA regions for the purpose of discussing and determining possible desired amendments to the Federal Act.

We were fortunate in Region IX to have a two-day meeting, during which our Regional Administrator, Paul De Falco, his immediate staff and representatives of the State, met with us to discuss the current status of PL 92-500 with reference to construction grants, state programs, area-wide planning, effluent standards, and other matters of local concern.

Without making direct reference to the subjects listed for today's hearing, I would like to briefly cite the results of our February meeting relative to proposed legislation amendments.

With regard to secondary treatment, we urge that the Act be amended to introduce administrative flexibility and to specifically allow for standards other than "secondary treatments" for the character of the receiving waters does not require disportionate expenditure of public funds.

Compliance dates: The inadequacy of construction financing, coupled with delays in the construction grant program, have made the nationwide compliance date impossible. We recommend that the Act be amended to harmonize the compliance deadlines with the flow of the funds.

With regard to funding, we recommend that Congress authorize appropriations through fiscal year 1983 to make documented aids or upgrading, and we underline upgrading treatment, to meet state and federal effluent requirements.

Ad valorem taxes, the Act should be revised to permit local agencies any combination of revenue services available to them, provided that one, the goal of proportionality among classes of recipients will be substantially achieved; and two, that additional surcharges on industry will assure that they pay their proportionate share on the basis of volume, strength, and other factors.

Industrial costs recovery: We suggest that the Act be revised to delete industrial cost recovery requirement as being too complex to administer.

We believe that under the Revenue-Sharing portion of it, industry will pay its share.

Treatment and plant sites: We recommend that the grant position be amended to provide federal funding of treatment plant site acquisition.

Research: We recommend that Congress insist that EPA add or dramatically increase the grant funds available for construction of innovative treatment works, using new technology.

By the way, I did not stick that in there, Jack.

Carry-over paper work, I stuck this one in, either change the law or EPA regulations to restrict additional requirements, reports, studies, etc., as of the date a project has received concept approval.

With regard to federal delegation to the states, we recommend that EPA be authorized to delegate major portions of its administrative responsibility under the construction grant programs to the states and reimburse them out of grant allotments for their additional expense.

Our members represent the final administrative level for the implementation of Public Law 92-500 by the construction and operation of the major municipal treatment facilities throughout the United States.

As in the past, we will continue to offer our assistance and advice to expedite all efforts to convert the Act and EPA regulations into hardware.

On behalf of AMSA's board and membership, I wish to thank you for this opportunity to comment.

If I might go on, Mr. Agee, this next will be as a representative from the agency that is giving me my paycheck.

The County Sanitation Districts of Orange County are located in Southern California, serving 23 cities encompassing an area of 320 square miles, and a population of 1½ million people.

We have submitted to the State EPA our project report which calls for a total expenditure of $275 million to meet current and State and Federal requirements. We are financing our aggressive water pollution construction program with ad valorem taxes, which is approximately $18 million a year, sewer service connection charges, industrial user fees, and State and Federal construction grant funds.

We welcome this opportunity to present our views on potential legislative amendments to the Federal Water Pollution Control Act.

Paper No. 1 - Reduction of the Federal Share.

The construction of needed treatment facilities has been continuously inhibited and delayed for the lack of Federal financial commitment. Even when funds are available, the construction program is still delayed because of the numerous amounts of red tape at both the State and Federal levels. A reduction in the federal share of grant participation will completely erode the program for clean water throughout the United States.

The people of California have authorized two State bond issues to financially assist the local communities in solving their water pollution problems. These funds will run out in the foreseeable future. Under these circumstances, it is doubtful that the State would be anxious to pick up an additional portion of the present Federal share.

The local entities are having difficulty in maintaining the various services they provide on a status quo basis because of inflationary pressures. If additional funds for capital improvements are necessary, the local electorate must authorize the sale of bonds or other long-term commitments. If the voter will sustain additional taxes or charges by voting yes, he will vote no.

In speaking for a large metropolitan agency that has been involved with the design and operation of treatment facilities for many years, we are and will continue to be cognizant of cost-effective design. Ongoing costs of management, operation and maintenance of constructed facilities are the concern of the applicant.

What impact would a reduced Federal share have on water quality and meeting the goals of PL 92-500? With respect to our agency, which is a deep water ocean discharger, this would have little or no impact on water quality, based on our oceanographic studies to date. However, we would not meet the 1977 goal of secondary treatment as defined by EPA.

I did include in the prepared information our version of the best practicable waste treatment technology for ocean discharges, which shows a comparison in the costs. Our emphasis rather than on BOD is on toxic substances, suspended solids, turbidity, grease and oil.

I am also enclosing a report comparing the costs of the two programs, the one to meet the State and Federal requirements, where we're talking about $275 million, and the program that we think will protect the environment at $113 million.

Paper No. 2 - Limiting Federal Funding Reserve Capacity to Serve Projected Growth.

We will support limiting Federal funding of reserve capacity if the applicant can have the discretion of utilizing the economics-of-scale and pay for the increased capacity on an incremental basis.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance.

We suggest that the authorization in PL 92-500 remain unchanged. The states should continuously update project priority lists and approve only those projects which will provide a measurable improvement in water quality.

Paper No. 4 - Extending the 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards.

Our agency would support Alternate 4, which is to seek statutory amendments that would maintain the 1977 date, but would provide the Administrator with discretion to grant compliance schedule extensions on an ad hoc basis, based on the availability of Federal funds.

We also think that would accommodate the suggestion of the EPA Task Force to allow postponement of construction of secondary treatment facilities for municipal treatment works for the ocean discharge, pending further study.

Paper No. 5 - Delegation of Greater Portion of Management of Grants Program to the States.

We also support that.

Thank you.

CHAIRMAN AGEE: Thank you very much, Mr. Harper.

On the matter of ocean storage, I believe you stated in your remarks that you favored keeping the eligibility features as they are and permitting them to stage the control through their priority list?

MR. HARPER: Yes.

CHAIRMAN AGEE: Do you have any feelings whether or not we should eliminate the eligibility for sewers, collector sewers?

MR. HARPER: The collector sewers, I think I would support that. We have not had any luck.

I don't think collector sewers is really part of the program, particularly here in California we have had a program of assessment, sewer assessment program, probably most popularly known as the 1911 Act, that put in many sewers throughout the communities.

Even the people in the communities, those that pay for their sewers, would be upset to find funds to be given to another area for one reason or another after they had paid their own bill.

CHAIRMAN AGEE: Thank you.

Do you have anything, Paul?

MR. DE FALCO: No.

CHAIRMAN AGEE: Jack?

MR. RHETT: Fred, how about on the sliding scale? Have you all considered this, the idea of 75 down to some lower one for storm water?

MR. HARPER: We have not heard that proposal before. I think it certainly deserves some attention and discussion. It would appear to me, particularly as I understand the Act, it is the principles at the very beginning of the Act where it is discussed that the Federal Government will financially assist local communities in the construction of treatment facilities.

I would suggest that should have highest priority.

MR. RHETT: Fine

MR. DE FALCO: Fred, where would you like wastewater reclamation?

MR. HARPER: I'm sorry you asked me that question. Frankly, I think it should have a rather high rating. We have some problems here in California with water reclamation. I know that some people in the East can't understand it, but we have a very high TDS content in our water supply in Southern California. We're talking about desalinization. I think when we get into desalinization and the energy problems and so forth, maybe that would have a high priority, but if there is water that we can reclaim and put back into our water supply in some manner or means through underground or something, I think it should have a rather high priority.

MR. DE FALCO: Thank you.

CHAIRMAN AGEE: Next we will hear from Mr. Lawrence Taber. Before Mr. Taber starts, I have a request to read through the names of the cards, so people have some idea when they might testify. I will take a moment to do that.

(Reading of Names)

This will give you some idea when we will get to you. We're doing about seven an hour, some of you will probably not be able to testify until late this afternoon.

MR. LAWRENCE K. TABER: As you know, my name is Lawrence K. Taber and I am Vice President of the Canners League of California.

We appreciate this opportunity to present these comments to the Agency regarding PL 92-500 as it relates to the California canning industry and the possible effects of the potential amendments to the law.

By way of brief background, the Canners League of California is a nonprofit trade association located at Sacramento, California. Its member companies produce approximately 85 percent of the canned foods

processed in California. In a typical year, the California canning industry packs well over 200,000,000 cases of canned fruits and vegetables. The factory value of this pack is estimated at over 1½ billion dollars. Approximately 57 companies, with over 85 canning plants in this State, employ upwards of 65,000 workers duirng the peak processing season. The California industry accounts for approximately 35 to 40 percent of the entire U.S. production.

With me today is the Chairman of our Environmental Committee, Mr. Herb Stone, and Mr. Stone will give some brief, substantive comments on behalf of our organization.

MR. LARRY HERBERT STONE: Mr. Chairman, Members of the Panel, Ladies and Gentlemen: For the record, as Larry said, my name is Larry Herbert Stone. I am Chairman of the Environmental Committee of the Canners League of California. Although I did fill out a registration card, I did not hear my name called, so I kind of snuck in here.

With regard to the first issue, the Reduction of the Federal Share of Construction Grants.

The reduction of the federal share of construction grants from the current level of 75 percent to a level as low as 55 percent would probably not have a significant impact on the wastewater treatment costs being borne by the canning industry, except to the extent that without the amount of federal funds provided by the present funding formula it is conceivable that some of the more ambitious wastewater construction projects undertaken or contemplated in this State might be scaled down to more modest, yet effective, levels. In fact, we believe that a reduced federal share might tend to promote more careful and effective allocation of financial resources.

Regarding the question of the State's interest and capacity to assume through State grants or loan programs, a larger portion of the financial burden of the program, we would point out that this State's commitment to obtaining optimum water wuality is second to none and we would conjecture that both State and local communities would come up with the necessary financial support for needed projects. Although the State and its communities are burdened with numerous demands for bonding improvements in schools, rapid transit, and many commendable projects, the record indicates that if the project is truly worthwhile the means frequently are found to finance the construction work.

We would like to stress at this point that the so-called beneficial uses of water must be reviewed periodically to assure that such uses of water must be reviewed periodically to assure that such uses continue to reflect the needs and desires of the community for which they were established. It is our opinion at this point that many of these beneficial uses of water quality objectives have been established at both the State and Federal level without an adequate review by all concerned as to their feasibility and practicality in terms of the cost and benefits received. Once established, the beneficial uses are

not set in concrete, either literally or figuratively until their costs are reaffirmed.

2. LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH.

As proposed by the EPA, limiting funds to serve ten years of growth for wastewater treatment facilities and twenty years for collection and/or intercepter sewers to the treatment facilities would appear to impose a burden on the community, particularly where large projects are involved. Current planning procedures, administrative reviews, engineering programs and finally the construction of the facility frequently require a substantial portion of the time period, perhaps 50 percent of the time (five years). This has been the case in some instances in California. A ten-year planning period would require a community to complete the first phase and almost immediately request additional funds from the community to begin the design and construction of the necessary second phase. Any delays in this schedule could mean restrictions being imposed on the current dischargers into the municipal facility. This could be a serious problem to large water users, such as canners. I will not detail the research efforts and studies our industry is making in the area of reclaiming and reusing water or process changes which may allow reductions in the volume of water previously utilized. These efforts have been substantial, and details can be provided at another time. However, we must recognize that unreasonable or unnecessary limitations on the volume of water or waste in the effluent may result in a reduction in the quantity of food which can be processed. Technology and other regulatory requirements with which we must comply such as those directed by the FDA or State counterparts are also imposing limits on our production efficiency and capacity. Such policy is contrary to our nation's objective to increase its available food supply and to keep food prices at reasonable levels.

To solve a community's problems careful planning is desirable, but should not be unduly or unreasonably restrictive upon a community or discriminate against a segment of the community. A long-range program and funds to allow the development of this long-range program are necessary.

3. RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE.

The statement of issues for this paper indicates consideration is being given to eliminating the eligibility of several types of projects from federal grant assistance. The proposal to limit eligibilities to categories I (secondary treatment plants), II (tertiary treatment plants), and IVb (intercepter sewers) is worthy of serious consideration. However, we also believe that such items as V (correction of combined sewer overflows), and VI (treatment or control of

storm waters), should not be eliminated from the list of eligible projects for several reasons. Storm waters do indeed contain significant quantities of BOD and suspended solids, particularly during the first few hours of any storm. Failure to recognize these wastes would jeopardize a treatment program proposed by the community. We believe a community might be unable to provide the funds necessary to achieve adequate control of these storm water generated waste loads within the time frame imposed by EPA. A community violation of best practical technology, as defined by EPA, would therefore be likely. The diffusion of limited grant monies to the array of currently eligible projects is, and will continue to be, a matter of concern. A full review of the priorities used for establishing eligible projects is considered desirable.

It has been estimated that 55 to 60 percent of the canners in the nation discharge into municipal plants, in California it is even higher. The cannery wastewater is compatible with other wastes in the normal secondary treatment plant constructed by a municipality. Cannery wastewater is composed largely of BOD and some suspended solids similar in nature to discharges from the kitchen sink in every residence. Only the quantity or concentrations are greater. The publicly owned treatment works treats this waste and charges for the service. The public facility must be sized to treat the cannery effluent and its other community wastes in accordance with their NPDES permit. This sizing is frequently equal to the plant size which might be required for storm water control, and thereby allows for a noncurrent use of the same facility. Wet industry, such as a cannery and a munipality, can share in the capital cost of this facility. To eliminate the eligibility of the storm water control from a construction grant would place the full financial burden for capital construction on industry. We believe this would be an excessive and perhaps hopeless burden for a wet industry to bear.

We wish to bring to your attention another consideration regarding the eligibility or qualifications of a project. Many so-called water quality management plans are mandating the formation of regional plants and abandoning the substantial portions of secondary treatment plants which currently comply with EPA's requirements for 1977. These two examples in California are represented by the communities of Sacramento and San Jose.

In the case of Sacramento, large sums of money are projected for the construction of a new super regional plant and abandoning substantial portions of secondary plants, which currently comply with EPA's requirements for 1977. It has been proposed that all discharges into the American River be ceased. Admirable as eliminating discharges into rivers may appear to be, this objective may be misleading. By all environmental quality standards, the American River is far better

than most rivers throughout the country that serve many municipal water supplies, and certainly is exemplary as compared to rivers in highly urban areas.

In another form, this approach is being attempted at San Jose, California, where the present secondary treatment plant achieves a better than 90 percent BOD removal, and where the receiving waters have shown a marked improvement in recent years. A 99 percent removal of BOD is now being proposed, together with transportation of this treated waste to a remote area without, we believe, full justification. In both situations, we believe idealistic enviornmental objectives were established a number of years ago and that they now require a re-evaluation to confirm that they continue to reflect the best interest of the community. The substantial improvements in the enviornment whcih have been made since initially establishing those objectives merit serious consideration in relationship to the complex economic factors and significatnt increases in project scope which these two examples represent.

As stated, we strongly urge and recommend that all projects be reviewed by EPA, not only in light of priorities that may be set locally or by State Boards, but that EPA identify and be assured that a significant reduction in pollution is achieved for the money expended. With a great need for secondary treatment over most of the country and the lack of funding available to complete much of this work, it would appear that this type of regional project should be held in abeyance until all communities in the country have adequate treatment to eliminate true public health hazards, and that there be a new assessment of environmental impacts to judge the benefits of such a program. With the scarcity of funds and the complex economic situation in our nation, there needs to be a priority listing based on maximizing pollution removal rather than simply relocating treated waste.

4. EXTENDING 1977 DATE FOR PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS.

Extending the 1977 date for compliance of publicly owned treatment works is, in our view, a realistic approach to what would otherwise be an impossible situation. As EPA estimates, 50 percent of the municipalities will not be able to comply with their requirement for achieving effluent limitations by July 1, 1977. For some, we are confident that this is due to lack of funds. For others, it is possibly due to the scope of the project which prevents full and adequate environmental assessment, development of complex engineering plans, and the lengthy construction period of sewers and treatment facilities; and for still others, delays in defining water quality objectives, standards and limitations have prevented implementation of the necessary treatment programs.

Many of these same reasons apply to industry, who may not be able to achieve 1977 levels of treatment and should also receive consideration for a similar extension of time for compliance. For example, effluent guidelines for the entire canned and preserved fruits and vegetable industry have not been promulgated by EPA, with the exception of three commodities - namely, potatoes, apples and citrus products. Neither the food processors who are direct dischargesrs to a navigable water or those publicly owned treatment works who receive and treat excessive strength from a fruit and vegetable processor are truly able to prepare plans for adequate discharge levels which would comply with effluent limitations. We recognize that this matter is not directly included in the issues which are proposed for discussion here today. We do, however, wish to call your attention to this problem and strongly recommend EPA consider modification of 1977 and 1983 deadlines for industry where these may be warranted on the basis of current knowledge or technological or economical unreasonableness. The current serious national economic siutation would, on our opinion, support the recommendations for extending the time period for implementing the full program or for penalizing violators of the statutory deadlines.

Our overall concern is that rigid numbers are being applied to a complex environment for the sake of simplistic enforcement. As stated in the Federal Register on Page 23110, "Ensure that Federal funds provide greatest water quality benefits", we would support this concept. If our goal is to protect the environment without wasting energy, natural resources and capital resources, there should be a need to make rational judgments locally for each stream and pollution control program. If these matters are placed on a priority or overall national interest, then the potential for wasting energy and funds will be greatly reduced.

We thank you for the time at this hearing and will be pleased to answer questions or expand on any issue in a written communique at a later date.

CHAIRMAN AGEE: Thank you, Jr. Stone.

Jack, do you have any questions?

MR. RHETT: No.

CHAIRMAN AGEE: Paul?

MR. DE FALCO: Yes.

Mr. Stone, should EPA take strong enforcement action against municipalities who appear to be hesitant to apply for Federal funds in order to meet their requirements?

MR. STONE: That is a very good question and I think it would have to be answered on a specific situation, because there would be some communities that, because of this complexity of the project or the scope of the project, would be unable to meet the '77 deadlines that have been proposed.

As I stated earlier, I believe that as commendable as the '72 Water Act plan and its predecessors are, we are now at a point in time where we are beginning to recognize the tremendous economic burden which this is imposing upon all of us, and we have suggested a re-evaluation of these beneficial uses and the objectives or standards that are used in an attempt to achieve them.

If the municipality has some concerns with regard to these beneficial uses and the tax burden that it would have on its residents, these may be reasons for delays also.

I'm not sure if I have answered your questions.

MR. DE FALCO: Thank you.

CHAIRMAN AGEE: Thank you, Mr. Stone.

I will now call on Mr. Richard Bradley, representing the Air Resources Board of the State of California.

Following Mr. Bradley I will call on John L. Maloney.

Is Mr. Bradley here?

We will move on then, to Mr. Maloney. Mr. Maloney representing the civic organizations of the San Fernando Valley. Is Mr. Maloney here?

He is not here.

We will hear from John Harnett, the General Manager of the East Bay Municipal Utility District, Mr. Harnett.

MR. JOHN S. HARNETT: My name is John S. Harnett, I am the General Manager of the East Bay Municipal Utility District, and we appreciate this opportunity to comment on the proposed amendments to the Federal Water Pollution Control Act.

The amendments to the Act, which are the subject of this hearing, appear to reflect a concern on the part of the Office of Management and Budget as to ability of the Federal Government to finance the present program which, as stated in the Public Hearing Notice, is currently estimated to cost in excess of $350 billion. The effect of the proposed amendments to reduce the Federal share, and to limit

Federal financing to serving the needs of existing populations, and restricting the types of projects eligible for grant assistance, would be to shift a greater proportion of the financial burden for this Federally mandated program from the Federal Government to the local taxpayer who is already overburdened by the costs of Federal and State mandated programs.

The full financial impact of the present program has not yet been felt at the local level. When the facilities now under construction are completed and placed in operation, the users, already burdened by demands at the local level, will be faced with substantial increases in use charges to defray operating maintenance and debt service costs. Reduction of the Federal share, as proposed, would require still further increases in the user charges to finance the additional long-term debt service costs of this Federally mandated program.

A more realistic solution to the financing problem would appear to be to scale-down or stretch-out the present program and institute a system of funding priorities which would insure that the projects most urgently needed and which would provide the greatest benefits in terms of water quality improvement receive the highest priority.

Limiting Federal financing to that requried to serve existing populations, as proposed under the second amendment, would also increase local costs by forcing the communities to pay the full capital cost of any capacity that was provided for future growth. Some reserve capacity must be provided in all wastewater treatment facilities to insure that they will not be overloaded by the time they are completed and to provide the lead time necessary to expand them before they are overloaded. Facilities provided under the proposed funding limitation would likely not have adequate reserve capacity to insure that NPDES requirements would be continuously met. For the foregoing reasons it is recommended that Federal funding be limited in the case of treatment plants to that necessary to serve the projected industrial, commercial and industrial flows within 10 years of the start of construction. In the case of interceptors, outfalls and sewer lines, the cost of capacity for 20 years' growth should be allowed.

Restricting the types of projects eligible for grant assistance (Proposed amendment No. 3) would appear to be unnecessary and undesirable. Unnecessary because EPA and the States through the authority they presently have to assign funding priorities to projects, can effectively restrict the types of projects that are grant funded. It would be undesirable because it would limit flexibility by prohibiting the funding of certain types of projects which might in a given instance be more cost effective in terms of pollution control than those eligible for grant assistance.

Extension of the 1977 date for meeting water quality standards (Proposed amendment No. 4) is a practical necessity. Public Law 92-500 required municipalities to meet the secondary treatment requirement by July 1, 1977. In some cases secondary treatment is already being provided; in others, there is still sufficient time to comply before July 1, 1977. However, in most instances the July 1, 1977 date is no longer realistic. We also recommend that the 1977 compliance date be extended and made contingent upon the availability of Federal funding.

The District supports proposed amendment No. 5 which would delegate to the states a greater proportion of the responsibility for managing the Construction Grants Program. The State of California which has successfully played a major role in the administration of the Construction Grants and Permit Program for several years, is in the process of assuming essentially full responsibility for these programs.

In addition to the foregoing, we would like to take the opportunity to recommend several other amendments to PL 92-500. First, we recommend amendment to provide for the exercise of professional discretion in the application of the secondary treatment requirements. The Act presently requires municipal waste treatment works to achieve effluent limitations based on secondary treatment. This requirement is unrelated to the qualtiy of receiving waters and to the enormous costs of achieving that objective, with the result that in some instances treatment is being provided because it is required, not because it is needed. For example, coastal communities have questioned the wisdom of this requirement for discharges into an ocean environment, and other siutaitons exist where the characteristics of receiving waters are such that secondary treatment will not achieve any measurable benefit.

The financial impact of the present secondary treatment requirements is illustrated by the situation the District is facing in complying with this requirement. We presently have under construction facilities which will provide biological secondary treatment for 98.6 percent of the wastewater flow in our service area. The capital cost of these facilities is $70 million. To fully comply with PL 92-500 it will be necessary to provide secondary treatment for the remaining 1.4 percent of the flow which overflows untreated from the system during the three-month winter season. This will require the expenditure of an additional $167 million.

The benefit that will be derived from this additional investment in plant will be very small since these overflows occur only 10 to 12 times per year; they occur only during the winter months; and each episode averages 6 hours in duration. In view of the high cost and limited benefit, it would be very difficult to convince the taxpayers that they should approve this expenditure if they were required to pay all or a major portion of the cost.

We therefore urge that PL 92-500 be amended to provide administrative flexibility and to specifically allow for standards other than secondary treatment where the nature and frequency of the discharge and the characteristics or receiving waters do not reasonably require the disproportionate expenditure of public funds.

Secondly, we recommend that the Act be amended to permit the use of ad valorem taxes or combinations of taxes and use charges to finance the operation and maintenance costs of wastewater treatment facilities.

Finally, the effect of NPDES permits issued for municipal water treatment plant discharges prompts us to make the following comments and recommendations:

(1) Federal grant funding should be broadened to cover the design and construction costs and facilities for disposal of sludge from municipal water treatment plants. Such plants are now deemed to be in the industrial category but should more properly be changed to the municipal facility category. It is inconsistent to consider sewage sludge projects eligible for Federal grant funding on the one hand and on the other hand to consider that sludge processing projects for municipal water treatment plants are not eligible. If, as has been determined, both sludges contribute to water pollution, then there is no clear logic why Federal grant funding should not be provided for both types of projects.

(2) In limited situations under very special circumstances where the municipal jurisdiction concerned can demonstrate that compliance with the NPDES is not required to achieve the objectives of PL 92-500, discretion on the part of the regulatory authorities should be permitted or the law itself should be amended to allow such discretion. For example, in the case of this District, the Regional Water Quality Control Board presently is requiring an NPDES permit for the District's Orinda water treatment plant discharges. These discharges flow a short distance down a creek owned by the District into a reservoir also owned and operated by the District. All water withdrawn from this reservoir is completely treated at two filter plants. Continued insistence of an NPDES permit and complying with the present standards would result in an expenditure of several million dollars for treatment of these wastes before the backwash water is released into the creek and the reservoir and then would be treated once again, in other words, twice. EPA has stated it is bound by the law to require an NPDES permit and the Regional Board insists that it must require some type of treatment of filter backwash water from this plant. A return to standards based on receiving waters rather than on the discharge itself would at least result in this instance of reduced cost of compliance and provide a more rational solution. However, unless the law is changed or some flexibility applied in its application, this situation could result in an expenditure of funds

totally unwarranted and be a flagrant case of a waste of taxpayers' money. It is strongly recommended that flexibility on permits be provided in cases such as this or standards modified so as to preclude the necessity of expenditure of public funds which are not justified or warranted.

In conclusion, I would again like to state that the opportunity to appear before you and discuss these extremely important questions is greatly appreciated.

CHAIRMAN AGEE: Thank you very much, Mr. Harnett. Jack, do you have any questions of Mr. Harnett?

MR. RHETT: No.

CHAIRMAN AGEE: Paul?

MR. DE FALCO: No.

CHAIRMAN AGEE: Thank you very much.

I will not call on Mr. Bob Burt, representing the California Manufacturers Association.

MR. BOB BURT: I'm R. Burt for the record of the California Manufacturers Association.

By way of introduction, our Association represents companies doing the bulk of manufacturing and payroll in the State.

Industry does not receive any grants but obviously we are vitally affected by the program.

One more item of introduction, let me state that in order in a brief time to cover a complex subject, one must oversimplify and use a certain amount of hyperbole.

Let me start off with some conceptual points: Everyone recognizes that it is our own money that is being given to us in these grant programs. We also recognize that taxes will be spent some other way if they did not come to us in the program, therefore it is a common attitude, and we talk about following money, when we see a Federal grant coming our way.

The second conceptual point I would like to make, if the Federal Government wants something stupid and wants to pay 75 percent of the cost of that, that is one thing; but if the guy who prints the money and therefore has better credit than anyone else, and whose taxes form the business climate of the nation, and therefore has less trouble raising taxes than anyone else, if that guy has trouble raising money, what on earth is the problem for the other jurisdictions raising money?

So my point there is that there is not any free lunch, and if the Federal Government thinks they are having a hard time raising money to promote this program, I suggest they review the program.

Let me give you some specifics about reviews: One has already been mentioned a couple of times, so let me just state that I think that we need elimination of nutrients and ocean discharges like a moose needs a hatrack.

Another point conceptually I would like to make is that we have to face the fact that many girls now alive are going to grow up and have children, and they are going to do that before us older people have the grace to die, and therefore the population will increase, and we have got to face the fact, and if we don't allow for increases in population, we don't prevent the increase, we simply prevent the proper servicing of that population, because it will be there.

I am glad to see the cost effectiveness entering the vocabulary, and I feel that the Federal Government has got to look strongly at that. Fundamentally I want to talk to here is the problem of discharge and elimiantion. To paraphrase K. Chesterton's famous comment on Christianity, "Water quality was not really tried and found wanting as a basis for legal enforcement. It was just looked at, found difficult, and not tried in most parts of the nation."

Water quality has to be the basis. If you say what is feasible, it was pretty well known a couple of centuries ago that the most feasible ways of cleaning water was triple distillation. That can be done, if you're going to do anything less than triple distillation, which is the most technically feasible, you have got to have some objective in mind, not simply beaucratic simplification of a rule for everybody to meet. If they hire an engineer to do something, his job is to do it with the smallest amount of money to accomplish the objective. It seems to me the only rational objective is water quality.

If water quality should have then some cost effectiveness, let me ask the question -- and this is a case of hyperbole but it is only slightly so -- is shellfishing, not shellfish survival, but shellfishing in South San Francisco worth something like the present value of a billion dollars?

I submit that we could provide chauffeured limousines to Pismo Beach for every person who desired to shellfish this South Bay for a considerable amount less than that.

Let me comment on some of the specific proposals, following the rationale I just delivered: The reduced Federal percentage, obviously, to reduce that percentage would probably cause more effective analysis of local projects, but don't reduce the Federal percentage

without reducing the Federal dictation. In other words, if you're not going to pay the fiddler, let's not dictate so much of the tune.

With respect to reserve capacity, that idea is being lived with in California, but let me point out that there is about a 10-year lead time on each project, and if you look and take a rational view of the overhead involving in following all of the various regulations, including environmental impact statements, etc., what you are providing for with a 10-year capacity is a continuous design and planning overhead, and I think that overhead, if carefully evaluated, will be found to provide a very big share of the total cost of your projects.

As an engineer, I can say I am certainly in favor of some work for eingneers, but there is other work for us to do.

Eliminating the categories, the third item in your papers, I submit that is bureaucratic simplification, and others have already given examples where different places have different problems.

If the Federal Government wants to allocate money by its priorities, that seems a rational thing, but not to simply overrule it and tell local people where their priorities should go.

Extension of dates, of course, what do you want to happen? Self-destruct in 1977? There is no way that the law can be met. You will simply have one more case of contempt for the law, because everyone will say, "Well, the law is not being obeyed."

Ana finally, more State control -- very fine, but I would propose that it not be just the shadow with parallel Federal overhead having a precise item veto on each item.

In summary, pay the piper or don't call the tune. Put your money where your mouth is. If you want the quality and you think it is desirable, pay for it, or pay a good share of it.

We're only talking about paying for capital, and many of these newest proposals have tilted toward very high operating costs with a little lower capital costs. The most recent proposals involving physical chemical work, for example, water quality is the only rational base for controlling. The water quality of the receiving water is the only rational basis for controlling, and that can't be done from Washington, because there has to be an awful lot of local expertise involved.

That makes us look at existing projects, extend dates, of course, and increase authority, fine.

Do you have any questions?

CHAIRMAN AGEE: Mr. Burt, thank you very much. Do you have any questions of Mr. Burt?

MR. DE FALCO: No.

MR. RHETT: No.

CHAIRMAN AGEE: Thank you.

I will not call on Alinda C. Newby, representing the Muncipality of Metropolitan Seattle.

ALINDA C. NEWBY: I appreciate having this opportunity to appear before you and present my testimony regarding amendments to PL 92-500. Before I direct my remarks to the Act, I would like to provide you with some background information on Metro.

Briefly, Metro serves over thirty cities and sewer districts and 900,000 people in its three hundred square mile service area in the Seattle Metropolitan Area. Metro was created because of local concern for the quality of waters in the Puget Sound area. During the late 1950's, a citizen-inspired effort succeeded in winning state legislation for, and voter approval of, the organization of Metro to finance, build and operate a metropolitan sewerage system.

Consulting engineers were retained to prepare a comprehensive plan for the Metro system which would solve the Seattle area's pollution problems. The plan described the sewerage services and facilities necessary for the entire Lake Washington-Cedar and Green-Duwamish basins, and was, in fact, an early example of comprehensive long-term river basin planning. A 125 million dollar ten-year construction program begun in 1961 was finished ahead of schedule and within two percent of original cost estimates. Four new plants were built to replace more than twenty small facilities. More than one hundred miles of interceptor tunnels and trunk sewers were constructed to implement the first stage of the comprehensive plan. This is what we have done. We began before the current federal grant program and received less than 5 percent funding from federal grants during those first ten years. Although some reimbursement for projects initiated since July 1, 1966, has been received from allocations for Section 206(a) of the Act, we have not been reimbursed for our earlier projects under Section 206(b). We believe appropriations should be requested by EPA to satisfy this yet unfulfilled federal commitment. Our citizens have already done more than their share.

Since the passage of the 1972 Amendments, Metro has adopted a strategy to meet the 1983 goals of the Act, and has committed funds to river basin planning and facility planning and invested more than one million dollars in university research studies to investigate the

effects of Metro waste discharges on Puget Sound waters and resident marine life. Metro has also been designated as a 208 planning agency, and is gearing up for this work. We have established active working relationships with the State Department of Ecology (DOE), and deal regularly with DOE on NPDES permits, planning and construction grant matters.

As for the five potential amendments discussed in the issue papers published in the May 2-, 1975, Federal Register, I do have a number of comments. First, I would like to make a general observation. It appears to us that most of the proposed amendments are a short-sighted reaction to the high costs shown in the 1974 needs survey. Unfortunately, this reaction further limits local options rather than reexamining the best ways to meet water quality needs. You suggest less money and less flexibility; we suggest you re-examine the Act and the 1974 needs survey. If your conclusion is that there are not enough federal resources, don't pass the problem down to the local level where financial pressures are already extreme.

To be more specific, I offer the following comments in the order the published issue papers were originally presented.

Paper No. 1 - Reduction of the Federal Share

The question of the appropriate federal share of the cost for water quality projects is an ironic issue for Metro. As mentioned earlier, we are still waiting for $27 million in reimbursement for previous projects. If the federal share is reduced, we suspect the reimbursement issue will arise again in a new form.

While it is said that some communities lack the incentive to manage their water quality because all of their effluent is carried downstream, Metro is both the upstream and the downstream community. Because of this and a strong citizen commitment to maintain the water quality of Lake Washington and Puget Sound, Metro has expended large sums of local money on the collection and treatment of area water discharges.

For all our efforts and success, we must remind you that now we are being forced into massive and costsly construction programs which we cannot see good reasons for in the Puget Sound area. Specifically, I am referring to the secondary treatment requirement for effluent discharge into Puget Sound. You want us to spend more -- in this case, more than $50 million of unnecessary expenditures -- yet threaten to grant us less. This does not make sense to us.

Paper No. 2 -- Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

Metro would support limiting federal grant assistance for projected growth, leaving to local government the responsibility for planning and funding additional reserve capacity, provided something equivalent to the California 10/20 plan is instituted. Additionally, municipal agencies should be encouraged to build in cost-effective reserve capacity at local expense.

We believe the key to controlling sprawl is effective local land use planning, not arbitrary limits on utility extensions. Metro supports land use planning in the Seattle area and works closely with the regional land planning agency and the local governments which have land use authority.

Paper No. 3 -- Restricting the Types of Projects Eligible for Grant Assistance

Metro favors retaining or broadening current eligibilities for construction grant funding rather than restricting the existing eligibilities. We recognize that restricting eligibilities to those currently highest on most priority lists, such as upgrading primary treatment plants to secondary, might benefit Metro by securing maximum grant funds for its treatment facilities; however, we so seriously question this simplistic approach that we prefer to stand with those endorsing implementation of more truly cost-effective programs. The benefit side of cost-effectiveness analysis causes us to search for more innovative solutions to our local water quality problems, which, in most cases, are wet weather related. A broader spectrum of eligibility is also essential to Metro's ongoing 201 and 208 planning efforts which are committed to the development of the best methods for attaining the 1983 goals; to restrict the eligible grants categories is to narrow prematurely the economically feasible planning alternatives. We ask you not to restrict eligibility, but to broaden the possibilities for locally cost-effective solutions.

Metro supports the 1983 water quality goal and understands the need to maintain a national compliance schedule. However, we strongly favor amending the law to allow local flexibility in the means of accomplishing the goals. Flexibility is the key to sound water quality decisions. For example, as you know, for reasons of water quality relevance and environmental impact, Metro took early exception to secondary treatment requirements of the 1972 amendments. We continue to believe that there are more locally relevant options and more cost-effective programs available for us to attain the 1983 water quality goals.

Paper No. 4 -- Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

As just mentioned, in response to the requirements of PL 92-500, Metro mapped out an extensive implementation strategy which skips over the 1977 requirement for conventional secondary treatment, focusing on

BOD removal in preference of more direct means to achieve the 1983 goals of the Act.

Let me underscore two key features in Metro's strategy. First, we are not seeking to do nothing. We are trying to determine what the best treatment method is for wastewater discharging into the deep, cold salt waters of Puget Sound. The second key feature in our strategy is to place the burden of proof for not building conventional secondary treatment on the local agency. The local agency should be in compliance with water quality standards and should be required to demonstrate to EPA the water quality and cost advantages of any alternative treatment process other than conventional secondary treatment. We have assumed this responsibility through our research and planning program. Our intentions are good and our commitment is strong; what we need is the opportunity to design a locally relevant program to meet the goals of the Act. To do this, we need flexibility in the Act and funding for implementation. Legislative language and examples of alternative approaches have been provided in the past, and we would like to continue to discuss these alternatives with you.

Metro's strategy calls for completion of 201 facility planning (Step 1) by Ajpril, 1977, followed by design of plans and specifications (Step 2) and construction (Step 3) to meet the 1983 deadline. The Metro strategy is yet another alternative to those listed in this issue, the principal difference being the skipping of the secondary treatment requirement in favor of a program directed toward best practicable treatment or other means to achieve the 1983 goal.

Paper No. 5 -- Delegating a Greater Portion of the Management of the Construction Grants Program to the States

As indicated earlier, in Washington State, the State Department of Ecology is the state water pollution control agency. The DOE has been delegated authority to manage the construction grant program; at present, EPA Region X retains much of the plan and specification review. It is difficult and perhaps improper for Metro to comment on the workability of delegated grant programs where other states or other EPA regions are involved. We wish to stress that delegation should be supported with appropriations. Delegation works in Washington State. We may argue with our State and EPA colleagues from time to time, but we respect them. One of the reasons it may work in Washington is the close liaison maintained between the EPA's Washington Operations Office and the State Department of Ecology offices in Redmond and Olympia. The EPA officials work in the field with their DOE colleagues on many matters.

In closing, I would like to point out that Metro is a member of the Association of Metropolitan Sewerage Agencies (AMSA), and has worked with AMSA on previous testimony. Metro suggests the EPA carefully consider AMSA testimony on this matter, since this group

speaks from a national baseline of experience with many states and other EPA regional offices.

I thank you for providing the opportunity for public comment on these potential amendments and the issue papers.

CHAIRMAN AGEE: Thank you very much, Ms. Newby.

Jack, do you have anything?

MR. RHETT: No.

CHAIRMAN AGEE: Paul?

MR. DE FALCO: No.

CHAIRMAN AGEE: Walter Garrison, representing the California Association of Sanitation Agencies and also the Sanitation Districts of Los Angeles County.

MR. WALTER E. GARRISON: Mr. Chairman, As you announced, I will represent two agencies here today. I would like to speak first about the position of the California Association of Sanitation Agencies. This particular Association represents most of the special districts in California with responsibilities for the treatment and discharge of wastewaters. It is comprised primarily of managers and directors to meet four times a year to discuss problems of common interest. They met on May 24, 1975, the Managers' Committee and the Executive Committee, to discuss this particular hearing, and it was the consensus of opinion of the members present that each member of the Association will speak to the five points that were raised in the announcement of this hearing, but we would like to stress as far as our Association is concerned that there are two major points that were not mentioned among the five points that we had unanimous approval, or a unanimous position by all the members of the Association.

The first releates to the requirement of a user fee for the cumulation of local funds. It has been expressed many times, at hearings throughout the country, why there is so much opposition to this particular requirement.

We recognize that users of a sewage system must pay their fair share of the capital and operation and maintenance costs. This goal can be achieved by a sewer charge on industry, and special class users, without the necessity of arbitrarily eliminating the ad valorem tax.

It is the position of the members of the California Association of Sanitation Agencies that the elimination of the ad valorem tax and the substitution of a user fee would cost substantially higher administration cost to local agencies.

There is beginning to be more and more of a concern at the local level about the cost of the new Water Pollution Control Program, and we are particularly upset about the effect that the user fee would have.

We have been assured that this item is before Congress and that action will be taken, but as far as we're concerned, until the action is actually taken by Congress, we feel this is an excellent forum to stress the unanimous opinion not only of the people in California but we think of most of the people in the United States.

The user fee, incidentally, we don't feel is necessarily equitable in the distribution of costs. For example, a piece of undeveloped land which has paid its assessment for many, many years for a sewage system would not pay any costs under a user fee, and yet that land would be substantially more valuable by virtue of its having capacity rights in the system. Therefore, that type of property should pay a share of the cost of the system.

The ad valorem tax takes care of this admirably.

Another very important point against the use of a user fee, in our opinion, is the fact that the user fee would be very difficult to collect for many agencies. We don't have the mechanism, for example, to levy and assure payment of a special charge. There would be high delinquency and consequently very high administrative and legal costs trying to collect the user fee, and I think that applies to both large and small agencies, and I may elaborate on that more when I speak as a representative of the Sanitation Districts.

The other point beside the user agency that the California Association of Sanitation Agencies felt very strongly about is the matter of the reimbursement fund. Despite any arguement that might obtain as to the cut-off date for reimbursement money has been paid and that the Act is specific in terms of who is eligible or what projects are eligible, within reasonable limits.

It is the opinion of the Agencies that it seems proper that those agencies eligible under current law receive reimbursement funding due them at the earliest possible time, and this would help to solve some of the current problems of local funding.

I would like to now speak as the Assistant Chief Engineer, Assistant General Manager of the Sanitation Districts.

Again, it is our position in the Sanitation Districts that we would like to speak to those points in Federal Law 92-500 which we feel are most necessary, most in need of change.

The Sanitation Districts recognize that we will be living with 92-500 and therefore we think that if there are going to be relatively few changes, that they should look to parts of the law which we think need adjustments.

Without too much further emphasis, the first points that we feel very strongly about is again the arbitrary requirement for user fees for the local share of operations and maintenance funds.

We could cite you a very specific example of one of our small districts, just a few months ago, consisting of only 40,000 people, which was faced with the need for additional local funds, and they held an election to choose between a user fee or an increase in ad valorem taxes.

A good number of people in this community were elderly people on retirement, and when we brought home to these people the true cost of a user fee versus the ad valorem tax, we received a 73.6 percent vote in favor of increasing the ad valorem taxes rather than levying the user fee. We think that is significant.

They're still very much concerned about the local costs, and they obviously want to reduce those costs.

The Districts represent almost four million people, 27 Sanitation Districts, and these people reside in 72 cities and county areas.

The user fee would be an administrative monstrosity for our organization to administer. It would literally cost us millions of dollars each year over and above what it costs us to administer a surcharge on industry, plus an ad valorem tax on residential and commercial establishments.

There is one other point that we feel very strongly about: The Districts admittedly argued before 92-500 that there should be some rational limit on the percent of Federal grant money, so that there would be more responsibility at the local level. But faced with the situation as it is now in 1975, and the fact that the program has been in effect for three or four years, it is incredible to us that at this time the Federal Government could consider any reduction below the 75 percent grant level.

This we speak to in some detail in our letter. But the point is that the additional money admittedly went out to those agencies which were in the most dire need, or at least that was the intention. It does not seem proper now that those agencies that maybe in 1972 had a reasonable system and therefore were low on the priority system at the time when their turn comes to upgrade their treatment system, that they would be eligible to less than 75 percent Federal grant money that was available to other agencies.

As to other points, rather than speak to the five issues raised in the hearing again, we reviewed in some detail the draft copy of the report which was just released by the Subcommittee on Investigations and Review of the Committee on Public Works of Congress, and we would like to point out that this report was based on over ten days of public hearing. It was testimony presented not only by our organization but throughout the country there was testimony that was very carefully thought out, and the Sanitation Districts totally endorse the six positions taken by that committee in terms of changes that are necessary to Federal Law 92-500.

I could itemize them for you, if you choose that I do so, but we think that serious consideration should be given by EPA to these recommendations. Incidentally, a number of them are recommendations which EPA themselves have made.

Then speaking directly to the five issues that were raised in the Notice of Public Hearing: I have already spoken about the level of Federal grant participation.

As far as the limit on reserve capacity, really what we're talking about is a problem of land use planning. And there is a real conflict between good planning for water pollution control facilities and making provision for land use planning and growth control.

Most of us have expertise in water pollution control planning and design, but we are admittedly having as much trouble as everyone else has in terms of defining an adequate land use plan for the area that we serve.

The third item that was mentioned was the types of projects eligible. Again, it is really interrelated. The amount of funds available would dictate the projects that would be eligible and the priorities have to be set, we would hope, on the basis of receiving watdr quality matters rather than arbitrary legislative requirements for some level of treatment.

Item four scarcely needs mention. It is obvious that the deadline must be changed consistent with the funds available, if nothing else.

The Sanitation Districts feel that the State of California has developed a meaningful program for administration of the grant funding.

We think there is really no point in interjecting another level of control as it is now we're pretty much, in terms of technical matters, dealing with our State, and Mr. De Falco has reserved to his Region certain specific items such as EIS and overall review of project reports, and that is very proper.

There is one point we did not make in our written testimony that I would like accentuate, and that is the point Fred made representing AMSA. We happen to be members of AMSA but we would strongly feel that the elimination of the individual cost recovery would be most appropriate.

Thank you very much.

CHAIRMAN AGEE: Thank you very much.

I will call on Bill Dendy at this time, representing the California State Water Resources Control Board.

MR. BILL B. DENDY: My name is Bill B. Dendy, I am the Executive Officer for the California Water Resources Control Board.

I do appreciate this opportunity to present the Board's views on the several Papers which have been prepared by the Environmental Protection Agency Staff. These Papers address issues which have frequently been raised in connection with the construction grants program pursuant to PL 92-500. California has a special interest in the outcome of these hearings: not only do we have a construction grants program of our own but the State also has been allocated almost 10 percent of the total national appropriation.

Today I intend to present only a very brief statement which gives you our position on the main subject of each of the five Papers. We are still developing detailed responses to each of the specific questions raised in each Paper. I will provide those to you in the next few days and I request that they be made a part of the record of this hearing.

Paper No. 1 -- Reduction of the Federal Share

We oppose any reduction of the Federal share for construction grants from the current level of 75 percent. In addition to the Federal share, California contributes a 12½ percent State grant, bringing the grant total for each project up to 87½ percent. Even under those conditions, we find many communities experiencing financial hardships in providing for their share of the costs.

Paper No. 2 -- Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

As Paper No. 2 points out, we have already adopted capacity funding limitations regarding population which reduce grant participation, thus allowing more projects to be funded for a given allocation. We have adopted other funding limitations on capacity such as lower population projections for critical air basins, further infiltration allowance made only for tight sewer systems, no allowance made

for capacity to serve new independent and undeveloped areas, minimum residency requirements for second home areas, and a one-time grant for capacity.

We believe that limitations placed on reserve capacity, as we are now doing in California, is one of the more desirable means of reducing the need for Federal funds. We feel it is a significant step toward reducing overdesign.

Paper No. 3 -- Restricting the Types of Projects Eligible for Grant Assistance

We are opposed to the enactment of any proposal to restrict tye types of projects eligible for grant assistance. We feel that it is essential to maintain a certain degree of flexibility and discretion in the Grant Program to take care of critical water quality problems. Since types of projects needed for meeting Federal standards and approved water quality goals will vary in each state, any restrictions would be best imposed by the States. One means of achieving this is with the priority system.

Under the current California priority system, those projects which are needed to meet discharge requriements receive high priority for funding and are comprised primarily of Categories I, II and IV-B (Needs Survey) types of projects. However, where an unsewered community has a serious public health hazard, they will generally receive high enough priority to allow funding. On the latest priority list, fundable projects for collection systems involving serious public health hazards comprise less than one percent of the total fundable projects.

Projects that are in Categories V and VI are low priority projects in California's priority system. However, for good cause, the State Water Resources Control Board may elevate such projects to fundable priority classes. The State Board did so on the latest priority list for the City of San Francisco. San Francisco has combined sewers and has numerous raw sewage overflows into San Francisco Bay each year during wet weather. The State Board determined that funding projects for San Francisco for correction of combined sewer overflows was necessary for protection of the Bay. Any restrictions in funding of these types of projects would have serious consequences for San Francisco Bay.

Paper No. 4 -- Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards

Of the five principal alternatives identified as possible solutions to the problem of noncompliance with the mandated dates in the Act, we favor the approach outlined in Alternative 4, which is to "seek statutory amendments that would maintain the 1977 date but would provide the administrator with discretion to grant compliance schedule extensions on an ad hoc basis based upon the availability of Federal funds".

We support the concept of granting the administrative agency discretion in extending compliance schedules. However, the discretion should be exercised not by the administrator but by the regional administrator or by the state if the state is operating an approved NPDES permit program -- this will allow full coordination of the permit and grant programs.

One additional thought on this: If the 1983 requirement of BPT for municipalities is to be based on an analysis of case-by-case practicability, I suggest you consider moving ahead with those analyses and perhaps municipalities who will not complete installation of secondary treatment until after 1977 can go directly to BPT if it is beyond seconary.

Paper No. 5 -- Delegating to States a Greater Portion of the Management of the Construction

We believe that delegation will be beneficial and we fully support it.

On May 23, 1975, the Water Resources Control Board and the Regional Administrator of Region IX executed an agreement delegating considerable authority and responsibility to the State in the construction grant program. The agreement provides California with the authority to charge a grant processing fee whereby grantees are charged for State review services. The fee is a grant eligible cost and we are compensated out of the project grant. We are in favor of proposed amendments which permit the Administrator to delegate to the states a broad range of grant processing functions and approvals, and which provides for a fee schedule like ours or any other appropriate funding mechanism to compensate the state for the incurred administrative costs.

We are ready and able to assume any and all administrative fucntions in the grants program in order to preclude any duplication and delays.

That concludes my statement on the five Papers. You can expect to receive further and more detailed comments and recommendations from us within a few days.

CHAIRMAN AGEE: Thank you very much, Mr. Dendy, and your written remarks that you will put in later will be made part of the record.

I would give everybody the opportunity to do that, whether you are testifying today or not, the hearing records will be open until the 7th of July, and if you can get your written testimony to us by that date, it will certainly be part of the record and we will give it consideration.

Are there any questions?

Next, we have Robert G. Fleming, representing the Texas Water Quality Board.

MR. ROBERT G. FLEMING: The Federal Register of Wednesday, May 28, 1975, outlined five issues proposed to amend the Federal Water Pollution Control Act of 1972.

We can concur in only two of the proposed changes. Those being Issue Number 4 to extend the 1977 date for publicly owned treatment works to achieve compliance with water quality standards, and Issue Number 5 to delegate a greater portion of the management of the Construction Grant Program to the States. As far as Issues 1, 2, and 3, we cannot concur in a general reduction of the Federal share of the grant, limiting Federal funding of reserve capacity, or restricting the types of projects eleigible for grant assistance.

For simplicity, we will address each of the Issues, or papers, as they appeared in the Federal Register.

Issue Number 1 - Reduction of the Federal share.

This issue proposes to amend the Act to reduce the Federal grant share from the current level of 75 percent to a level as low as 55 percent to obtain the two objectives of: (1) permit limited funding available to assist more projects, and (2) encourage greater accountability for cost effectiveness on the part of the grantee.

Evidently, the reduction of the Federal share is motivated by the impact of the 1974 Needs Survey, which would require some $260 billion in Federal funds to assist all legislative eligible costs. However, the more critical categories of secondary treatment, advanced treatment, and interceptor sewers would only require some $35 billion in Federal funds. Therefore, it would appear that the "grass roots" of the problem is not a reduction in the Federal grant share, <u>but</u> a matter of establishing realistic priorities and deadlines to meet the critical categories. This is not to say that cost effective infiltration/inflow rehabilitation is not a critical category. Such rehabilitation category should be considered in cost effectiveness of the treatment plant project. Also, collection systems that are a part of water quality management in areas with critical septic tank problems, is also important. However, until a state of art can economically treat runoff storm waters, then such category should be considered a low priority for Federal grant assistance. In addition, much could be done in redefining eligible processes to meet secondard treatment. In the past, many stabilization ponds have been constructed with Federal grant funds. These systems in many areas could still serve water quality management without the added expense of modifying the systems to meet a sophisticated definition of secondary treatment.

The reduction of the Federal share is considered arbitrary and would create inequity. It would be completely inequitable to prospective grantees and future grantees to be faced with a lesser grant than their neighbors received. Many communities that have planned treatment work improvements have not been able to receive Federal grant assistance due to many historical facts that we all are familiar with and do not need to bring up again.

But just considering the realignment of capital improvement program priorities and increased requirements that affect previous bond elections, several months delay will be created and, in some cases, an indefinite delay.

It could be anticipated that any significant delay will tend to create a proliferation of temporary small treatment plants in areas that need, or are without, sewer service, or on the other hand create delays in building these treatment plants. This, naturally, will impact the permit, monitoring, and enforcement programs.

As to a grant reduction to encourage greater accountability for cost effective design, we feel that a reduced Federal share would not result in any appreciable degree of greater accountability. The grantee is presently, by regulations, accountable. In addition, the State and the Environmental Protection Agency both have a responsibility, regardless of the percent of the Federal share, to exercise responsibility, along with the grantee, for cost effectiveness, project management, and operation and maintenance practices.

Therefore, we do not agree to any reduction of the Federal share as authorized by the Act.

Issue Number 2 - Limiting Federal Funding of Reserve Capacity to serve projected population.

Under this proposal, reserve capacity would be limited to some specified value related to time for the objectives of, (1) permitting limited Federal funding to go further, and (2) inducing more careful planning for design to serve future growth.

We do not concur with the proposal. It may stretch dollars but it is legislative control of engineering judgment, and this is repulsive to us. We do agree that cost effective engineering judgment must control project design. We cannot accept the philosophy that we can tell a grantee that he must design a cost effective project and pay out of his own pocket for the cost effective reserve capacity that exceeds some arbitrary limit.

We must remember that local government has a direct responsibility to their citizens for public health, services, and environmental effect. Therefore, reserve capacity must be considered on the basis of community

need to protect the enviornment and fulfill the intent of the present Act. Each project has its own project design consideration that must be developed within sound engineering judgment.

The only thing that reserve capacity restriction can do is to substitute the limited available local dollar for the limited available Federal dollar. Therefore, we do not concur in the issue. We do feel that through the present program requirements the State and Federal agencies can exercise their responsibility to preclude inflated or unjustified population projections. But once the need has been justified for a project, no arbitrary restriction on Federal participation should be imposed.

Issue Number 3 - Restricting the types of projects eligible for grant assistance.

This proposal would eliminate projects that are directly related to water quality management.

Looking at the preliminary needs Survey Report of September 3, 1974, we find the total reported needs, excluding storm water, exceeds $114 billion with some $52 billion in Categories I, II, and IVB. 75 percent of $52 billion would be 39 billion in grant funds, thus leaving the local level approximately $75 billion to support. This is equivalent to a decrease in the Federal share from some 75 percent to some 35 percent, or a jump in the local share by around 260 percent.

We must remember that Congress is responsible for the interests of the nation and must exercise this responsibility to the benefits of the nation. Projects they feel are needed to support the water quality interest of the nation should be financially assisted with Federal funds. On the other hand, and we fully recognize that we are all citizens with an interest in our country, local government is controlled by the interest of its own area of responsibility and its own citizens. These interests and responibilities by necessity includes far more than water quality management. Our communities must maintain support of all their local needs such as Law Enforcement, Fire Protection, potable water supply, community betterment projects, etc. needed to maintain proper community life. All of these projects compete for the limited local funds. Therefore, any increased spending for water quality projects made necessary because Federal funds have been restricted, will take funds from other necessary community projects. There is a limit to local funds.

Issue Number 4 - Extending 1977 date for the publicly owned pretreatment works to meet water quality standards.

We feel that this is strictly a matter for Congress. In the legislative history of the Act, Mr. Muskie during the Senate debate of November 2, 1971, brought out in connection with contract authority,

that it is the kind of Federal commitment upon which municipalities can build their planning requirements, their engineering requirements, their financial requirements, and the kind of momentum they need in order to get their people to support the taxes, land issues, and the building of sewer treatment facilities.

We realize that the dates now existing in the Act cannot be met. Therefore, Congress must decide what commitment they desire to meet the goals of the Act. Either modify the commitment or the goals of the Act, or both. The program must be stabilized immediately and with a long-range stabilization. We cannot continue with the instability and a conflict between enforcement and limited commitment of grant funds. If they are to exist together they must be compatible.

Therefore, we would prefer that the dates in the Act be amended, possibly even to 1983, and Congress establish a commitment for stabilization of the program and resolve the conflict between the enforcement - Title II relationship.

Issue Number 5 - Delegating a greater portion of the management of the construction grants program to the States.

We feel that this is essential. The closer we can get the operation of the program to the needs of the local government and still maintain proper control, the better we will be able to serve the needs of our communities.

We would highlight that the delegation of the management to the States must be one of honorable partnership, contracted in good faith. We understand that the delegation to the States will be controlled by EPA through annual audits. We feel that this is sufficient control and do not anticipate that there will be any direct day-to-day supervisory interference.

In some cases it may require States to obtain additional qualified personnel and/or undergo a training program before assuming the increased management. We feel that this should be decided on a state-by-state basis. In all cases, delegation of all management functions that a state can assume with their present personnel, should be implemented as soon as such action is authorized.

Gentlemen, we appreciate the opportunity to appear before you and would like to close our remarks by asserting that we stand ready to enter into partnership with EPA to objectively approach water quality management. Thank you.

CHAIRMAN AGEE: Mr. Fleming, in your judgment, how long would it take the State of Texas to be in a position to receive the delegation and essentially carry out the construction grant program?

MR. FLEMING: In less than one year, sir.

CHAIRMAN AGEE: You think you can do it in one year?

MR. FLEMING: Yes, sir.

CHAIRMAN AGEE: We have been asking a number of the states across the country to get an idea how long it would take.

MR. FLEMING: We currently have entered into contract with the regional office. This will be our second year for plan and specification review and maintenance certification, etc., so very definitely within a one-year period we can assume the rest of it.

CHIARMAN AGEE: Let me ask you another question about the excess capacity.

In your testimony you recommended against putting a limit on that, essentially keep it the same way it is now.

Are you experiencing any difficulty in Texas on dealing with the evaluation of excess capacity?

MR. FLEMING: In some cases we are, yes, sir, but in these cases by sitting down jointly with the personnel in your regional offices and with the applicants, we were able to resolve these to the mutual satisfaction of all of them.

CHAIRMAN AGEE: You also recommended not eliminating but against eliminating the eligibility features. Did that include the matter of collector sewers?

MR. FLEMING: Yes, sir. We feel that collector sewers must remain in the program. We have a number of communities in the State of Texas, several hundred, that are communities of longstanding history, very slow or moderate growth rate, or remaining constant. They do need sewerage systems as a community betterment project, as well as water pollution abatement projects. These communities need collection systems to be eligible in order to be able to build these systems now, the expansion of the existing collection systems, to take care of future growth, and that responsibility falls in a little different category and possibly should be looked at as a special case.

CHAIRMAN AGEE: Assume we want to keep collector sewers as eligible items: Can you recommend to us how we should do that? Should we give the state the control through the priority list?

MR. FLEMING: I think that would be an appropriate way, and I feel sure we can do it through our priority system.

CHAIRMAN AGEE: You prefer that to earmarking a specific amount of money to a specific state?

MR. FLEMING: Yes.

CHAIRMAN AGEE: Thank you. Jack, do you have anything?

MR. RHETT: No.

CHAIRMAN AGEE: I would like to call Mr. Wendell McCurry, representing the Nevada Department of Human Resources.

After Mr. McCurry, I will be calling on Lila Buler.

I would like to make one announcement. If anyone is wondering, we will run the hearing up to 12:30 and recess until 1:30, for one hour.

MR. WENDELL McCURRY: Mr. Agee, Jim.

These remarks refer mainly to your position papers, although I have some general remarks at the end.

Referring to Paper 1, Reducing the Federal Share, and the five questions that you posed in the paper: Reduced Federal share would delay construction of necessary treatment facilities, since the local entities have enough trouble in raising only their 25 percent share.

On No. 2, the states may have an interest in providing the financial share, but when it comes to financial wherewithal, states such as Nevada do not have this to assist in the financing of the whole share.

Communities would have difficulty in funding a greater percentage, and in some communities in Nevada, as I stated before, they have an extreme difficulty raising a 25 percent share. If it were not for FHA coming into assist with the local share, they wouldn't be able to even raise the local matching money.

This would mainly pertain to the smaller communities.

I do not believe that a reduction of the Federal share would lead to a greater accountability of the grantee. The only effect of a reduced Federal share would be a reduction of the number of communities which could afford to build the required facilities in a timely fashion.

If cost-effective design, effective project administration proper, operation of maintenance is not being achieved, then the problem is in the administration of the construction grants program and not because of the 75 percent funding level.

If this is the case, more emphasis should be placed in this area of administration instead of reducing the assistance.

The major effect a reduced share would have on water quality would be a delay in the construction of the facilities necessary to achieve which is mandated under Bill 92-500.

Paper No. 2, Limiting the Eligibility for Growth of Related Reserve Capacity -- this is just another way of stating in the first paper of reduction in the Federal share.

In my opinion the current practices in Nevada do not lead to overdesigning of major facilities.

Major plants, which serve the majority of the population in Nevada, which are located in the Las Vegas, Reno and Carson City area, are averaging about ten years or less on their design life, from when you have to expand.

Smaller communities naturally go to longer design periods, but as the gentleman mentioned a while ago, you hardly finish building one plant when you start designing on the expansion of that plant, and that is the way it has been the past ten years in Nevada.

To remedy possibly the problem of overdesign, EPA and the states should concentrate on problem areas where inflated population figures and per capita are being used, and do a better job on the cost-effective analysis. Since cost-effective analysis can be manipulated to paint more than one picture, if no reserve capacity is allowed, the same effects as reducing the Federal share could occur. It would delay construction of facilities which are necessary to comply with 92-500.

As to the so-called 1020 Program that is referred to as California's program, I would rather rely on cost-effective analysis, common sense, and sound engineering judgment rather than on an arbitrary design period.

On Paper No. 3 - regarding restricting eligibility, if eligibility is going to be restricted, Types I, II and IVB should remain eligible, since they are the most important categories at this time.

But if eligibility is going to be restricted, collector sewers before A should be eliminated.

As far as eligibility in V and VI, definitely they should be reduced. As far as we're concerned, they have very, very low priority, although we don't have the problems that California has regarding combined sewer overflows.

With regard to IIIA and B, regarding the inflow, at the present time I believe they should remain eligible where it can be demonstrated the cost effectiveness and not just routine maintenance that the city should be doing, but over the long run, these categories should be phased out as being eligible.

Making the national allocation because of the Type I, II and IVB as reported in the survey should be used, since the cost for the other types are not as reliable and probably tend to be more inflated. Maybe that is the reason there is such inflated cost reported.

Paper 4, Extending the 1977 Date, the first two alternatives are totally unacceptable and unrealistic.

Alternative 5 would put us in the same position in 1983 as we are in today, looking for extension of some mandatory deadline, and could result in jeopardizing the entire Water Pollution Control Program.

Your Alternates 3 and 4 are similar. However, Alternate 3 we suport, since this alternate will give the greatest flexibility for achieving compliance in an equitable and fair manner, without jeopardizing the credibility of the Water Pollution Control Program and the momentum that hopefully we will achieve.

As to Paper 5, we support the delegation to the states of a greater portion of the management for the construction grants program, though we naturally expect this to be tailored to each state as to how much management would be turned over.

As to general comments, with regard to the ad valorem taxes, teh city should be allowed to use any financial plan which results in any equitable cost to all the users of the system, instead of somebody that really does not know how it affects the city, or to say "You can't do it this way, there is only one way you can do it." There is always more than one.

Relative to the special interest groups being allowed to obtain EIS consideration and stopping a project after the community, state and EPA have gone through all the processes of hearing some public input and finalizing facility plans in the EIS, with no objections from special interest groups, I believe some restriction should be established, since these types of actions do cause unwarranted delays and increased costs of the projects.

I have two specific projects in mind where the public hearings were held. There was either zero input from special interest groups or just no objections, and after everything was finalized they came back to the EPA to reopen it, reopen the issue, to delay the project, which does nothing except cost more money to the taxpayer.

Since the major reason for these hearings is to obtain comments and ideas on the use of the amount of Federal funds in the Water Pollution Control effort, a considerable reduction could be achieved if the review times could be shortened. For example, total EPA review of simple projects, non-controversial, is about 10 to 12 months. This is entirely too long. In that 10 to 12 months' time the cost of building the plants was escalating, and you might as well go 35 percent more. In fact, that is just about what happened in a particular project where under the old and the new Act we had it on a 33 percent grant, and from the time with all the delays, the city still had to bring up the same amount of money, even though they got a 75 percent grant.

To reduce Federal and local funds due to escalation of costs of project, the project should be allowed to proceed on a reimbursable basis.

That is all. Thank you.

CHAIRMAN AGEE: Mr. McCurry, thank you very much. Let me ask you a question about delegation, the same as I asked the gentleman from Texas. How long would it take Nevada to gear up in a position to assume the major work?

MR. McCURRY: I would say we can do it in less than a year, although we have an interim delegation, a step between no delegation and full delegation. We entered into this Memorandum of Understanding with Region IX with the idea that we could operate in one year on this interim delegation and in that time we would revise the Memorandum of Understanding for a greater management of program.

CHAIRMAN AGEE: Thank you very much.

I would like to call on Lila Buler, representing the Livermore-Amador Valley Water Management Agency.

MS. LILA BULER: I am the Chairman of the Livermore-Amador Valley Water Management Agency.

The LAVWMA is a joint powers undertaking between the cities of Pleasanton, Livermore, and the Valley Community Services District charged with studying, recommending and implementing policies and programs pertaining to water supply, wastewater treatment and disposal planning. Current work is directed towards planning and implementation of facilities for the disposal of wastewater in the Livermore-Amador Valley in order to meet the requirements of the San Francisco Bay Area Regional Water Quality Control Board.

The LAVWMA has been in existence since January of 1974, and it has endeavored to work closely with the Regional Board, the State Water Resources Control Board (SWRCB), and the EPA to ensure the acceptability

of the recommended facilities plan. The time involved and familiarity with EPA procedures qualify the agency to address this subject.

(1) Reduction of Federal Share -

It is the opinion of the LAVWMA directors that the Federal revenue contribution to Water Pollution Control projects should not be reduced for the following reasons:

a) Federal standards are strict to the point that huge sums are necessary to meet those standards. Raising additional revenue at the local level is difficult, if not impossible. Of the alternatives being considered by LAVWMA only one would be financially feasible without Federal and State funds, (EIS - 4-130). Others exceed bonded debt potential of the three Joint Powers Agreement (JPA) members combined. Local agencies need the current level of federal funding if standards are to be met in the foreseeable future.

b) Lowering the federal share to projects currently in advanced planning stages, or currently under way, will necessitate re-planning, cause time-consuming, inflation-plagued delays and further discourage implementation.

(2) Limiting Federal Financing to Serve Existing Populations -

Between the two extremes of limiting financing to existing population and funding extraordinary expansions, the LAVWMA Board felt that funding for an E-o population growth would be a reasonable alternative. This would allow control of existing pollution and include allowance for basic population growth which can be realistically assumed.

(3) Restricting Types of Projects Eligible for Grant Assistance -

The funding of projects should not be limited by type. Clean Water projects should be considered for grants regardless of the source of pollution.

(4) Extending the 1977 Date for Meeting Water Quality Standards -

Realistic dates need to be set for meeting standards. Specification of the 1977 deadline in the Act has required EPA and the State to build this deadline into NPDES permits even though they are well aware that the deadline cannot be met in most instances.

The draft Project Schedule for LAVWMA calls for construction of facilities to begin in February of 1978 and to be completed in February of 1980. Although LAVWMA is working conscientiously and with all possible speed, it would seem meeting a 1977 deadline is impossible. The most recent delays have been caused by EPA requirements for additional review of the EIS.

It is the agency's understanding that EPA desires extensive environmental review to determine that one environmental project (for water) does not promote other forms of environmental degradation and to avoid environmental litigation which would stop projects. These are both excellent reasons. However, where the requirements of EPA itself cause delay, it would seem a wise alternative for EPA to extend deadlines imposed on the wastewater management agencies.

(5) Delegating a Greater Portion of Management of the Grants Program to the States -

The most pressing problems surrounding the Grants program concern its administration. Delegating from EPA to the State is not necessarily the answer. The State has not demonstrated any exceptional ability to administer governmental programs with any organizational expertise. They are as prone to inconsistency and confusion as other administrators of Grant program. EPA has been given the responsibility to "Clean up the Nation's Waterways" and should accept it.

Local agencies, such as LAVWMA, would benefit from changes in administration of the Grant program that would:

a) simplify procedures;

b) reduce the number of agencies involved in regulations;

c) reduce the number of agencies involved in administration;

d) provide clear, specific, justifiable written regulations which are applicable to all.

I should be happy if I can answer any questions for you.

CHAIRMAN AGEE: Does the Board have any questions?

Thank you very much.

I will call on Granville Bowman, representing the County of San Diego.

MR. GRANVILLE BOWMAN: Gentlemen, I'm Granville Bowman, Deputy Director of the San Diego County Sanitation District.

In response to your announcement of hearings to be held to discuss amendments to the Federal Water Pollution Control Act (FWPCA) (PL 92-500), the San Diego County Board of Supervisors takes the following position regarding those amendments listed and directed staff to participate in the hearings to be held on June 19, 1975 in San Francisco, California.

1. Proposed reduction of the Federal grant share from the present 75 percent level.

The San Diego County Board of Supervisors is responsible for the operation of 14 sanitation districts. All of these districts presently have existing facilities, paid for by the property owners and users within those districts. Many of the districts now must abandon or construct major improvements on these facilities in order to comply with the FWPCA. Some of the districts are experiencing severe financial problems and are virtually unable to provide even the 12½ percent local share (75 percent Federal funds, 12½ percent State funds) required to construct the new facilities required by the FWPCA. Any reduction in the Federal share will have to be provided by the local districts. The additional financing cannot be borne by some of these districts. Assuming a reduction in the Federal funding share some of the smaller districts will be faced with two undesirable alternatives:

a. Noncompliance with the FWPCA, or

b. Severe financial hardship.

To illustrate some of the problems we have, I might illustrate the Julian, California, program. We have a community of only 66 connections. In order to comply with MPDS permit, they must construct a facility of approximately $300,000, leaving the 12½ percent share at the present time that the California districts must provide. That would mean in that district that the annual service charge to district users will approximate $310.

That is in contrast with some of our urban users where sewer service charges are around 28 to 72 dollars.

Another illustration is Carlsbad, California, where we have a connected population of 17,000 people. Assuming a 20 percent reduction in the Federal share, that will mean an increase in the local share of a million and a half dollars.

Looking at Paper No. 2, we feel that the State of California zero population projection is a better solution to the dilemma than providing funds for growth versus no growth. It ensures that the discharges provide careful sizing and design of capacity to serve the limtied future growth.

Paper No. 3, restricting the types of project eligible for grants.

We feel the kinds of projects presently eligible for Federal grant funds are all related to water pollution abatement. Eliminating some of the projects will be counterproductive to the achievement of the clean water objective. In fact, considerations should be given to expanding the types of eligible projects.

For example, secondary treatment is mandated by the FWPCA for ocean water dischargers on the Pacific Coast. It is recommended that the use of primary treatment be continued under certain limited conditions and the requirements for secondary treatment be investigated. There are a number of ongoing studies to determine the effects of wastewater on the ocean environment, but additional data is required prior to the uniform application of secondary treatment. Water quality standards must take into consideration the possible adverse effects they may have on land use and energy consumption. Furthermore, it is recommended that Federal grant monies be appropriated to perform an extensive monitoring program in order that the effects of ocean discharge may be properly evaluated. The results of the study may determine that primary treatment, as presently practiced, is adequate in most West Coast applications or that treatment other than secondary is required.

The county of San Diego operates two ocean outfalls. We're presently required by the Regional Water Quality Control Board to do monitoring on those outfalls. The discharging on the outfalls ranged from five to nine mgd. They are not large discharges, but it is evident of the fact that we are not experiencing a problem that the monitoring programs are not being increased.

4. Extending the 1977 date for meeting water quality standards.

It is already quite evident that additional time is required by many of the projects in San Diego County. The time required for the implementation of a project has increased substantially duirng recent years because of grant review procedures, environmental impact reviews, citizen reviews, requirements of the California Coastal Commission, etc.

5. Delegating a greater portion of the management of the construciton grants program to the states.

In California, the Environmental Protection Agency presently delegates some portions of the program to the State. Further delegation is desirable to eliminate duplication of efforts thereby causing delays and attendant cost escalation.

We would like to give additional comments that were not solicited.

Presently, the FWPCA requires the grantee to recover from industrial users an amount equal to the portion of the Federal grant allocable to industrial users. Fifty percent (5)%) is then returned to the Federal treasury on an annual basis. The administrative costs associated with returning revenues from industrial waste dischargers are substantial. In the County of San Diego we have many bedroom communities with some associated small industrial dischargers, such as stores and service stations. The administrative costs to recover, account, and forward funds from these industrial discharger industries is not

economical. It is recommended that these monies remain with local governments for necessary capital improvements or wastewater reclamation investments.

Alternately, the list of dischargers considered to be "industrial dischargers" should be modified to eliminate those businesses normally supportive of urban residential development (grocery stores, restaurants, service stations, etc.).

Thank you.

CHAIRMAN AGEE: Thank you very much.

What are your views on excess capacity as to Federal funding used to fund reserve capacity?

MR. BOWMAN: As we mentioned, we feel the California approach is the more desirable approach, considering the two alternatives for extensive growth versus not growth.

Some of our community will be faced if there is no growth provided at all, with the possibility of upgrading our facilities, and then still be faced with a building moratorium.

CHAIRMAN AGEE: Thank you very much.

Next we will hear from Mr. Henry F. Eich of the Conference of Local Environmental Health Administrators.

MR. HENRY F. EICH: Mr. Chairman, Members of the Committee:

The Conference of Local Environmental Health Administrators is made up of Engineers, Sanitarians, educators, and other professionals in local Environmental Health agencies throughout the country. We appreciate the opportunity to provide our comments on the proposals under consideration of this hearing.

Our review in preparation for this hearing extended also to the 1972 Act, PL 92-500, with the help of your staff, also included the Strategy Paper, which, incidentally, was rather surprising to a lot of people as we examined all of these papers. This included the statement of the objective of 92-500, where it does not make any mention of this particular aspect of sewage treatment or sewage collection. The Strategy Paper, of course, is merely a policy statement. This fact, therefore, prompts this Conference to recommend to the Federal Water Pollution that the amendments to the Water Pollution Control Act be prepared to accomplish this purpose.

If less grant money is forthcoming which, incidentally, we do not favor, should we not place higher priority on people than on the general environment?

While our members support constructive efforts to protect the environment whether the ocean, estuaries, lakes, forests or streams are involved, the health of the people of the nation must be considered of paramount importance.

The correction of sources of water pollution will not necessarily eliminate all cases creating hazards to public health. At this critical time of establishing the manner of setting priorities for the funding of future projects with some possible restrictions on such funds it is most important that we insert the fundamental element of protection of the public's health as one of the base line yardsticks. It should be applied to collector and interceptor sewers as well as to treatment works since in many instances serious public health problems may never be corrected without some funding assistance.

It is interesting that the approach to priorities was mentioned in the section of the Strategy Paper on Treatment Works priorities, while it is not specifically found in the legislation. Mr. Russell D. Train states in his introductory letter: "The Strategy Paper also functions as an exposition of policies that may be implemented in the future." It is our hope that this will prove true in the recommended amendments that will be developed for the consideration of Congress.

Recommendation

It is recommended that Public Law 92-500 be amended to incorporate "the elimination or alleviation of threats to public health as a key parameter for the establishment of priorities for the funding of treatment works, collector sewers and interceptor sewers."

Thank you.

CHAIRMAN AGEE: Thank you very much, sir.

Next will be the testimony of Mr. George Hagevik, Chief of the Environmental Resources Division of the Association of Bay Area Governments.

MR. GEORGE HAGEVIK: Thank you. My comments will be brief, because I see it is approaching long after lunchtime and we have been sitting for a long time.

My comments are of a general nature, referring to all five papers. I suppose the comments would relate more to Paper No. 2 on projected growth than any other, but they're primarily related to Section 208 of the Act, a topic whcih has not been discussed at all today, although I would submit a lot of the issues that have been raised relate directly to the 208 planning process, and I want to very briefly review some recent history with you.

On May 15, the State Water Resources Control Board designated a number of 208 agencies in California, including the Association of Bay Area Governments. Because of restrictions on funding, funding deadlines, we had to prepare a 208 work program in nine working days.

Our work program, which is not part of the plan, I might add, is over a hundred pages long. This work program had to be to EPA by the end of May.

We found out that ONB had frozen some of the 208 funds. These were finally unfrozen last Wednesday, I believe, so we now understand that we're going to get funded. However, as of today we do not know the level of funding we will receive. So it is difficult to perceive. We hope to hear very soon, hopefully as early as next week.

I think this is important to note, because under the Act we have two years to complete this planning process. This is a multi-million dollar process which relates to a whole set of water quality issues.

Now we are considering here today delays in other aspects of the Act. I think it will be appropriate to also consider the relationship of 208 to the other topics addressed today.

As I noted, we have two years to complete this product. We have to gear up, we have to complete the product and get it out for review. We have been at it two years, it seems like.

We have to do a detailed working program to submit to the State Water Resources Control Board for the review of individual Board members by next summer, so it looks like we have really six or seven weeks to decide how to spend these funds.

I think the question we have to raise is whether it is appropriate to consider a delay in the two-year time frame we're working with. I am sure my agency would be very much in favor of that.

I would like to briefly make some comments on the work program that we expect to undertake in the Bay Area. We are accepting all the 208 facility plans, completed or under way.

A very strong point was made on this in the Public Hearings held in the Bay Area on the 208 designation. The point was also made by the State, and as part of our 208 program we're looking at the question of agriculture and urban runoff.

Now we addressed Federal funding for water pollution control programs, and I think eventually we will have to discuss whether facilities that result in the achievement of maintenance of water

quality objectives should just be point source facilities or whether we ought to consider retention basin, for example, for dealing with urban runoff.

The basin plan for the San Francisco Bay includes, on the basis of a literature review, that secondary treatment with the Region -- 40 percent of the POD loadings in the Bay will come from urban runoff. We will have to deal with that issue somehow eventually.

A number of people today have discussed the issue of growth. Growth is, of course, one word, but it means a lot of things to many people. As the discussion papers note, if certain facilities are eligible for funding, it seems logical that planning agencies will come up with proposals that are funded out of the Federal treasury.

It might follow that some other strategy, such as not building in a certain location, building at different densitites, or requiring mitigation measures for urban runoff would not be emphasized as part of a 208 plan, for example.

Now in Califronia, most of the designated agencies, and particularly ABAG is tying in the 208 plan closely to the air quality maintenance plan with the assistance of Region IX staff and the State Water Resources Control Board and Air Resources Board.

In the Bay Area we are trying to fully integrate the air quality maintenance plan with the 208 plan.

The present position of EPA is that the EQMP, as it is called, might not have to be done until December of 1977 if you get an extension, and if therefore an extension is available, I would submit that extension is going to be given, given the difficulties of completing the studies.

So we are out of sync here a little bit, if the one plan is going to be completed before the other.

I think it is important to note in conclusion when we're talking about funding excess capacity, we have to decide what this means.

I have not heard this term defined today. The 208 program is really in with the issues expressed today, providing adequate funding for existing population that is already there.

That, in a nutshell, is what we hope to do on 208, and I would like to see the concerns of the 208 program addressed in the context of revision of the Act.

CHAIRMAN AGEE: Thank you very much. Are there any questions, Paul?

MR. DE FALCO: No

CHAIRMAN AGEE: We will call at this time Joseph Edmiston from Los Angeles, representing the Sierra Club.

MR. PETE ZARS: Mr. Edmiston was prevented from presenting the Sierra Club statement.

My name is Pete Zars. I am from Atascadero, California. My statement is in behalf of the Sierra Club, a full spectrum internationaal conservation organization with a large membership in California.

As I said, our Southern California representative could not attend on such short notice, so I speak on his behalf as well.

In a large sense, however, my statement reflects the interests and the concerns of the broad public for a clean environment.

We understand that today EPA is under severe pressures from the politically strong, narrow interest groups, which threaten the stability and the ultimate value of this massive public works program under Public Law 92-500.

The present stampede for the precipitous route of release of grant funds may be counterproductive, if it should further the objectives by narrow selfish interests to destroy the sensitive quality of life, and if cheap expedients should spell the end of our productive water resources and the oceans in particular.

There seems to be a strong indication that entrenched interests may be digging our collective environmental grave, yet there are still some people as the Chamber of Commerce beating the drums for growth, and equating growth with the quality of life.

The present crush for Federal funds threatens to produce problem on problem, people on people, and waste on waste.

Why not go back to our tried and true virtue of making do with less? Of getting by with less than we want? And above all, frugal housekeeping. Why encourage a $350 million expenditure? Is it necessary if the human species is still so intent on fouling it?

I'm thinking of the Lake Tahoe problem in particular. Why solve such a short-term problem by projecting it in the future? That is like sweeping dirt under the rug.

Here are the direct responses to the five questions raised in the background materials in the Federal Register of May.

No. 1, Santa Claus, Uncle Sam, should look at each of his 50 kid states and automatically chop of those Christmas wishes that are totally out of line. Why penalize an honest Californian, if the Texan has an impossible wish? If the Father EPA can't do it, ask the Mother OMB. If neither can do the problem of cost effectiveness, cut back everybody to 55 or even 30 percent. There will be cries from the states, but that is all the money there is. The disappointment can go the paper route way like taxes and bonds, and maybe they can be paid back in the future if they have done a good job.

No. 2, in Califronia at this stage of history there should be no reserve capacity beyond that proposed to E-O. Least of all should there be a reserve capacity for second homes or future non-residents. It might not even be bad, on the day the plan is finished, to let growth pay for itself, that is let those who want the growth pay for it.

But there is one reserve capacity we do insist on, and that is for future stages of higher treatment. This does not mean larger capacity or more people, but it means better treatment, and this means that present population funding for secondary treatment facilities must contain a design and enough land to accomplish this. The tertiary treatment stage at some future date.

No. 3, restricting the types of projects, Federal assistance should not be forthcoming to bale out local incompetents. Let the locals figure out how to stop infiltration. Then let them do their sewer and filtration and let them accept their combined sewers and let tem fund the added capacity to handle storm flows.

Interceptors or collectors required for new regional economy of sale plants, but they should be eligible for cutoff participation plants.

Storm water treatment and control should be a local chore and perhaps they're more easily locally controlled.

No. 4, we feel the 1977 treatment criteria must be adhered to. That the time for compliance might be extended, however, only on a case-by-case basis and never to exceed 1983.

No distinction whatever should be allowed between those public agencies accepting and those refuisng Federal grants. It is imperative that all conform to the Federal law. We feel that there should be no waiving of the organization interview requirement of agricultural waste requirements, etc.

No. 5, a greater portion of the grant administration program should be assumed by the states, especially those lagging behind in assuming this responsibility. We would rather see the present stampede for funds retarded by prudent EPA control and review, that is from the

standpoint of environmental protection, than to see vital monies lavished on growth-infusing and growth-provoking boondoggles, rubber stamped by local control.

As it stands today, we're sure at least in the case of Lake Tahoe, that more local control would only make the TTSA system worse. As it is, the facility will in all likelihood contribute to the decay of the lake and its Air Basin.

In conclusion, the Sierra Club is alarmed by the strange fact that labor and industry have joined the conservationists and EPA in our quest for a cleaner and healthier environment.

We were not prepared for the four of us to be in one frail canoe. Maybe our Christmas wish will be for a sturdier one, that is a canoe, plus two additional paddles, if you please.

CHAIRMAN AGEE: Thank you very much, Mr. Zars.

I would like to call on George Alcalde, who is from the City Engineer's Office, City and County of San Francisco.

He is not present, apparently.

I will now then call on Donald E. Evenson of Walnut Creek, California, representing the Consulting Engineers Association of California, and this will be the last testimony we will have before we break for lunch.

MR. DONALD E. EVENSON: Thank you. My name is Donald Evenson. I am a Water Resources Engineer and I am here representing the Consulting Engineers Association of California, commonly referred to as CEAC. CEAC thanks you for the opportunity to discuss these issues and to present our ideas.

On Paper No. 1, reduction of the Federal share, CEAC recommends that the Federal share construction grants required to meet the goals of PL 92-500 be maintained at the present level of 75 percent.

In California, we have a unique problem in that many agencies dealing with water pollution control activities have limitations placed on them by Senate Bill 90, which precludes or limits the ability of many of these districts to raise money through property taxes. Therefore, we recommend also as a result of the increased Federal shares that the State in its bond issue probably cannot continue to absorb the cost. Therefore, we urge that the EPA continue the 75 percent funding.

On Paper No. 2, limiting Federal funding of reserve capacity to serve projected growth: CEAC supports the concept of limiting the reserve capacity eligible for Federal funding, the limitations adopted by the California State Water Quality Control Board with ten years for waste treatment plans and 20 years for interceptors and outflow, which are reasonable guidelines. However, we do urge that such flexibility be accommodated in any proposed amendments to account for local variation in growth within counties, or where substantial cost efficiencies can be demonstrated by taking various limitations.

On Paper No. 3, restricting the types of projects eligible for grant assistance: CEAC believes it is not desirable to restrict the types of projects eligible for grant assistance. Instead, as an alternative, it suggests a priority system be established whereby the importance of the project is related directly to its contribution to the solution of a water quality problem and to the achievement of the goal after Public Law 92-500.

The priority system used by the California State Water Quality Control Board is a positive step in this direction and should be reviewed and considered by the EPA.

On Paper No. 4, extending the 1977 date for the publicly owned pretreatment works to meet water quality standards: CEAC recognizes that it is impossible to meet the 1977 deadlines and recommends that extension be granted, based upon the availability of Federal and State funds and upon the actual time required to design and construct the facilities. This is a combination of your Alternatives 3 and 4.

Paper No. 5, delegating a greater portion of the management of the construction grants program to the states: CEAC supports this concept. However, it should be contingent upon the states demonstrating a willingness and capability to administer the program. Where the state has not demonstrated this capability, EPA should retain the responsibility.

The California Water Resources Control Board is developing an effective program to manage construction grants, and we urge the EPA to actively support the continued development and improvement of this program.

Nationally, we feel that perhaps one of the most difficult problems that we will find in this construction grant program is the ability to find qualified and experienced engineers to administer the grant program as well as those required to design and construct the facilities.

So we would like to have careful consideration being given to the requirements for state certification and concepts such as required registration for all state or EPA engineers that are making decisions on design and construction, or on plans and specifications be required.

CEAC is looking forward to working with EPA and the State Board in making the grant program a more efficient program and continuing its efforts along this line.

Thank you.

CHAIRMAN AGEE: Mr. Evenson, you made reference to the fact of the short number of engineers and technical people available to carry out this program. I think you made mention of the fact that also in the consulting engineering ranks the people who design the facilities --

MR. EVENSON: I don't believe that any firm or the state agencies will deny that there is a shortage of qualified and experienced personnel. These are people with five or ten years of experience in sanitary engineering design, and you're not going to get these overnight. Therefore, it is a concern, we have problems of recruiting people for our own firm, finding people that have the necessary experience, and this goes not only to the private companies but also public agencies that are going to be enforcing or administering these grants.

CHARIMAN AGEE: Let me ask another question: Do you find that consulting engineers designing for cities are making choices that are more capital intensive because they can reduce the maintenance and operation costs in future years?

MR. EVENSON: I personally, our firm, do not engate in design of sanitary engineering facilities, so I really cannot address that question.

But my question is that as professional engineers they should be looking for the most cost-effective solutions. I am sure the fact that they are in California, where there is an 87½ percent funding on capital costs makes an important weight that bears on their decisions.

However, I don't think that they can disregard the operation and maintenance cost estimates that are used and which the State has for all the plants throughout the State -- so I think once those ground works and costers have been established, I don't think there is any way in their choices.

CHAIRMAN AGEE: Thank you. Paul?

MR. DE FALCO: No questions.

CHAIRMAN AGEE: Thank you, sir.

Ladies and gentlemen, we will recess now and reconvene at 1:30.

... The Hearing was called to order at 1:30 p.m. ...

CHIARMAN AGEE: Ladies and gentlemen, if you will be seated, we will get started.

Our first witness this afternoon is Ed Simmons representing the California Water Resources Association.

Following Mr. Simmons we will be calling on Herman Alcauld, representing the City Engineers Office, City and County of San Francisco.

MR. SIMMONS: Mr. Chairman, Members of the Panel: For the record my name is Ed Simmons, Public Relations Officer for the California Resources Association which is a statewide association of some 350, 400 water and power agencies, countries, municipalities, industries and individuals.

We appreciate the opportunity to appear.

I would just like to touch on the fact that during the latter part of 1971 and most of 1972, the Congress was considering testimony as the program envisioned by the public was liable to cost in the hundreds of millions of dollars rather than in the tens of millions originally envisioned by the legislators.

Now, the Federal Government acknowledges a 350 billion dollar price tag and concedes that the total program is beyond the ability of the Federal Government to fund at 75 percent but may still insist the program be undertaken and the community assume a greater portion of the financial burden.

There is one alternative action.

We consider this single alternative as unrealistic. The grants were adopted in the first place because it was assumed that the localities could not comply with the Act with their own financial resources.

As you reduce the Federal share from the 75 to 55 percent, that would require the local share to jump 160 percent, assuming State participation at the present level.

Aside from the local municipality's inability to pay that share in the present time frame, this creates I think a situation that is politically unrealistic at the local level. All of these projects had a long time to plan and get the financing arranged. The communities many times cannot simply change the amount of financing in midstream because most of it comes from bond issues which they have to put to their people and the major problem arises then of changing this thing in midstream from a financing standpoint.

I would have to be the man that tried to sell the idea to the local constituency that the treatment plant that I told them would be a good investment at a price of $100 million will also be a whale of a bargain at $260 million. That is a tough story to sell, even if the local community could afford it.

As has been mentioned this morning, when you attach the price tag beyond the ability of a local community to pay or to convince local voters to pay within a reasonable time frame, then you build inefficiency into planned projects because many communities in an effort to meet the law and are unable to build to accommodate long-range or even medium growth needs, would find themselves forced to build minimal systems and plants, to go back to the voters to expand the facilities at a later date.

We think it would be the worst possible use of funds to build these minimal plants and especially work underground. It is so much more expensive to enlarge underground facilities at a future date than to size them adequately now.

Treatment plants can be built in a modular form much cheaper, at least that's the way we do it in California, so the problem there is perhaps much less acute.

If the Federal is determined that it will share only in facilities needed for present population, it will only further incur such inefficient approaches. The most important, as far as we are concerned, our association, is that the cost of waste water treatment could be substantially reduced if the broad-sided approach to the problem were abandoned in favor of tailoring treatment needs more specifically to the local problems.

We think it becomes obvious, for example, that uniform standards requiring the secondary treatment of municipal waste water discharges to all receiving waters, including the ocean, are unnecessary and uneconomical.

Western ocean waters are rich in oxygen and secondary treatment is primarily designed to remove oxygen-demanding chemical substances from the effluents discharged into the ocean, is not necessary to protect the marine water quality and especially where the effluent is well-affused into very deep water.

Many authorities appear to agree that pollutants such as chlorinated hydrocarbons and heavy metals are best controlled at the source anyway.

The technology is available to eliminate many of them. If this approach were adopted as a federal standard, Orange and Los Angeles Counties alone would save some $500 million over the next eight to ten years as compared with the mandated secondary treatment.

Willard Bascom who conducted studies of the California coastal waters -- now heading the Government-funded southern coastal waters research project -- claims that the oceans have remarkable capacity for cleansing themselves.

A continuing study by that project of the needs of the environment find that present waste water disposal practices are not causing any substantial damage to the ocean environment.

Apparently the law was written to apply to such enclosed waters such as the Great Lakes and perhaps even such as the Mississippi River and should not be uniformly applied to deep, open ocean waters.

In Paper No. 3 we learn that the control and treatment of storm water runs the cost up $235 billion. It is quite obvious that this function should have a lower priority than correcting inadequate treatment facilities. The law now requires even a massive runoff of water from a storm would have to be controlled and/or treated and there is certainly no significant pollution contributed to waterways in times such as that.

It would seem storm waters, if anything, would be purifying on balance and would at least be a very low priority.

So we think this is unnecessarily stringent. This Act is unnecessarily stringent. We hope the requirements can be tailored down to meet the specific problems existing in each region and for the local community and with the most urgent requirements getting first priority and secondary treatment next.

It might be 25 years time frame would be more realistic than total compliance within ten years. The present total costs are of such magnitude they may be counter-productive. Since few if any of the original goals were achieved if they were insisted upon.

The Federal funding need, aside from Public Law 92-500, there is need for the San Joaquin Master Drain so that its construction could be completed before large areas of the Central Valley go out of production.

Now, that is an agricultural problem because of the salt buildup, and we think it is most unfortunate that there is absolutely no provision made for Federal financial support for construction of facilities needed for proper disposal or reducing of degraded agricultural waste water and not even if urban waste constitute a portion of such degraded water.

We think it is high time for Federal acceptance of financial responsibility for related disposal costs like those being afforded municipal water facilities construction program and the agricultural

segment of our economy generates considerable tax revenues, both for Federal and State Government which now assist in deferring the urban costs in this field of action.

So we suggest that this kind of funding be considered when the Federal Government decides what it can afford to do in behalf of the States and the local communities over the next ten years.

I might close by reminding you that waste water reclamation is always cheap when the water initially supplied is of the highest quality. The way to assure delivery of adequate amounts of high-quality water to a given place at a given time is through timely far-sighted development of available surface water resources and their delivery systems and that of course is the objective of the California Water Resources Association. Thank you, gentlemen.

CHAIRMAN AGEE: Mr. Simmons, thank you very much. Jack, Paul, any questions?

MR. RHETT: No.

MR. DE FALCO: No.

CHAIRMAN AGEE: I would like to call at this time Mr. Herman Alcauld representing the City Engineers Office of the City and County of San Francisco. Following Mr. Alcauld, I will call on Michael Herz.

MR. ALCAULD: Herman Alcauld. I represent the City Engineer, Mr. Robert S. Levy, City of San Francisco.

There are five major areas of Public Law 92-500 according to the position papers set forth by O&B.

I would like to discuss those proposed changes briefly, how they would affect the Water Pollution Control Program in the City and County of San Francisco.

I would also like to add some suggestions on how the law might be amended or clarified in areas of more immediate concern to the City and County of San Francisco.

Item No. 1, work proposed to reduce the immediate fair share of grants would have a detrimental effect on the already slow progress of the program. Parts of the Public Law 92-500 were adopted in order to compensate for the previously inadequate or non-existent Federal funding. Reducing this share would only be a step backward.

Assuming the enforcement requirements for the permit system remains unchanged, the City would be required to carry a large share and thereby adding another demand on the already strained municipal bond market.

The City's limited resources and growth demand for funds by other high priority programs to provide needed services, casts a doubt on our ability to assume an increased share of the funding burden.

Item No. 2, limiting the Federal funding, reserve capacity to serve projected growth, would have little effect on the City and County of San Francisco. This is all population projections now available show little or no growth over the next 30 years. However some provision should be made to guarantee existing capacity funding even when that capacity includes wet weather and to provide capacity for historical trend and per capita water consumption and highly-stringent tourist and commuter population for which most central cities provide sewer service.

Item No. 3, restricting the types of projects eligible for grant assistance would have a disastrous effect on cities like San Francisco who have combined sewerage systems. It has just been this year that the release of impounded Federal funds has allowed the State of California to place community sewer projects in a category that will be funded.

In a city like San Francisco with combined sewerage systems, the dry weather and wet weather planning and construction are interrelated and often inseparable. Restriction of this type would cause a delay in solving the wet-weather problems and not affecting the cost of constructing of wet-weather facilities.

If both fully integrated and funded, it would result in year round water quality improvement and overall cost savings to the taxpayers. In addition pollutants from wet weather can approximate that of dry weather.

Item No. 4, extend the 1970 date for the publicly-owned treatment works to meet water quality standard appears to be a necessity in some cases. San Francisco will not reach substantial secondary treatment until 1980 or '81, and I am sure many other communities have the same problem. I am sure when Public Law 92-500 was passed no one envisioned the mountain of red tape involved required to deal with not only 92-500 but many other Federal and State laws which use the grant program for incentive such as the NEPA Act, the Uniform Relocation Act, the Historical Monument Preservation and even the National Flood Insurance Program. The Califronia Environmental Quality Act and many others.

An example of this delay is our own Yerba Buena Project in San Francisco. Delayed well over four years and may not get off the ground at all.

In our own case, as I am sure the case is with other urban cities, available land is either non-existent or at a premium in the prospect of removing more land from the tax rolls, relocating businesses and residences sometimes to other cities raises much community opposition and slows the progress considerably. Some special considerations should be given to cities with these problems by extending the 1977 deadline to some more realistic date.

Item 5, San Francisco, as most other cities in California, has a good working relationship with the State Water Resources Control Board and we endorse a greater delegation of the construction management to the State since it is most familiar with our local problems. However increased staffing should be provided with the increased responsibility in corresponding degrees in the amount of APA review and approvals or nothing will be gained from such delegation.

Other possible amendments to Public Law 92-500 which San Francisco would endorse, including a use of ad valorum tax to support the revenue program in lieu of increased user charge and industrial recovery. Supporting the program through ad valorum tax gives the homeowner the advantage of deducting from Federal taxes whereas the user charge was not.

Savings can be effected by the simple collection along with property taxes.

The industrial payback will create an accounting nightmare for the various grant applicants and industry through property taxes -- and industry through property taxes and source control is already doing its share.

Finally, the action is needed -- action is needed to clarify the degree of treatment necessary for wet weather overflows and combined sewage overflows. The law is not clear whether or not secondary treatment is required for these overflows.

Cost-effective treatment can in most cases be provided at something less than secondary treatment for combined sewage flow.

This concludes my remarks and I will submit a copy for the record.

CHAIRMAN AGEE: Thank you very much. Mr. DeFalco, Mr. Rhett?

MR. DE FALCO: No.

MR. RHETT: No.

CHAIRMAN AGEE: Thank you very much. You mentioned favoring the retention of the existing eligible features.

MR. ALCAULD: Yes.

CHAIRMAN AGEE: What would your view be with respect to reducing Federal share, maintaining Federal share for 75 percent for sewage treatment facility interceptors but a reduced Federal share for the other kinds of eligible features such as separation of storm water, treatment of storm water?

MR. ALCAULD: San Francisco in our combined system, the cost of wet weather improvement is as expensive as dry weather and we do not support any reduction in Federal share.

CHAIRMAN AGEE: Do you have any views on whether or not we should retain collecting sewers as eligible features?

MR. ALCOULD: Major sewers, yes. That doesn't seem to be a major problem of San Francisco. Transport is a major problem, if that is included in what you consider collecting sewerage. Yes, we feel it should be included.

CHAIRMAN AGEE: Very good. Thank you. Any questions?

MR. RHETT: No.

MR. DE FALCO: No.

CHAIRMAN AGEE: Thank you very much, sir.

Call on Mr. Michael Herz, Oceanic Society of San Francisco.

I will be calling on Connie Parrish representing Friends of the Earth after Mr. Herz.

MR. HERZ: Thank you for the opportunity to comment. My name is Dr. Michael N. Herz, Executive Director of the San Francisco Bay Chapter of the Oceanic Society which is a non-profit, private citizens association devoted to protection of marine environemnt.

The society currently has about 50,000 national members and a large portion of those are located in California.

I must take exception with the comments that were made by the gentleman from the California Water Resources Association about ocean outfalls.

We feel very strongly that the solution of pollution is not the dilution and that people who want to use the ocean today are analogous to those who wanted to use the Bay 100 years ago and thought all waste could be discharged there.

We feel ultimately we will be caught up with if we dump it in the ocean and that isn't the solution either. We view ourselves as

allies of EPA in the battle to clean up the nation's water and feel we have achieved some expertise in this to such a degree that EPA awarded us a contract to increase local and state awareness concerning Local Law 92-500 and its relation to water quality problems.

I hope our testimony today will not be perceived as biting the hand that feeds us. We do not have a copy covering the topic of today's hearings as we thought our time could better be spent reading the papers and related documents.

It is our opinion that EPA has created somewhat of a credibility problem by having called these hearings and by having timed them as they have. It is our understanding that the hearing was originally to be billed as legislative hearings since this agency is a part of the Legislative Branch. Also rumor is that the reason these hearings have been requested is that EPA creates a method for reducing the cost required under the Federal Water Pollution Control Act Amendment but our main concern is the timing of these hearings and their relationship and the relationship then of their subject matter and that of the National Commission of Water Quality.

Establishment of this Commission was provided for under Section 315 of the Federal Water Pollution Control Act along with an appropriation of $15 million for carrying out and studies. For the purpose of today's hearings, it is important to point out that the Commission was charged with studying "all of the technological aspects of achieving and all the aspects of achieving or not achieving the effluent limitations set forth in the Act."

Since all of the issues to be covered in today's hearings relate to achievement of the limitations set forth in the Act and in particular the fourth item addressed the possibility of extending the 1977 deadline for meeting those limitations, it would appear that the work of the National Commission on Water Quality is extremely relevant.

To our knowledge EPA has made no effort to include the Commission into this hearing.

In discussions with members of the Commission and its Washington staff, held within the last 24 hours, we were informed EPA had made no contact to contact or discuss the hearing with -- in fact I was told by the contract manager for the Regional Assessment Study being conducted in the Bay Area under the auspices of the Commission, that he had learned of the hearing only five days ago. In Section 315(d) of 92-500 it states "Heads of departments, agencies and instrumentalities of the Executive Branch of the Federal Government shall cooperate with the Commission in carrying out the requirements of this section".

Since the final report of the Commission on Water Quality Control, which will include eleven regional studies at a cost of almost four and a quarter million dollars on the impact of the meeting and not meeting the limitation, since these will not be available until the fall, it is our feeling that these hearings should have been postponed until such time that the Commission's results were in and concluded.

If time was an important consideration in the holding of these hearings, the Commission should have been invited to participate since the information which it obtained is some of the most relevant which could be considered by EPA although it is realized the result of this hearing as well as the National Commission will ultimately communicate to Congress the situation outlined above.

I might add that we are not 100 percent backwards of the Commission because we have some problems with some of the specifics of their report so we are just trying to share a little criticism with all agencies and groups.

Finally, I wish to comment more specifically on the issues under consideration in today's hearing.

As an organization devoted to the protection of marine environment, we strongly oppose modification of Public Law 92-500 which would result in the original intent being modified by reducing Federal share or in extending or postponing deadlines. It would appear that the intent of these hearings is to test the water so to speak to determine the public is sufficiently concerned with water quality to voice its opposition to reduce the opposition funding required to implementing the Act.

As an aside, we have a feeling that a large number of people in the Bay Area who should be concerned or are concerned with these problems did not know about these hearings.

The local problems we are having with, for example, the Southeast Treatment Plant in San Francisco where the neighborhood people have gotten very involved in the process, I would imagine had they known of these hearings, they would have been a representative of that group here.

As a citizen group which cares enough about water quality, illegal discharges, they sent volunteers out to collect water samples for analysis and we are concerned and do oppose weakening of one of our country's most impressive pieces of legislation.

In reference to 92-500 papers, we oppose reduction of the Federal share. We favor limitation of the reserve capacity which we see as growth-inducing. We oppose restrictions on the kinds of facilities that can be funded, oppose postponement of deadlines, but

if pushed to the wall, we go for the fourth alternative and favor the State taking a greater responsibility in the management of the Construction Grants Program.

We trust these comments will be received in a constructive sense since they were assimilated with the philosophy, while addressing a group of citizens, that agreed in a recent EPA support conference on Public Law 92-500 stated that he wanted our criticism because our pressure was necessary for his agency to do a more effective job. Thank you.

CHAIRMAN AGEE: Mr. Herz, do your science people that you have in the Oceanic Society, do they have some real concern about the discharge of organic-demanding, oxygen-demanding substances into the ocean?

MR. HERZ: We feel that the ocean, the situation in terms of ocean discharge has really not been studied carefully enough and the people that are proponents of it, we think are speaking a little too early. That if in fact we are going to go to a system which will be in favor of ocean outfalls, that some very serious kind of search has to be undertaken.

I think the only in-depth work we know of is that being carried out by -- which mentioned a little earlier.

I am not sure we necessarily agree with all their findings, but we have some very serious concerns that that is not the solution.

CHAIRMAN AGEE: Let me ask you this: Perhaps provision on the new ones, but would your group support an extension of requirements for the secondary ocean outfalls based on the fact produced some studies in the intervening period of time on the basis it is already there, should delivery require secondary treatemnt until we know more about it.

MR. HERZ: I am very apprehensive about anything that is going to make it possible to dump more rather than less polluting materials into the ocean, particularly some of the -- well, if the problems with the industrial portion can be handled so that heavy metals and hydrocarbons can be removed, that would take care of part of the problem.

The organic on the other hand may be possible to cope with those but the ones we see in the Bay, were it granted, is a much shallower environment. We still find heavy metals in pesticides, in the organisms and in be bottom sediment.

CHAIRMAN AGEE: Thank you very much.

Connie Parrish representing Friends of the Earth. Following Ms. Parrish we will move on to Donald Tillman, City of Los Angeles.

MS. PARRISH: My name is Connie Parrish, California representative of the Friends of the Earth. Thank you for this opportunity to comment on the proposed revisions of the grant program for construction of municipal sewage treatment facilities. Friends of the Earth is in firm support of EPA's efforts to maintain water quality.

We believe the action that comes out of today's hearing should reflect the agency's commitment to clean, unpolluted water. Keeping in mind the motivation behind consideration of new amendments -- the Office of Management and Budget -- we hope the goals of EPA will take precedence over the money-minded concerns of a finacially troubled Administration.

We have a few recommendations for each of the five areas of discussion:

1) A reduction of the Federal share of grant money is acceptable to Freinds of the Earth, if it is truly necessary and providing such a reduction of funds will not have a detrimental impact on the construction program. We feel that the option of granting up to 75 percent of the cost, though, should remain open to EPA administrators, for there surely will be areas of the country where the larger Federal share will legitimately be required.

2) Federal funds should be limited in all cases to facilities designed to meet present needs. Projects that are built for expected future population increases create an incentive for growth and urban sprawl. In the Seattle area, for example, sewers are planned to handle 40 times the present need. When EPA helps fund projects like this, which are far beyond the need of the existing community, the agency becomes an increment of growth (and its accompanying environmental impacts).

Economically, this limit makes sense, also. The money not granted can be used in other, more important Federal actions. The benefits accrued from using this money elsewhere should outweigh the claimed savings due to economies of scale in large plants. The benefits of not promoting growth, though less tangible, are nonetheless real. Land acquisition and plant design, however, should maintain an option for future expansion.

EPA should under no circumstances fund sewage treatment facilities in excess of present population needs in cities where transportation control strategies are required for the area to meet the standards of the Clean Air Act. It is proving difficult enough to implement these strategies aimed at coping with the air pollution generated by existing populations without providing further impetus for growth the air basin cannot handle.

3) Restricting the types of eligible grants to secondary and tertiary treatment plans sounds reasonable as it will not impinge upon the essential mandage of Public Law 92-500. Although interceptor sewers are necessarily included also, we would urge more careful consideration of small treatment planst as an alternative.

4) Recognizing the problems EPA faces in enforcing the 1977 deadline, we support alternative "3" as a solution. We believe the 1977 date should be complied with where possible, however EPA should be able to exercise case-by-case administrative discretion in granting extensions.

5) FOE has no objection to allowing the states to assume a greater role in managing the grants program, as long as the intent of the Act is not subverted.

In closing, a word of warning to EPA. This grant program is destined to become the biggest public works project in the world, larger than even the Highway Program. We must be wary of a "sewer lobby" forming, made up of trade unions, businessmen, and banks -- similar to the infamous Highway Lobby -- that may push us into building outsized facilities and plants in areas that have no need for them.

Thank you.

CHAIRMAN AGEE: Thank you very much. At this time I would like to call on Ernest Muller who is the Director of the Department of Environmental Conservation of the State of Alaska.. Is Mr. Muller here?

John A. Lambie representing Ventura Regional Sanitation District? Mr. Lambie, I am sorry I didn't give you some warning.

MR. LAMBIE: That's all right.

CHAIRMAN AGEE: Following Mr. Lambie's testimony I would like to call E. L. MacDonald, City of Richmond, California.

MR. LAMBIE: Mr. J. A. Lambie. I commend you on calling this hearing together. I think they should award you the Purple Heart for sitting here so long and being so patient.

The regional sanitation district that I work for is a special district embracing the entire county including the cities and special districts.

I work for a Board of twenty consisting of the Mayors of the cities, the Supervisors and we get all together and we have a jolly good time.

The purpose of our effort is to put together a regional system. We are second to be named to the 208 Agency and we are proud and have already moved into this because we are convinced that our plans must be consistent with our air, irrigation plan and our transportation plans. We have already had meetings with these groups and the planning organizations within Ventura County.

The most critical amendments, in following through your line of reasoning, in reducing Federal share, we believe that Ventura County, reduction would inhibit and delay the construction of required facilities. Further the matter of the State, then you heard Bill Daly earlier talk about that regarding their willingness to pick up the additional financial burden and there is a definite significance in all of the agencies with the county to raise any additional fund over and above what we are required to raise at this time.

The point was made in regard to if you reduced the Federal grant, will you obtain a greater accountability because you really only have twelve and a half percent, do you have less accountability?

I think that the State has done an excellent job in this area and believe me we have the accountability thing, are screened very well and as far as the State of Califronia is concerned, I don't think that that is a significant factor.

Would the reducing of the share have an impact on water quality because of inability of the agencies to carry the burden? I believe that's true. In limiting the financial -- that is number two -- in limiting the financing to projects which serve the needs of an existing population. Current practice does not lead to over-design because the State Water Resources Control Board now administers grants on an EO population increase only. Legislation change would not be necessary to eliminate problems with the current program. The State and EPA can eliminate some of these situations such as using the Department of Finance figures back in 1970 instead of the 1972 when we started moving on the program.

We have one example of the City of Port Hueneme whose population growth has reached the 1990 levels now. It is a rather small city, about 10,000 people, and built a large series of apartment houses on the ocean front. It is a locked-in city and can't grow anywhere else. They tore down some packing houses and built these condominiums but they are having to add additional money for their current flows.

The merits and demerits of prohibiting eleigibility for growth-related reserve capacity to ten years for treatment plants and twenty or twenty-five years for sewers would be substantial.

This could be sufficiently and effectively administered if the determinations had restricting elements in the plants or the sewers and not denying the construction of a facility which is proper.

Mr. Simmons mentioned the fact that you had the sewage treatment plants built as modules. These modules come in different sizes and if you took the one model, you may have ten more years of capacity beyond zero.

We believe you could have a small restriciing feature in the facility that would limit its capacity but which could allow design to be practical. You don't put in pipelines that are too small in diameter and by the time you finish them, fourteen-mile intersector or outfall, built with your own money above the zero range, then I think you could exercise restraint by restricting factors, one governed by our air quality and that is the capacity of that plant which would limit its capacity which could allow design to be practical as I had explained above.

In three, restricting the types of projects eligible for grant assistance different eligibility structure should have determination of the need for the particular services. All needed facilities cannot be built at once. The grant system should ideally seek to provide the greatest improvement in water quality. However we do not believe that the grant program should be extended into providing collector systems, storm water treatment plants, et cetera, because of the limitation of funds.

There is local incentive to undertake needed investment in certain tyeps of facilities. These local projects relate directly to a benefit to the land that they are serving. Petition districts and local funding methods through improvement acts could be used for this need. For extreme hardship cases, HUD does provide Federal assistance and this should continue.

In most cases there is adequate local financial capacity to undertake needed investment in certain types of facilities. There clearly isn't adequate local capacity to undertake further investment.

Four, extending the 1977 date for meeting water quality standards. To retain the 1970 date and enforce against violators I think is impractical because, you know, you have got State statute there and it should be enforced or it should be changed. I go along with the fourth one where you change the statutes by amendments to provide the administrator with the discretion but you don't want it to be fighting against the violation that's clear in the law.

Last, delegating a greater portion of the management of the construction grants program to the States. If it could possibly be delegated any more, I wouldn't know what more Paul could have done

because I think he's delegated all legally he can do. We deal with the State and EPA and through his office. Again mentioning the matter of ad valorum tax, and this is significant in our area.

We have all kinds within the cities and we have one city with ad valorum tax and other cities use mostly service charges and the rest of them sort of have a plan, depending on the character of the city.

I can take an argument on any one of the three things, but I can tell you that the ad valorum tax gives you an opportunity to spread the assessment and the costs of the operation on a much more equitable basis, especially in the areas of low-valuation homes versus high-valuation, and we get I think fair distribution.

In conclusion a resolution of the Regional District Board I have here which commends Congress for the progress being made for improving water qualtiy standards. However, the Board opposes the reduction of Federal share, the limiting of scope of the grant and restricting the types of projects and favors extending the 1977 date delegating more to the State and allowing the use of ad valorum taxes for operation and maintenance. Copies are attached.

CHAIRMAN AGEE: Thank you very much. Do you have any questions?

MR. RHETT: I am not sure really I quite understood what you said on the financial capability and capacity.

MR. LAMBIE: The financial capability of our cities is they are small and to carry on, as we are confronted with a small city of undertaking, is right now $30 million addition to the treatment plant which will be twelve and a half percent funded. If that were to go higher, it would be a real strain on us people to fund that additional share. It hits the small ones. The larger agencies have greater sources of revenue but the smaller cities, it is really critical.

MR. RHETT: The second one, didn't you say that as far as collector services go, that you felt these could probably be dropped out?

MR. LAMBIE: Yes. There are hardship cases here I filed for under the HUD program where the sewer connection would cost more than the assessed value of the property. I mean those are real hardship cases, but for a second home up in the mountains, I really don't go with that. I think that in individual cases where there is hardship and it is proved, it ought to be set aside and in another program and not competing with our treatment plant project and things like that.

MR. RHETT: All right.

CHAIRMAN AGEE: Mr. Lambie, thank you very much.

I would like to call now Mr. E. L. MacDonald representing the North Bay Water Advisory Council.

Following Mr. MacDonald I will call on Gordon Magnuson.

MR. MacDONALD: Mr. Chairman, my name is E. L. MacDonald. I am employed by the City of Richmond but I am here this afternoon to testify for the North Bay Water Advisory Council.

I have been directed by the Council to submit these comments to you:

The specific purpose of this organization is to provide a central agency through which local public corporations and private industries can cooperate for the purpose of improving water quality standards in the northern portion of San Francisco Bay. Furthermore, the organization will obtain and disseminate information and stimulate interest concerning water quality of the northern portion of San Francisco Bay and to cooperate with, be advisory to and consult with State and Federal bodies and agencies in seeking the most satisfactory interim and long-range solutions to the problems of maintaining and improving water quality in the northern portion of San Francisco Bay.

I wish to speak to three of the five areas described in your hearing notice.

Reduction of Federal Share

We strongly oppose reduction of the Federal share of project costs for a variety of reasons. Reduction of Federal funding without reduction of Federal requirements would place intolerable burdens on the already over-extended taxing ability of local agencies. Voters are consistently refusing to take on larger property tax loads. The Federal Government, on the other hand, has the greatest capability of funding the national pollution control program thoough withholding taxes.

Our citizens are also opposed to increased service charges. Therefore, we reiterate a request that has previously been made to Congress; that the law be amended to permit use of ad valorum taxes for maintenance and operation of wastewater facilities.

Of great concern to local agencies is EPA potential for enforcement. If Federal funds were reduced, communities could be forced to reduce other necessary services, e.g. fire and police protection. To prevent such a disaster, we recommend an amendment which would prohibit enforcement whenever Federal funds are not provided.

Also of concern is the possibility that the entire grant program will be prematurely abandoned, just as general revenue sharing threatens to be. We recommend that Congress be asked to commit itself for at least a ten-year period. This would allow for a more reasonable scheduling of our programs.

Extending the 1977 date for Meeting Water Quality Standards.

There has never been sound justification for the 1977, 1983 or 1985 dates in the Act. Therefore, they should all be deleted. Dates should be established at administrative levels where they can be matched to local conditions. They should not be incorporated into a law, as they have in PL 92-500, causing both the Federal Government and local agencies to be in violation of them.

The 1977 deadline will be met by very few communities in the Bay Area. In most instances, Federal and State planning requirements will prevent compliance. Industry is making an extraordinary effort to comply with the 1977 deadline. It is inequitable to make industry comply with a date that adjacent communities cannot meet.

There is insufficient information to support the timing of the 1983 deadline. The treatment requirements would be far more cost-effective if they were directly related to the receiving water quality necessary to protect beneficial uses.

The 1985 date for elimination of discharge of pollutants is both unwarranted and confusing. This objective is open to interpretation. If it is kept in the Act, a more precise definition of what it means should be included. However, our preference is to delete it.

Delegating a Greater Portion of the Management of the Grants Program to the States

We strongly support full delegation of the entire program to California. This delegation should include grants, environmental impact, permits and enforcement. The State has a 25-year history of pollution control which has placed California well ahead of the rest of the nation. It is unsound government to overlay a monolithic Federal program on the State. The same requirement which brings compliance in a less advanced state often brings over-reaction by California agencies. This governmental overlay gives local communities two masters who do not always coordinate their instructions. We see Federal intervention delaying our wastewater management programs. Full delegation to California would speed up the program and make it more cost-effective.

This concludes the comments of the North Bay Water Advisory Council, Mr. Chairman.

CHAIRMAN AGEE: Thank you very much. Paul, Jack, do you have any questions?

MR. RHETT: No.

MR. DE FALCO: No.

CHAIRMAN AGEE: I will call now Gordon Magnuson representing the Monterey Peninsula Water Pollution Control Agency.

Following Mr. Magnuson's presention I will be calling on Jack Port.

MR. MAGNUSON: Mr. Chairman, Members of the Panel, Ladies and Gentlemen:

My name is Gordon Magnuson with Engineering Science, Incorporated. I have been requested by the Monterey Peninsula Water Pollution Control Agency to transmit a position taken by their Board of Directors at a recent meeting to be read into the records of your hearing.

The Board of Directors of the Monterey Peninsula Water Pollution Control Agency, the joint appointive agency formed a plant and control to operate a regional wastewater treatment systema nd is generally opposed to the proposed legislative amendment to the Federal Pollution Water Control Act promulgated by the Environmental Protection Agency on April 25, 1975.

The Board convenants entered into good faith must be honored.

Construction of a regional wastewater treatment system was in effect mandated by the EPA and the anticipated cost of the communities is considerable, even under the present 75 percent Federal share agreement.

The application of that agreement by reduction of Federal share would involve an additional financial burden on the member municipalities which might well jeopardize the existence of our agency.

As to the specific amendments proposed for consideration by the EPA, our agency comments as follows: Number one, reduction in the Federal share. It is estimated that EPA facilities of planning and project guideline reports have added 20 to 30 percent project planning costs. Delays in construction of various phases of our project vary from one to four years, occasioned primarily by EPA regulations increasing construction costs by an estimated 10 to 40 percent due to inflationary factors. Costs to the taxpayer for wastewater and disposal will increase 60 to 100 percent due to EPA discharge standards and requirements for regionalization even under the present Federal 75 percent share of capital costs.

Number two, limiting Federal financing to current population. Such action will increase construction costs to the local taxpayer. No municipal government can afford to build wastewater treatment plants without provision for normal growth.

Number three, restricting type projects eligible. Our agency agrees this proposal might result in overall reduction costs. If regionalization and reclamation and re-use are mandated without adequate justification, construction, energy costs incurred may outweigh any dubious environemntal advantage or economies of scale and operation and maintenance requirements for the storm water runoff would effect major savings.

Number four, extending the 1970 date for mean water quality standards. The date for meeting the water quality standards will have to be extended. It is obviously impossible to meet the 1977 date in many localities. However, it is mentioned the date will not reduce the final cost to the Federal Government.

Item number five, delegating a greater portion of the management construction grants program to the State. This is the alternative proposed which could conceivably reduce costs of the program. Single-level Government approval would hopefully reduce planning and cost by expediting project completion. This alternative would be most effective if the States were given authority to modify discharge standards to suit local conditions and circumstances.

I realize in California now we do have the program operating, the State does have the authority. However the item regarding authority to modify discharge standard is something we have not had.

In summary our agency is heartily in favor of reducing the overall cost of the program mandated by the FWPCA and believes revision to the Act with regard to discharge standards to permit basing treatment standards on local conditions would provide such a reduction.

Revision of arbitrary numerical effluent limits and relating treatment standards to equitable public health purposes would satisfy the basis intent of the Act and reduce the overall cost of the program.

The emphasis of the regionalization and reclamation and re-use to those specific instances in which there is an obvious economic or environmental advantage would further reduce program costs.

Gentlemen, that concludes the comments which I have to offer for the Monteray Peninsula Pollution Control Agency. If there are any questions, I will attempt to answer them. However, I am speaking on their behalf and I am not sure of all of their situations that might need comment.

CHAIRMAN AGEE: Let me ask you a question. I don't think we asked it today yet. What is your impression? Do cities generally have city funds or other financing arrangements so they incur sufficient revenue for replacement of some of the newer facilities, ultimately replacing twenty, twenty-five years?

MR. MAGNUSON: I am not sure that many cities have really come to grips with this situation. I think they are more concerned with the day-to-day at hand problem, the current one facing them and I believe they are not making adequate probably to do this.

I concede this is a program which undoubtedly should be taken.

CHAIRMAN AGEE: I think it is obvious. I was just wondering what the Federal Government evidence will get out of supporting construction of municipal treatment plants and this is one of the questions we have to face as a nation and certainly the Administration and Congress ultimately is when will the Federal Grant Program in this area be stopped.

MR. MAGNUSON: Because obviously the problem, however temporary it may be, is going to continue at some slower pace in the future.

CHAIRMAN AGEE: Paul or Jack, do you have any questions?

MR. DE FALCO: No.

MR. RHETT: No.

CHAIRMAN AGEE: Thank you very much. I would like to call Jack Port representing Contra Costa County.

MR. PORT: For the record my name is Jack Port. I serve as Assistant Public Works Director, Environmental Control in Contra Costa Public Works Department.

I am submitting this statement on behalf of the Board of Supervisors of our county.

I have a short statement I would like to read into the record.

Rather than speaking today on these specific issues that are the subject of this hearing, I will make a few general comments and submit a more detailed statement prior to July, 1975.

We have been in close contact with Congressman George Miller and he agrees with us that administration of the Federal Water Pollution Control Act (Federal Act) should be more strongly directed toward meeting its goal rather than concerning itself with peripheral issues that have delayed construction of water pollution control facilities.

I understand that he will also be submitting a prepared statement in support of this position before July 7, 1975.

Contra Costa County's trip through the maze of bureaucratic red tape in an effort towards obtaining Federal and State financing of water pollution control facilities has resulted in much frustration on the part of the people in our county. More importantly, progress has not been made towards meeting the goals and policies of the Federal Act. We find that emphasis at both the Federal and State levels has been placed on reclamation and consolidation at the expense of cleaning up our waters. In Contra Costa County, we have spent thousands of dollars on planning efforts designed to consolidated, regionalize, subregionalize, and reclaim, and all we have gotten in return is postponement, rising construction costs, and an almost total absence of knowing in what direction to take in solving our water pollution control problems.

Contra Costa County's amazing trip through the bureaucratic jungle started in late 1966. At that time, Kaiser Engineers were retained by the State of California for the purpose of preparing a comprehensive report on solving the water pollution problems of the San Francisco Bay Area and the Sacramento-San Joaquin Delta Area. As one of the nine Bay Area counties, our County was included in the study. Some $3 million was spent in conducting the Bay-Delta Water Quality Control Program ("Kaiser Report") was submitted to the California Legislature in June, 1969.

This is not the time nor the place to go into the details of the findings of the study except to say that as far as Contra Costa County is concerned the recommended construction of a regional facility located in the westerly portion of the County would receive all sewage emanating from our County for treatment and eventually discharged to Central San Francisco Bay. I would also add that the Bay Area was in almost complete unanimity in rejecting the proposed water pollution control facilities.

A special note: The Kaiser Report includes a "Proposed Schedule for Implementation of the Recommended Plan" indicating that by July, 1975, i.e. next month, construction bids would be received on Phase One. The first series of bonds would be sold and additional bonds sold as required to meet land acquisition costs for progress payments. Needless to say, this optimistic projection has not materialized. Far from it. The only facility in Contra Costa County, which could in any way be construed as being at least a subregional facility, is the 40-50 million dollar plant being constructed in Pacheco, with Federal and State grant monies, under the jurisdiction of the Central Contra Costa Sanitary District. The construction of this facility, as far as we are concerned, almost completely obviates the planning concepts for our County as set out in the "Kaiser Report."

Since the issuance of the Kaiser Report, two other studies have been undertaken in Contra Costa County at the cost of some $165,000 of which $30,000 represented Federal monies contributed by the State of California. At the present time, three separate studies on sub-regional water pollution control systems are underway in the county amounting to over $500,000.

What I want to point to here is the fact that wastewater management planning in Contra Costa County started as early as 1966 and might come to completion by 1976. Yet, I want to say for the record, past actions of the Federal and State Governments give rise to the uncomfortable feeling that we are not through yet. The planning process has led to no real solutions to which we can hang our hats on, either from an engineering standpoint or from an environemntal standpoint.

Nevertheless, with all this uncertainty hanging in the air, it is our experience that the Environemntal Portection Agency issuing funds made available under the Federal Act for the construction of water control pollution facilities as a lever in obtaining information, studies, and data on their concerns which are not directly related to the elimination of water pollution. For example, the EPA is requiring, in both our West County Study and our East County Study, an assessment of impact proposed projects on air quality, transportation, land use planning, and growth inducement.

In closing, I would like to speak to just one issue which is the subject of this hearing, "Restricitng the Types of Projects Eligible for Grant Assistance."

In view of the fact that the express purpose of the Federal Act is the cleaning up of the nation's water, I would agree that new legislation should be concerned with types of projects eligible for grant assistance. It would appear logical to me that as an initial step, municipal and industrial waste discharges be required to upgrade treatment to the secondary level with the understanding that a higher degree of future treatment is in the offing. This would serve a dual purpose:

1. It would meet the specific objections of the Federal Act.

2. Provide the "interim" period needed to arrive at intelligent decisions, not only on water pollution control, but also on our overall environment.

It also seems very important to me that we recognize that we have spent millions of dollars on planning toward implementing an ideal goal, and yet the answers are not forthcoming. As I have stated earlier, we in Contra Costa County have found that our planning efforts, on which we have spent thousands of dollars, have yet to come up with a clear-cut solution. It appears to us that the best use

of our monies (Federal, State, etc.) would be almost total investment in secondary facilities, which we will point out under Issue No. 1 in our detailed statement. This would reduce the Federal share and concomitantly the local share of, what are in reality, interim facilities.

Finally, progress towards the realization of water pollution control facilities which are needed and construction of which is the real purpose of the Federal Act is not occuring. We would agree that a master comprehensive plan, taking into account all the environmental factors that the EPA wants to be examined, is an exemplary concept. But in so doing, it is our contention that the intent of the Federal Act is being violated. The planning process on these concepts has gone on for a number of years without producing definitive results. This leads us to the conclusion that we are not ready at this stage of the game to enter into consolidation or reclamation in California as optimistically hoped for. We would therefore suggest that the Environmental Protection Agency and the State of California take a more realistic approach to the water pollution control problems.

CHAIRMAN AGEE: Mr. Port, thank you very much.

Paul, John, do you have a question?

MR. DE FALCO: No.

MR. RHETT: No.

CHAIRMAN AGEE: Thank you, sir.

Mr. Arnold Joens, representing the City of Salinas. Following his presentation we will call on Jack Beaver.

MR. JOENS: Thank you for the opportunity to appear before you here today. I am the City Engineer, Public Works Director for the City of Salinas, which is the county seat of Monterey County.

Mr. Magnuson represented the Monterey Pollution Control Agency, Monterey County Water Pollution Control Association of which Salinas is one of the major members.

I want to make two points before the Committee this afternoon. One of these is concerning the Federal share in the grants. I feel that the Federal Government should maintain its 75 percent level for several reasons. One of these is because the standards of discharge have really been set by the Federal Government and some of these discharge requirements seem unnecessarily high. Several of the speakers today related to that same point. We feel that these discharge standards might be adjusted to meet the requirement to maintain the quality of the receiving waters rather than having a fixed level.

As demonstrated by the revenue-sharing program that's currently in effect, not all of the red tape is required in a Federal program. We are receiving those funds with a minimum involvement and the program is working out well. But when it comes to the Clean Water Act, we seem to be getting to all sorts of peripheral requirements that might be reviewed in reconsidering this legislation.

No one at the Federal level seems to want to assume responsibility for some of the things that have been tied onto the tail of this program and it is hard for those of us at the local level to really find someone who is willing to consider changing them. In our particular program the planning was going along well, then we had to backgrack into a 208 back-planning program without which we wouldn't be able to go ahead with our other one.

So we would urge that the Federal staff review whether all of these requirements are really necessary to get on with the purpose of cleaning up the waters in the country. We strongly endorse the delegation of authority to the State level. We feel that Federal involvement is somewhat of a duplication and that some of this red tape I referred to might be cut down by giving the State more authority.

We don't endorse the concept that the people are more qualified to judge on some of these matters at the Federal level than at the State level and we think they will get just as good a job done at the lower level.

I have submitted a statement on these points to the secretary.

CHAIRMAN AGEE: Thank you. We will be pleased to have you.

Any questions of this witness?

MR. DE FALCO: No.

MR. RHETT: No.

CHAIRMAN AGEE: Thank you very much.

Mr. Jack Beaver. Following Mr. Beaver I will be calling on Edward Bohn representing the Planning Conservation.

MR. BEAVER: Mr. Agee, Mr. Rhett, Mr. De Falco. It is always a pleasure to appear before you as I have on so many occasions both formally and informally.

My name is Jack Beaver. I am a member of the President's Advisory Board on National Water Pollution Problems and his advisors to EPA.

At the outset let me say I was a bit stunned at the rapidity with which this hearing was presented. I am moved to observe that from my experience on the National Board and my prior exposure to your activities that much of the purpose of this hearing has been stimulated by the Office of Management and Budget in the Executive Branch of Government.

I also am painfully aware of the fact that we have sitting in the audience a member of the Commission on Water Quality Control Agency that was created by Federal statute to minitor and review and comment and critically analyze the effect of Public Law 92-500 and like an earlier speaker, I am a bit confused as to the timing of your hearing, although I recognize that you gentlemen here had perhaps very little personal input into that selection of timing for your hearing.

Speaking primarily to your five issues as presented in the paper, those brief papers as published in the Federal Register, I think it is almost begging the question to write a paper which wants to inquire into whether or not the Federal share of these programs should be reduced.

In a quick and perhaps facetious phrase, I have never yet heard of any American wanting to shoot Santa Claus so I don't think that your four hearings will produce much in the way of substantive testimony which indicate to the OMB or anyone else that we don't want some money back that we have been sending to you under great pain for many years.

Now, the second item of significance to limit the Federal funding of reserve capacity to serve the projected growth rate. You know sometimes Congress in writing a bill does it very much like the drafting of the Ten Commandments and there are more do nots than thre are dos.

I think any notion that Public Law 92-500 is going to have any impact on the growth rate of the United States is purely wishful thinking. I think that issue is being settled by the pharmaceutical houses thoughout the United States.

With respect to your first paper, with reference to restricting the types of projects eligible for grant assistance, in my experience I think that whole subject needs to be more exhaustively inquired into and any of the others listed in your issues to be discussed.

I do not believe that the six categories listed necessarily are illustrative of all those that should be considered.

With respect to Paper No. 4, outlining some remarks and observations concerning the extension of the 1977 date for publicly-owned pretreatment work to meet water quality standards, I think the impact, Mr. Agee, on publicly-owned agencies is far more severe than it is on non-publicly-owned utilities.

The reason I say that is that if the Federal Government would ultimately take a look at the available credit that is left for local government to obtain capital for all sorts of public worthwhile purposes, they would realize that the well is about dry.

If the Federal Government and your committee and the EPA would do some research into the financial resources remaining to local government, not only in California but in all of our fifty states, I think they would see that the curve of the cost of capital money to the local taxpayers is on a very-highly accelerated rate of claim and that even triple-A bonds of the largest agencies, public agencies throughout the nation now are nudging seven percent. That is a burden which the local taxpayer can almost not bear since the cost of his money doubled approximately every 11 years.

Now, with respect to Paper No. 5, delegating a greater portion of the management of the construciton grants program to the states, I think you will recall one of the most stringent arguments that we presented to you in our advisory paper of last July after the hearings conducted in Seattle in which we urged the EPA and the Congress and the Administration to do everything within their power to adjust the language of the bill and the concommitant administrative regulations to permit the maximization of local management of the construction grant program.

I underscore that because that was the most oft repeated statement in the public hearings that we held throughout the United States. Two things are fallout of the remarks we heard. One was that the local governmetns, and I include in those not only minor political subdividions, cities, counties and so on, but I include state agencies, consistently testified that they felt the fact they they were not given enough control over the management of the construction grant program was not only an insult to local intelligence but that they had to abandon common sense to the holy waters of the Potomac and I think they had a splendid point.

To follow up a bit more, I don't think you have asked all the right questions and I suppose you are asking me questions as they were published in the Register, being of the fact that they were perhaps not altered by yourselves. But by the OMD, if that is true, I would add a couple of other questions just for the record: It has been said here today, and I have sat through most of your hearings since early on this morning, there is considerable concern about the local application of effluent guidelines.

The second most important volume of testimony heard by the President's Advisory Board during its hearings was that this was the most complicated and irrational part of the Act and was the most difficult to understand. We recommended then, and on behalf of the

report signed by all our Committee, I again recommend as their spokesman that immediate consideration be given to allowing increased flexibility in meeting these local environmental needs simply because all the situations are not the same.

This is particularly true in coastal areas such as where you are, where our ocean outfall problems are different in the Bay Area, they are different than the Los Angeles Coastal Plain, they are different in Seattle and they are most certainly different than the mouth of the Columbia.

I think I should reiterate that what I am really saying is that the repetition of what was said so frequently in the Northwest, Mr. Agee, I am sure you are familiar with that, having spent a good part of your professional career in that area, that most of the pollution concerning water, at least in that part of the world, stems in silver culture nad not from man-made ways. So you have a problem that is far more complicated than simply the construction grant program.

There is a third point that came up and I think some of you were attendant when we discussed these matters and that was that the Commission found great disapointment in the amount of money that was being provided and the amount of leadership that was being provided by EPA on questions of R&D.

I don't know what the current situation is, but if the question raised in the Federal Register is any indication, I would assume not a great deal of progress has been made there.

Finally let me commend you for coming out here. I understand you have one more hearing in Washington. I would assume at that time almost all that has been said before will be repeated, but I presume that in the atmosphere of that non-state state of our Government, that the words will be emblazoned upon your record even more firmly. I may even attempt to appear there before you again.

Thank you good friends and keep up your work. I think you are entitled to a seventh inning stretch.

CHAIRMAN AGEE: Thank you, Mr. Beaver, very much. Mr. Edward Bohn.

MR. BOHN: I am representing the Planning and Conservation League based in Sacramento and the person who was going to be here, Bill Press, who is the Executive Director fo the League, couldn't attend and I am acting in his place.

The notes are my own and I don't have a prepared statement to give to you at this time. Perhaps later I will submit one.

I would like to go right into the papers.

In the beginning -- the first paper concerning the Federal share, I would think as a previous speaker mentioned, that no one wants to see the Federal share reduced. I would like to see it maintained at 75 percent, one of the reasons being that it is evidence that both local and State Governments are having as much trouble as the Federal Government and I think many layers of government will have to share the burden of paying for the treatment plant.

Paper No. 2 concerning the reserve capacity, I think this should be consistent with the California Water Resources Control Board guidelines and regulations, esepcially for the EEO projections for critical areas and perhaps in those regions selected by an agency such as the Coastal Commissions who are selecting areas to certain degrees of growth and I think reserve capacities should be consistent with those guidelines.

Again this points out need for paying both on Federal and State level and I think once we have that, certainly these factors would be easier to resolve.

The third paper, restricting types of eligible projects, again as some of the speakers have mentioned earlier, the State Water Resources Control has a priority list. I think it seems to be doing a good job and I think it should continue. Again, before I go on, these statements are directed to California in particular, and I realize other states have their quality programs that are different in certain degrees. So bear with me for California.

The fourth paper concerning various alternatives and changing the 1977 deadline, personally I am not satisfied with any of the alternatives.

Number 4 does appear to be the most favorable. However, perhaps some other alternatives can be searched for before the deadline or even later.

The fifth alternative in that appears to be the least favorable and in fact seems to be kind of repugnant since if flies in the face of the objectives of the Federal Act and as mentioned in the guidelines and in the Federal Register, Alternative 5 says it could possibly jeopardize the entire MPDS Program and also that water quality standards would be violated unless new regulations were written providing for some sort of exception.

In sum, I don't think that these water quality standards should be changed and I think they should stand as they are now.

The fifth paper, delegation to the State, the Water Resources Control Board seems to be doing an excellent job in solving some of the water quality problems. EPA has recognized this and will probably continue to do so. I also urge that EPA stay and closely monitor the State Board's activity. I think it would be kind of a safeguard mechanism, especially for enforcement activities. There are a few concerns that have been mentioned by Mr. Beaver, the speaker just before me, and Mr. Herz of the Oceanic Society. Two of these concerns, the lack of participation by the National Commission of Water Quality, the Planning Conservation League, is a member of the Advisory Board working with the National Commission on regional study for the San Francisco and Sacramento study and EPA people have attended these meetings and we would have liked to have seen a combined meeting with both EPA and NCWQ personnel and unfortunately this hasn't occurred and I think this is a weakness on the hearing. But again, as mentioned by the previous speaker, perhaps this is not your fault, unfortunately.

Another concern has been the lack of participation of several groups I have in mind here. Offhand I was thinking of groups in Sonoma and Marin Counties who, for the last few years, have been concerned about growth-inducement impact from sewage treatment plants.

Unfortunately they aren't here as well as some other people and I think you would have had perhaps a different perspective than the one you are receiving today because the views here today are from the small minority of business, labor, industrial organizations who have the time to come here.

Again, I am not sure why these groups aren't here. I have certain theories, one of them being that the publicity didn't appear to be very good for this meeting. I found out only through EPA's mailing list, I know some groups aren't on that mailing list. Other problems may be lack of funding, which we have urged throughout the whole process working with the Federal Act.

We have tried to obtain as much funds as possible for participation. We have received refunds from the EPA on a limited scale and we are thankful for that and hope to see some more participation by the general common citizen.

I think it would help in this program and perhaps resolve some of your problems.

In summary, I would just like to say that the Federal Act of 1972 is now received as a landmark law and I don't think the standards should be changed but in fact may be even enforced due to future lawsuits.

In respect to the costs that we will have to pay, there is no way we can get around that and the costs will undoubtedly increase as time passes.

I think we all have the burden to share and I think that more hearings on these proposed papers would contribute to a more accurate portrayal of what is going on in California and the rest of the country.

Thank you very much.

CHAIRMAN AGEE: Thank you.

That exhausts the cards that I have for the people that have indicated they want to testify. Have I overlooked anyone who didn't fill out a card that wants to testify or is anybody present in the audience that would like to testify at this time?

MR. GADD: Mr. Chairman, I testified. I would like to ask one question if I might.

CHAIRMAN AGEE: Go ahead.

MR. GADD: Once again my name is Peter Gadd. I have a question that shouldn't take a minute.

In the Paper No. 1, Statement of Issue, this paper deals with the issue of whether PL 92-500 should be amended to reduce the Federal share for construction grants from the current level fo 75 percent to a level as low as 55 percent.

75 percent of 350 billion is about 260 billion and the Office of Management and Budget has objected to this, I understand.

55 percent of 350 billion equals approximately 190 billion.

My question is this: Does the EPA have a firm commitment from the Office of Management of the Budget that they will agree to the 55 percent allocation of Federal funding in the amount of $190 billion for this program?

CHAIRMAN AGEE: No.

MR. GADD: Thank you, sir. I just wanted to know.

CHAIRMAN AGEE: Let me say this; OMB is kind of taking it on the chin today and I have escaped a lot of criticism by a lot of you thinking a lot of the arrangements might have been passed on. I can take full credit for this hearing, so I can't pass this on to somebody else. But we are very appreciative of the testimony that you people have given us today and the patience you people have exhibited here.

I do have at least one more individual that would like to testify and we will get it in just a moment. We want your guidance and counsel. As I said earlier this mroning, we do not have preconceived

ideas on any of these issues. They are still wide open in our agency and what we can do administratively we will do administratively.

If it appears there should be initiated legal action, we will request the Administration to do so.

We do have one additional individual that would like to testify. Mr. Jerry Raker representing the Territory of Guam.

MR. BAKER: Thank you. I have a very brief statement. I am Jerry Raker representing Guam Environmental Protection Agency.

We oppose the reduction in Federal share construction grants and restrictions in types of projects for grants. On Guam our structure is weak and reduction in the grant assistance would have serious impact on our ability to achieve island water quality goals.

In addition, in the future some of our most serious water quality problems will be to control indoor treatment of urban storm water. Both the uses of our marine waters and our drinking water supplies are threatened by the excessive silt, heavy metals and other pollutants found in our storm water.

Lastly, although it is not an agenda item, I want to reiterate our position on the provision of secondary treatment in the Pacific Island.

We feel the Administrator of the EPA, Federal EPA, should be given the discretion to waive on a case by case basis secondary treatment required, improvement, that the primary treated waste will not adversely effect the deisgnated uses. Thank you.

CHAIRMAN AGEE: Thank you. I would like to call at this time Mr. Donald Tillman representing the City of Los Angeles.

MR. TILLMAN: Thank you. I am sorry I am late. I will try to make it as fast as I can and sum it up for you. I appreciate this opportunity to represent the City of Los Angeles' viewpoint as expressed recently in a City Council action. I have turned the Council Resolution in. I would add to it that besides these five papers that we hope that there will be other hearings on this to look at other areas wherein we have concern. There is no time to go into it, but I think the Congressional staff report covers other subjects and it would be well in the future to look at these.

As to the five items, the Council went over them and I will just summarize it for you.

The reduction of the grant would be a serious blow to us in Los Angeles, that is the Federal grant. We must have that support in order to do the job.

Our program to meet the requirements of the law is expected to be $400 million and we are dependent upon $200 million in grants to the City of Los Angeles. So you can see any reduction, even 10 percent reduction, would mean $34 million for us to find and this is very difficult.

You have probably heard this story previously today, of local finances , budget balancing, extremely difficult on the home front.

The second point is that relative to the size of reserve capacity as a means of control growth. This is a real problem and we think that a cost-effective approach, that is reserve capacity should be allowed where it is warranted. I think you have to custom design for each geographic area and what is needed I believe is a 20-year period being desirable to look at and the matter of treatment plants for example, it should be designed on the area served by that plant rather than region.

The reason I am saying this is that there is 454 square miles. Within those city boundaries, you have movement of population, condominium living, high-rise intensity along Wilshire Boulevard or changes in the San Fernando Valley. I think you have the whole system rather than the specific area to be served by that plan. If through any future error we try to control population, you may miss the point of the City's rearrangement of land use and those values are placed on our planning efforts of the future.

So just limiting size is not a way to control population necessarily.

The third point is that we think that all the types of projects you now have should be eligible for funds, that we think you have a control by the priority order of the Fund, that is put a cutoff point and that is it. So we think that all these things are necessary.

I don't think any agency wants to be left out of it.

Just by realizing the problem of spreading the funds but we think priorities would be a way to do that, to get the most for what dollars are available.

Finally on the 1977 date, that is the fourth item on which we have a comment, we think that the impoundment of the Federal funds did produce a delay and I think that all of us of this nation were victimized by that as far as proper scheduling of funds, timing, what you'd do, so we think that the Regional Administrator is the one that would handle this on a case-by-case basis, that that line should be extended where he finds it is justified to do so.

As in the fifth point, delegating to the states a greater portion of the management, we think to a large degree this has already been done in California and in Los Angeles we certainly have.

That, gentlemen, is the action of the Los Angeles City Council and Board of Public Works and I would end by repeating that we appreciate the opportunity always in this buisness for the hearing that you are allowing.

CHAIRMAN AGEE: Mr. Tillman, thank you very much.

Would you like to testify?

MR. KORETSKY: I would like to ask a question, sir.

CHAIRMAN AGEE: Yes. Would you come up and ask it, please. Give us your name.

MR. KORETSKY: My name is Sanford Koretsky, member of a consulting engineering firm that is engated in Clean Water Act projects and related projects and it is a procedural question.

I have heard today with great interest very many stimulating comments and very many different comments and there were also some suggestions about perhaps holding either additional hearings or having further inquiries on this very important subject.

My question relates to what you intend to do with this massive input and whether any of us out here will get some feedback so that we can get a broader picture, perhaps more insight and perhaps some new ideas as to which way the thing ought to go before a very critical change is in fact made.

CHAIRMAN AGEE: Yes. That is a very good question. It is a good one for us to get to before we terminate this hearing here.

We will take this data and information and we are obviously very interested in getting your testimony on the five points or the five items that we laid out. Normally this kind of hearing is not conducted by an agency such as EPA, but in this particular case all of these items are directly related to budgetary matters, budgets and other features and the construction grant programs, so it is of vital interest to the Administration.

The EPA, OMB, both are very concerned about the levels of funding and this is not a legislative action or hearing that we are undertaking, but, as I said in my opening statement today, after reviewing the testimony, getting your views, the views of other people around the country, we may make the decision for the Administrator to go forward with a recommended legislative change to the Congress. If we do that, we will

prepare the necessary environmental impact statements that accompany such. However we may make the decision we do not want to make the recommendation to the Congress on legislative changes. The Congress are in session now obviously. The House Public Works Committee has been looking at potential legislative amendments. Some of the matters that we have been talking about here today have been under active consideration.

We will also see a report, the recommendations of the National Water Quality Commission. I believe the legislative date for them to submit that report to the Congress is October of this calendar year.

The staff report apparently will be done by tha time, whether the Commission itself will have a chance to give their stamp of approval after their review, we will just have to wait and see. But the study of the Commission is fairly well on schedule. So Congress is going to have an awful lot of input from the National Water Quality Control Commission from their own hearings, from the recommendations that the Administration may give them for fundamental changes or consideration of changes in the Water Pollution Control Act.

We particularly value this kind of testimony and discussion of our programs because there are a lot of things we can still do from an administrative sense with the agency and I think we can take this where we see the general support for an action or inaction by EPA and we can handle it in an administrative way. We want to give due consideration to this, too.

We did advertise this hearing in the Federal Register to go to four o'clock. It is about 3:15 now, but I think we will go ahead and recess this hearing and essentially it will be over right now but we will stay here until four o'clock in case anybody else wants to come in.

I would like to alert everybody to the fact that the hearing record will officially be open and we will take written comment any time up until July 7th, and I would encourage you, any of you that would like to provide additional testimony, if you don't today, to submit those to us.

The last hearing will be next week, June 25 in Washington, D.C.

So with that, I will recess this hearing and will officially adjourn at 4:00 o'clock this afternoon.

(Recess taken.)

CHAIRMAN AGEE: It now being 4:00 o'clock and no other persons having come forward, this hearing is now adjourned.

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WASHINGTON, D.C.

ENVIRONMENTAL PROTECTION AGENCY

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PUBLIC HEARINGS ON POSSIBLE ADMINISTRATION PROPOSALS TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, RELATING TO MUNICIPAL WASTE TREATMENT GRANTS. :

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June 25, 1975

Civil Service Commission
Auditorium
19th and E Street, N. W.
Washington, D. C.

The above-described hearing was held, pursuant to notice, on June 25, 1975 at 9:00 A.M.

BEFORE:

JOHN R. QUARLES, Deputy Administrator, EPA

JAMES L. AGEE, Assistant Administrator for Water and Hazardous Materials

ALVIN L. ALM, Assistant Administrator for Planning and Management

GERALD M. HANSLER, Regional Administrator, EPA, New York

JOHN T. RHETT, Deputy Assistant Administrator for Water Program Operations

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P R O C E E D I N G S

CHAIRMAN QUARLES: Good morning ladies and gentlemen. I appreciate your coming here today to present your views on possible administration proposals to amend the Federal Water Pollution Control Act Amendments of 1972.

This is the fourth and final of a series of public hearings that are being held across the country in this month of June. The first was held in Atlanta, Georgia on the 9th; the second in Kansas City, Missouri on June 17th; and the third in San Francisco on June 19th.

I would like to start off by taking a few minutes to put the issue into some perspective. The 1972 amendments as you know authorized an $18 billion construction grant program, and the law provided that all municipal waste treatment facilities should be equipped with secondary treatment facilities, not later than 1977 together with any further facilities required to achieve compliance with the water quality standards.

They have provided for the Federal funds to be granted to municipalities at a rate of 75 per cent Federal funding. That meant that the $18 billion would support $24 billion in total eligible costs.

Now, many of you were very much involved and interested at the time when those laws were enacted, and will remember that at that time, while there was a good deal of controversy over the total needs to be met by Federal funds, the general ball park estimate was in the range of about $20 billion or thereabouts.

The general expectation was that the funds provided by the 1972 Act would be sufficient to get the job done. The role of EPA is, of course, the role of being in the middle, sometimes in the middle, between the hopes and dreams of the public to get the job done, and the hard realities of running the program.

The purpose of these hearings is to focus upon some of the hard questions which we feel, on the basis of our experience in attempting to operate this program, must be faced and to put the program onto a sound basis for the future.

One of the hard questions relates to the future of funding and where we are headed in terms of providing for the continuation of the grant program over the long run.

Subsequent to enactment of the initial statute a second need survey was conducted and came in with the figure of about $60 billion, and then after that another need survey a year ago came in with a figure of $350 billion. These tremendous increases in the estimated needs arose principally from two sources. One was the expansion of the work required to meet the standards in response to the 1972 Act requirements for installing secondary treatment everywhere and tightening up on the

water quality standards.

The second feature of the expansion was, the expansion in the eligible projects to be covered by eligible funds.

So, as a consequence of those two features and the recalculation of estimated needs, we are now facing a situation where, very clearly, the $18 billion is only going to start us down the road towards finishing what we are looking at as the total job, and we need to look well beyond that and develop a basis to fund the program in the future.

The magnitude of these total needs is well beyond the capability of the Federal budget to fund with 75 percent Federal grants in any reasonable time. I think we all need to recognize that.

We probably, also in that context, can and should recognize that this program of building sewage treatment facilities and related facilities, is and will be the largest public works program in the country, and I will estimate it will be the largest public works program in the country for the next decade or two.

I want to emphasize that these hearings are going to relate to changes that will be made in any future funding Congress will make available after the $18 billion, which has already been allocated among the states. In other words, we are not talking about anything that will interfere with or change the ground rules insofar as the first $18 billion is concerned, but what we are doing is trying to look ahead to consider what the future should be after that.

I might say a word on our understanding of the role of EPA on this. Obviously, the decisions will be made by Congress. These are not legislative hearings in the sense that Congress conducts legislative hearings. They are an effort on our part to bring together the interested groups who specifically are concerned with this program and talk out with you in a formal way and in a form that is open to the general public, what these problems are so we can have a better understanding of your views as we at EPA attempt to develop a position that would be one of the recommendations to be submitted to Congress.

These hearings were announced on May 2, 1975 in the Federal Register, and the purpose of the hearings was described in more detail in background papers which were published in the Federal Register on May 28, 1975.

These background papers are available at the registration desk today, if anyone desires additional copies.

The background papers are presented with the intent and will assist in focusing dicussion at the hearing. They do not cover all possible alternatives, and they are not meant to confine discussion, nor do they indicate any predetermined course of action selected by EPA.

The point of the papers is to provide discussions and guide it in areas which we feel will focus on areas that should be explored.

There are five specific issues that are identified in those hearings and I am going to run through those, and outline each of them briefly.

The first issue is, should the Federal share for funding construction grants be reduced from the current level of 75 percent to a level that might be as low as 55 percent?

The objectives of this type of a change would be twofold. One would be to limit -- To provide the limited funding which is available and could go to assisting needed projects further.

If you have a lesser share, the second objective would be to encourage greater accountability for cost effective design and project management on the part of the grantee by virtue of assuring a larger investment in the project by the grantee by the municipality.

Some of the questions which might be addressed in this regard as as follows:

Would a reduced Federal share inhibit or delay the construction of needed facilities, or on the other hand, would the States have the interest and capacity to assume, through some state grant or loan program a larger share of the financial burden, in which case the program would go ahead faster on the average?

Thirdly, would communities have difficulty, or would they have the capability to raise additional funds in the capital markets for a larger portion of the program?

Would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management and post construction operation and maintenance?

And, of course, ultimately, what impact would a reduced Federal share have on water quality and on meeting the goals of PL 92-500?

The second issue, closely related to the first, is should the Federal Government limit the amount of reserve capacity of facilities that would be eligible for construction grant assistance?

There are two possible objectives to be achieved by limiting eligibility for reserve capacity. The first is to permit limited Federal funds to go further in funding the backlog of projects for treating existing flows, and the second is to induce more careful sizing and design of capacity so that excessive growth-related reserve capacity is not financed with Federal funds.

Some questions which may be addressed that relate to this are as follows:

First, does current practice lead to overdesign of treatment works?

Secondly, what could be done to eliminate problems with the current program, assuming there are such problems, to some sort of administrative change or legislative change?

Three, what are the merits and demerits of prohibiting eligibility of growth-related reserve capacity, or what are the merits and demerits of limiting eligibility for growth-related reserve capacity and are there any other alternatives?

The third issue is, should the types of projects eligible for constructions grants be restricted?

The principal purpose that might be achieved by limiting eligibility would, again, be to reduce the Federal burden in financing the construction grants program.

The secondary purpose is to limit Federal participation to those kinds of projects that are most essential to meet the water quality goals of PL 92-500, and to require that some projects be fully financed by local and State authorities, where such projects are clearly within their responsibility and capabilities.

Some questions which may be addressed on this one are, what impact do different eligibility structures have on the determination of need for a particular facility?

Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of Federal financial assistance?

And, is there adequate local capability to undertake investment in different types of facilities?

Now, a possibility along this line might be to develop different Federal shares for different types of facilities. One of the suggestions that has been made would be to have a Federal share of 75 percent for treatment plants as we now have, but to have a Federal share of 65 percent for interceptors, 55 percent for combined sewer overflow and 45 percent for -- That is an idea, and those particular figures might be altered, but the notion would be to suggest consideration of some gradations among the Federal share related to a sense of what has the highest priority to meet the water quality goals.

Now, all three of those issues, of course, very explicitly are aimed at the question of the balance of funding provided for projects to be carried by the Federal Government, as distinguished from the State or the local government.

The desirability of suggesting any change in the 75 percent Federal share would be resting upon the sense that the program could go faster if the states and municipalities would pick up a larger share, or the program could be more effective, more cost-effective.

So, general judgements on that basic issue, obviously, would underline the specific questions raised.

Now, we turn to a rather different type of issue. The fourth issue which is, should the date be extended by which publicly owned treatment works are required to achieve compliance with Section 301 of the Law? Specifically, the 1977 deadline for completing secondary treatment facilities and coming in compliance with the water quality standards.

Our estimates are 50 percent or 9,000 communities serving roughly 60 percent of the 1977 population will not be able to comply with the requirement that municipalities have secondary treatment of their wastewaters by 1977.

I think we have all known that this dealine was not going to be met. As we come closer to the deadline there is increasing clarity, not a prediction, a fact, that deadline will not be met by a substantial part of the communities subject to it.

The amount of construction grant funds authorized thus far, $18 billion, is not sufficient to cover the 1977 needs that are estimated by the 1974 need survey for secondary or higher required treatment. Moreover, the communities that are funded with Federal grants in 1977 will not all be able to complete construction by 1977.

The issue is faced as to how to address the question of non-compliance with the law in 1977. We can argue whose fault it is, EPA obviously is going to take some share of the blame because we are in the middle of this. There is probably enough blame to go around in other quarters, and there may be some benefit in arguing whose fault it is, but above and beyond that is the clear necessity to deal with this problem and begin to face up to what provision in the law will put the program on a sound footing for the future.

The obvious solution is either to extend the deadline on a case by case basis, or make some overall extension.

The questions here are?

Should it be amended to allow case by case extensions or by an overall extension?

A related question obviously is, is it fair to require industry to meet the 1977 deadline while extending it for municipalities?

I think we must continue with that legal requirement, but it is a question that needs to be addressed.

Another question is, should an outside limit be provided to the administrator for granting extensions?

For example, five years, or should the possible compliance deadlines be open-ended?

Will EPA lose credibility supporting an across-the-board extension for compliance, especially in cases where it is unnecessary?

Now, the fifth and last issue is, should a greater portion of the management of the construction grants program be delegated to the States?

A Bill, H. R. 2175, the Cleveland-Wright Bill, has been introduced in Congress, which would permit the Administrator to delegate to the States the broad range of grant processing functions, including those that go beyond the review and approval documents.

States would certify that the requirements for grants had been fulfilled. Included also is a provision to compensate the States directly out of State allotments for administrative costs which they would incur up to a maximum of two percent of a state's yearly allotment.

Under H. R. 2175, EPA activities would be largely confined to an overall policy making and to auditing and monitoring the grant activities performed by the States. At least, as each state's program might be approved, and the delegation carried out.

However, EPA would remain responsible for any environmental impact statements necessary on indivisual projects.

Some questions related to this:

Exactly what functions in the review of and approval of construction grant applications should be delegated? Should all parts of the construction grants process be delegated?

In addition to ordinary staffing problems, what difficulties may be encountered in State staffing when a Federal financial committment is involved?

Will the funding level suggested in the proposed bill be adequate?

In actual practice, will greater delegation of program responsibility to the States make the program more efficient without compromising environmental concerns?

How much time would be required for individual States to assume additional responsibilities?

Are there alternative funding schemes, either Federal or non-Federal?

I think, as you know, that completes the question of the five issues. I appreciate your patience in remaining with me in running through these.

We have felt it is useful to take a few minutes at the outset and be sure we are all sort of working off the same agenda.

On the first four of these issues, the three relating to the Federal funding and the fourth relating to the deadline, the Administration is contemplating proposing amendments to Congress. Not in the immediate future, but some point in the relatively near future.

On the fifth issue, the EPA has endorsed the principles of H. R. 2175 and these hearings are going to provide more information and understanding on all of these issues.

Let me cover a couple of administrative matters. We have a large list of people who have asked to testify, and obviously everybody would prefer to go first, or at least very early in the program. We simply cannot accommodate that natural human desire.

What we have attempted to do is work out a list of witnesses that in a couple of cases accommodates particular personal needs, but it primarily developed in order to give a balance of witnesses from different types of concerns in order.

The people who have registered, in a sense fall into four groups, as follows:

Unaffiliated private citizens; secondly, representatives of public agencies; thirdly, representatives of special interest groups and associations; and fourth, representatives of business, industrial and commercial firms. And, we will call on speakers from these groups essentially in rotation.

In order to get through this, we will ask each person to limit your presentation to ten minutes. We will then expect to take a few minutes after that for questions, but attempt to move through the group of you in an order that will move along to provide opportunity for the maximum number to speak.

I would ask each of you cming forward, if you have a prepared statement, please to submit a copy of it to the court reporter seated below me to the left, so that she can have it for her benefit as you are making your presentation, and in many instances you may simply prefer to submit that for the record and make extemporaneous remarks.

I would like to introduce the panel. I am John Quarles, the Deputy Administrator. On my left is Alvin Alm, the Assistant Administrator for Planning and Management. On his left is Gerald Hansler, the Regional Administrator from our Region II Office in New York. On my right is James Agee, the Assistant Administrator for Water and Hazardous Materials and next to him is Jack Rhett, the Deputy Assistant Administrator responsible for the Construction Grant Program.

I think you probably know all of these people, and Jim and Jack have been, between them, at the previous hearings.

Now, are there any questions in regard to procedures before we begin?

(No response)

CHAIRMAN QUARLES: If not, I will ask the first speaker to come forward. He is Mayor Frederick Knox and George Tomko. You are making a joint presentation? You are representing East Hanover Township, New Jersey.

After you, I will ask Robert Davis to come next and then Richard Dougherty and then Sam Warrington.

MAYOR KNOX: Gentlemen, thank you for this opportunity. We brought down the whole committee because we feel we have many problems in New Jersey, especially in East Hanover, and I feel we have a selfish motive here.

Just to give you background, in East Hanover, we are in a unique position. We wanted our own sewer plant, but due to the DEP of New Jersey, it was decided they would go to a regional system.

It was decided a few years ago that New Jersey go into a regional setup and at that time in New Jersey or East Hanover we applied for sewage.

We were told the only way we could go would be to the Hanover Sewage Authority. The reason for this is that we had come under the emergency sewage program, which meant that New Jersey or the State wanted us to move immediately into Hanover Sewage Authority.

From that time on, we have had nothing but roadblocks with the Water Policy, EPA and the rest.

Therefore, we are not, in ourselves, building a sewage plant. We are going into a regional system which means, in effect, the money that will be picked up for that will be spent by the Hanover Sewage Authority for our convenience. What we would be doing is picking up the money for the interceptors and the collectors.

This, I think, brings it up to date as to what our problem is. I think it is unique in nature.

Just going on to your statements of before, on paper number one, I ask the question, is it fair for the Federal Government to change its percentage grant after municipalities have proceeded with the project planning?

What has happened to us is this. We have felt all along that we are going to get 75 percent from the Government and 15 percent from New Jersey. We proceeded immediately with our engineering. We set our towns up into three different areas, phase one, two and three.

We have completed phase one of our program to a tune of about $250,000 as far as engineering is concerned. We do not have any pipe in the ground and we do not have a service agreement with Hanover Township.

The problem that we will have if the grant is reduced from 75 percent to 50 percent, is rather than pick $1 and a half million, we will probably have to pick up $6 million.

Under our $6 million bonding program, I think it would be catastrophic to our township. We moved on this basis. We don't say that we don't want anything for nothing, but we say, in effect, if this is the way the Government is going with the program we feel they should live up to this.

If there are to be changes as you mentioned, the $18 billion, at this time I don't know how much of that money has been expended, how much is left. We were 54 on the list. We are now 66. Hanover Sewage Authority is waiting for the EPA to certify that the grant move forward. As yet, that has not come about.

We are in the middle, no matter what we do.

At this point in time, our people need sewers and now it looks as if we may have to spend double the money we would not have had to spend before.

The next question, would the grant change make projects unfeasible?

It would appear the Federal Government has these grant ideas for projects, but does not have the money to finance them. If it does, they go ahead and change the program on the basis you need cleaner water or you need an upgrading of the plan.

Therefore, if money is expended now for that type of program and six months from now, another program comes along and we go from secondary to tertiary, it costs all these different sewage outfits, cities or towns, more money.

I can see where your $18 billion would be unfeasible if it were to be limited in the program to $18 billion for secondary treatment plants as such. No problem. But, the minute it begins to move out of that context, something should be done to see that this can be financed, whether it be 20 percent or 30 percent, whatever. But, it should be done this way rather than have these municipalities hung up.

Under three, which is still paper one, what impact would reduced Federal shares have on meeting quality standards?

The Federal Government has stated the only way to meet the intent of the law is to reduce the size of the grant.

It would appear this would not be a help in meeting the standards, but to myself and to the township, it would be a hinderance.

As I mentioned before, the cost and everything else involved, since we do not have our own treatment plant on paper two, it is difficult for me or the township committee to find any fault with the possible exception that 30 years for a sewer line, the art of science has not designed -- where sewer plants change from day to day.

It is entirely conceivable within a ten year period there would be a new process, not even thought of today, which would be more efficient and economical.

Therefore, if the grants are to be limited, I would feel on a ten year program, since we are getting new upgradings every day and every year in sewage, we would then have more money later that you could expend for these programs.

On paper number three, it would appear that the concept of better water quality can best be achieved if the question were left to be answered by the State on an individual project basis.

One type of concept may be needed in one municipality and another type in another.

The condition I mentioned before, we are in a regional system. Our needs are entirely different from a municipality going into a complete sewage program.

There are differences here, and these are the differences that I think should somehow be rectified.

Paper number four. I only have ten minutes?

CHAIRMAN QUARLES: I would appreciate it.

MAYOR KNOX: The deadline date should be based on the Federal funding available. If the fundings are such that the 1977 date is sensible, sobeit.

If the funding matches a 1983 deadline date, then this should be it also.

I still reiterate the fact, we should have it case by case and not as an overall Federal Program for all the municipalities in the country.

Number five, which is my pet peeve, because we have had so many problems in New Jersey. To give you background on that, we had loan grants in New Jersey. We were told we were going to have $525,000 for funding for engineering. Fifteen percent was the money that was going to be available for us. We just got word a week ago, no more money was left, so that is it, fellers, you have phase one finished.

You are going to have to leave the stuff in the ground for a year or two.

Now, number five, does it undoubtedly make sense to remove duplication, which I would agree with, by the Stated and Federal agencies. However, in the case of New Jersey, it would appear that this State is grossly inefficient and incapable of funding this type of program.

I think if the Federal Government itself were to take this on and do the job and carry the accounting that is necessary for it, there would be no problem, because right now in New Jersey we are in a chaotic condition as far as financing and everything else is concerned.

For that I would like to thank you very much.

CHAIRMAN QUARLES: Why don't we, just as a matter of course, ask the speakers to stay for a moment as they finish their comments, to see if there are questions?

I would like to say, I thank you for setting the pattern of being concise and completing your remarks in a brief period of time, even though I know it is difficult and I know there is more you can say on it.

Are there any comments or questions?

MR. AGEE: Yes, I would like to ask one question. Before I do, I would like to share with everybody that at the end of this fiscal year, the $18 billion, we will have roughly $12 billion that has not been obligated. We expect by the end of this fiscal year.

Mr. Knox, the eligible features in the grant program, what would your views be to reducing funds eligibility? Do you feel the cities with municipalities would have the desire and financial capability to fund these and remove them from eligibility?

MAYOR KNOX: I would say this. I could answer it both ways. If we felt we wanted to be on the Federal programs for handouts, great.

In the present program, as we understood it, was the fact that we were going to have the plant and the interceptors, not the collectors. The township felt in this area we could handle the funding for collections. We totally intend to do this.

And, then, I understand you are considering going to collectors also, as another option.

As far as East Hanover is concerned, we expect to do this ourselves.

CHAIRMAN QUARLES: Thank you very much.

George Tomko.

MR. TOMKO: I will be very concise. I want to address myself to paper number one and the questions that are posed here in the paper.

Just to make some comments about it.

Would a reduced Federal share reduce related construction of needed facilities?

If I were to take and use the anology of the statement of New Jersey with their cut-backs at this particular time, there is considerable delay and considerable inhibition with regards to construction. We are quite held up.

The State of New Jersey would have to reiterate or reset their schedules or plan, and this will probably take another year. Besides, I do have a problem in considering the reduced portion from 75 to 65 percent, because to me in my calculations, if it only gives the accommodation of possibly another three percent of the total, dramatic large amount of $42 billion that we are looking at, would the States have the interest and capacity to assume those State grant programs, a larger portion of the burden of the program.

The State of New Jersey is drastically cut back, both in loan and grant programs, and to get those back on stream again, would probably take another two years and that would be caused by an additional bond issue required.

Would communities have difficulty in raising additional funds and capital markets? Necessarily so, where costs are considerations and the economy the way it is today, and also with the statuatory requirements we have.

Now, the last one, I am going to refer myself to is number four and it irritates me, and it irritates me to think that a design based on Federal funding or based on municipal funding, or based on State funding would not be cost effective.

I think it is unfair for professional people to assume that would be a consideration and that would be less effective.

Thank you very much.

CHAIRMAN QUARLES: Thank you.

Robert Davis, please.

MR. DAVIS: Mr. Chairman, members of the panel, ladies and gentlemen, my name is Bob Davis, Assistant Executive Secretary --

CHAIRMAN QUARLES: May I interrupt and ask if the microphone is working?

MR. DAVIS: I have submitted a detailed statement and I would like to take a few minutes to summarize Virginia's position on each of these proposed amendments.

In regards to paper number one, reduction of the Federal share, the Virginia State Water Control Board does not support the proposed amendment for the reduction of the Federal share of 75 percent to 55 percent.

We believe that with such a reduction, it would delay construction and bog down the program. In Virginia in 1974, some $57 million worth of sewage works was completed. Currently we have $293 million worth of sewer work under construction, and we estimate in the next ten to 12 months, some $250 million worth of sewer work will be placed under construction.

We also see as our need for 1977 to complete steps one, two and three in the pipeline, some $4 million worth of construction will have to be initiated.

Translating that into Federal grants, some $300 million. It has taken us about three years to build up this momentum, and it is our feeling that if the Federal grant is reduced to 55 percent, we will bog down for another three years.

The Virginia State Water Control Board is convinced that a long-term solution rests with an adoption of a sound financial management program by sewer utilities. Waste utilities are public works, the same utilities as electric, water and telephone. The service charge reflects the true costs of provided services. Such an approach, which would ultimately lead to the termination of the construction grant program and place the ultimate responsibility for adequate treatment in the hands of the local community.

The Board believes, EPA and Congress should make detailed investigation of all measures which could be taken to assure adoption of sound financial management practices by municipal sewage operations.

Item number two, paper number two, passed practices by the Board in the administration of the construction grant program has not resulted in reserve capacity of Virginia's municipal sewage treatment plant.

In the paper there is a graph which shows the combined total flow of the 37 largest plants in Virginia which constitutes 80 percent of all sewer flow discharge in the State. Applied against the total flow approved by the Board by EPA permits. This shows there will be an average 15 percent reserve capacity in these plants, but during peak flows, this reserve capacity reduces to only a few percent.

We believe that the careful scrutinization and evaluation of each construction grant to assure needs to be filled should be correctly identified, and that the treatment plant will meet the needs.

The Virginia Water Control Board has concluded this provides the technical flexibility needed to determine the amount of reserve capacity to be considered eligible for construction purposes.

Paper number three, restricting the type of projects eligible for grant assistance. The Virginia State Water Control Boards' program clearly demonstrates the ability of the States to judicially and beneficially exercise the administrative flexibility provided by the existing board eligibility structure.

The Virginia State Water Control Board's discriminating approach to the approval of construction grants for publically owned works is illustrated in a table within the paper that was submitted. This paper shows that over $469 million that was awarded in three grants from 1973, FY'73 to '76, that 85 percent of this amount of $400 million was awarded for the construction of secondary sewage treatment plants or tertiary plants. A number, 13 percent, was awarded for new interceptors which takes us up to 98 percent of the amount awarded before construction of projects, step three grants.

Of the remaining two to three percent, one percent was awarded for combined sewer overflow problems and less than one percent for collection sewage, and less than one percent for infiltration inflow.

The State Board has limited the participation to financial hardship cases and solving of health hazards.

Another area that we consider, is imparted for consideration, is the combined sewers.

We have 13 municipalities in Virginia which have sewer overflow problems, and in the future money will have to be allocated to solve these problems if the water quality standards are to be met consistently.

However, we do not believe in except one or two cases that this should be done.

It is the State Water Control Boards' position to oppose any amendment that will eliminate the eligibility of any project with exception of small water treatment or control. The Water Control Board believes it should have the option for recommending grant funds for meeting quality standards.

Paper number four, the Virginia Water Control Board asserts it will be impossible for each publicly owned sewer stream or plant within the Commonwealth to be put in compliance with Section 301-B-1 of the Act by 1977. Accordingly, action is required.

The Water Control Board has filed with the approval of the Government, a suit against EPA in the U. S. District Court for the Eastern District of Virginia, which seeks injunctive relief. The Board seeks judicial declaration that each publicly owned sewage treatment plant that cannot be put into compliance with the July 1, 1977

deadline under Section B-1 of the Act, shall be required to comply with the applicable limitations under the Act -- shall not be required to comply with applicable limitations of the Act, until such time as Federal Grant Funds are available in an amount sufficient to underwrite 75 percent of the eligible amount of construction and a reasonable time has been allowed to meet the necessary construction.

The Water Control Board further has asked for a Court Order enjoining.

None of the five alternatives contained in EPA's issue paper is adequate to remedy this crisis situation. Some safety valve must be provided.

The Virginia State Water Control Board supports and urges your favorable consideration of its suggested amendment to Section 301 of the Act, which is attached as a statement in Appendix A.

This amendment is consistent with the intent of Congress to provide grant funds to every project that must comply with the Act, and in offering this amendment the Board in no way waives any part of its claim referred to the above.

Paper number five, the Water Control Board wholeheartedly supports the concepts of the Cleveland-Wright Bill to administer as smooth transition of the process and responsibilities as possible.

The Water Control Board feels that a phasing process should be employed to insure the State will adequately assume each responsibility assigned to it. Each state should be evaluated with respect to its capabilities for adequately assuming the responsibility.

Thank you.

CHAIRMAN QUARLES: Thank you very much. Any questions?

All right, Mr. Davis. Did Virginia have -- They had a 25-55 percent match?

MR. DAVIS: When the law was changed, the General Assembly authorized a ten percent state match which was reduced to five percent state match in the current Body for FY - '75 and FY - '76.

In addition, in FY - '75, they appropriated $1 million and one half to supplement the across-the-board five percent state grant, and the 75 percent Federal grant which would give to the less affluent communities, a maximum grant of another 15 percent so that the smaller communities which would largely qualify under the criteria, could receive a combination of Federal and State grants up to 95 percent.

MR. ALM: Is it likely Virginia could support a full 25 percent grant level across-the-board?

MR. DAVIS: In my opinion at the present time, no. The five percent Federal grant, the five percent State grant, right now is in limbo. The last General Assembly amended the appropriation for FY - '76 and made a conditional appropriation subject to the approval of the Governor, should the funds be available.

So, with a tight budget, I do not believe so.

MR. ALM: One last question. Do you have any comment to the proposals for a sliding scale of Federal support for various types of eligibility for 75 percent treatment plants to 35 percent for storm water?

MR. DAVIS: This is the first time that I have heard that concept advanced. I do not think it is a bad concept. The position we took was that we have been using all the eligibility for collection sewers and others only where we had to fund a project and in that situation.

The concept that was advanced would still give us that option.

MR. ALM: I think it is important --

CHAIRMAN QUARLES: I think in regard to that, following up to a comment by the speaker, in view of the fact that we are now at a point of having obligated only about one-third of the $18 billion, and obviously obligation is only the beginning step, so that the $12 billion that remains is all in the future, and what we are talking about might be an amendment to the law that would follow after that.

The question here really is one of relating to what is the basis on which the program can run most effectively. Let's say for a decade or so into the future after this has been completed, and presumably therefore, the projects that are currently developed and have the municipal support and have been through planning and so forth, we are not talking about those. For the most part they would be covered in the first $18 billion.

The need is to try to recognize this is the program that has been running for 20 years, and this program is going to run for 20 years, and can we get it on to a basis that is the most effective, intelligent basis for the long haul.

I think it is in that sense that that particular proposal was advanced, or others, for consideration.

MR. DAVIS: I can only speak for Virginia. We have been trying to halt our applications to municipalities. We have been meeting monthly with the Regional Office. We have been having meetings with owners and consultants and we will end up the FY - '75 fiscal year with only about $35 million obligated.

This amount of money remaining will, FY - '75, we feel will

be obligated in the first couple of months of the fiscal year, so I think we will get rid of our money very quickly.

CHAIRMAN QUARLES: However, that still leaves your share of the FY - '76, which is $9 billion out of the $18 billion.

MR. DAVIS: The FY - '76 allocation, our recommendation for grants were for FY - ' 74 and '75 projects that were already in the pipeline, so we think they will be obligated pretty quickly.

MR. RHETT: I was really quite interested in your phase-in statement on the Cleveland-Wright Bill and I am curious, how long do you think it would take for Virginia to take over the total program and how do you visualize this phasing?

Is it a staffing problem, what?

MR. DAVIS: Staffing, training as well as pinning down the procedures that ought to be used. We would like the delegation. We don't want to bite off more than we can chew. We are short right now in our Grant Section and we think it is going to be a staffing problem, but we do not believe that there will be too much trouble in attracting the people in order to do the job. Not engineers, but other technically trained people.

But, I would say, probably I think the job could be done within six to eight months.

CHAIRMAN QUARLES: Mr. Hansler, let me suggest you speak into the mike. I know it is not very well placed.

MR. HANSLER: Two questions. The first relates to the fairness in handling the Title II of 92-500, if a city uses half of its total revenues in operating a sewer system they run for the city government's fire, police, so forth, do you think it is fair for the Federal taxpayer to pay 75 percent of replacing collection systems, handling the combined sewer problem, handling the storm water problem?

MR. DAVIS: In my opinion, it is not fair and I think part of my statement was that this is one of the things that you face now because the operation of sewage facilities is not on a utility basis, and this is the type of thing that is going to have to be stopped and put on a paying basis.

That is why our Board feels strongly about this. Some mechanism or scheme could be developed in order to get these things on a paying basis, to stop using these general funds.

MR. HANSLER: The second question. In Virginia, did the legislature authorize bonds for municipalities to fund their share of sewage for the projects?

MR. DAVIS: That has not been done in Virginia.

MR. HANSLER: Thank you.

CHAIRMAN QUARLES: Thank you, Mr. Davis.

Mr. Dougherty.

MR. DOUGHERTY: I am Richard Dougherty, the Chief Administrator for the Metropolitan Waste Control Commission of the Twin Cities, Minnesota.

We wish to summarize our experience under the implementation of Public Law 92-500 and to leave with you certain recommendations.

The Commission's first experience statement which we wish to insert into the record, is a summary of the statement made to the Subcommittee on Investigations and Review of the Public Works Committee, U. S. House of Representatives on April 2, 1974.

I don't intend to read my entire statement or that reference statement.

The Commission feels compelled to speak out in support of PL 92-500 as is and against any major change. PL 92-500 for us has been a catalyst between our Minnesota Pollution Control Agency and the Metropolitan Waste Control Commission and the people of the metropolitan community.

Simply, what has been done by the Commission, we feel can reasonably be done by every local government. Change this catalyst of PL 92-500, and the whole reaction may stop.

For more than four score years under State control and implementation of sewage treatment and water quality standards, the nation failed to achieve uniform and effective abatement of pollution. PL 92-500 has provided for, if nothing else, uniformity of standards and requirements that really have put a stop to the whipsawing of one region to another, one community to another and preferential location of industries.

Change PL 92-500 to permit grants and review of specifications and environmental assessments would certainly be one of our recommendations.

Now, that the EPA, the States, the agencies and local governments and consultants have been educated in the process of developing guidelines and regulations through the grant process, any further changes will substantially delay and reduce the effectiveness of the program.

When I sit here and listen that less than two-thirds of the money that has been already allocated, you better not tamper with what is going on, because you are only going to cause more delay and more confusion.

With respect to issue number one, reduction of the Federal share, the Commission recommends that the 75 percent Federal share be maintained. One needs only to refer to Section 206, subsections A through E, and PL 92-500, which provides for reimbursement to project grants as far back as 1956, to see what could eventually happen if the present contribution of the Federal Government is reduced.

Should we now reduce reimbursement for all projects back to 1956? Or should EPA make reductions on projects which have been funded at the 75 percent level? Of course not. You should not.

The critical element in the program, frankly, is continuity for a long-term committment from the Congress and EPA for a grant program, beyond the present funds available for the fiscal years of '73 and '75.

Any change in the Federal share will cause this proportionate relationship between local governments and industries with respect to the industrial payback. It would be the Commission's judgement that any change in the Federal share will require adjustment to the industrial payback for all grants issued for '73 through '75, or in the alternative, the total elimination of industrial payback.

Frankly, we would rather see total elimination of payback. It is the Commission's judgement that the decision to finance the water finance policy plan was made in August in 1972 with the passage of the Act, and no changes should be now made in midstream. The maintenance of the present levels of financing will continue to provide a restraint on unemployment and recession.

This is something we all are forgetting about. We are being told the recession is over, but I don't think many people have seen it yet. The present level of financing under PL 92-500 has not been inflationary since 1972, and it won't be inflationary in the future.

What the country needs is full employment and PL 92-500 is one of the better alternatives to the acceleration of public works, and unemployment assistance.

In addition, the Commission recommends reinstitution of the Federal requirement for State matching grant funds at the 15 percent level. We believe this will strengthen the confidence of local governments to timely proceed with the needed improvements in cooperation with the State governments and Federal government.

With respect to issue two, most of the abuses that have been pointed out in your study papers about the over-design of facilities, these were projects that were undertaken prior to the PL 92-500 due to the earlier limitation date.

If agencies and the States comply with the requirements of Section 201, Facilities Planning and Section 208, Area-Wide Planning and Cost-Effective Guidelines, these abuses will not be repeated.

The real danger in limiting Federal financing to existing population is that unless the grant program covers adequately designed facilities, we will never meet the water quality goals, and then only at higher cost. Without proper design for future growth, we will never have facilities so that we can adequately operate for extended periods of time.

Our own experience in this, we have been building one of our plants for the last 15 years, and we never catch up. Never catch up.

If you don't think this causes disruption in the operation of a plant, you are mistaken, or you do not know what it is all about.

Now, the justification for maintaining not less than present design standards, for example, are as follows:

A: How many treatment plants designed for secondary treatment are meeting or capable of meeting today's NPDES secondary treatment standards every day? Few, if any. And, I would like anyone to go look at the record when I say "every day".

Bear in mind that State and Federal standards and/or permits must be reviewed every five years. The Commission's experience has been that State and Federal requirements have become more stringent with each revision of standards. As a matter of fact, if we had any complaint, it would be that before we complete an improvement or expansion, the standards are revised requiring additional treatment capacity. Where then lies the over-design conclusion?

With respect to pipeline capacity, the over-design concept, frankly, is a planner's or auditor's pipedream, when the real economic facts of life are considered.

As an example, in a recent consideration placed before the Commission, the difference in cost between a 15 year design flow versus an ultimate population design, approximately 45 years, the cost differential was found to be an increase of seven percent. The inflationary cost increase, based on past records of at least eight to ten percent per year, takes no wisdom or mentality to analyze the advantage of a larger pipe. They are trying to fill two pipes in a ten year period, the second at an inflated cost of almost 100 percent.

C: Is a plant overdesigned if it must meet the design standard on the average of 15 days out of 30, or the effluent may exceed a higher value, not more frequently than seven days.

These are the basis of the NPDES permits. On this basis, if we are going to have these kinds of standards, how do you have over-design and how do you expect to achieve no pollution discharges or non-degredation of streams. The abuse of over-design, we believe, is exaggerated. But, it is more theory than fact.

We feel that with 25 percent participation by local governments

and States, would be a restraint upon the over-design itself.

With respect to the next issue, I heard the bell. I want to know if I have the liberty to proceed a little bit more?

CHAIRMAN QUARLES: Yes, I don't want to cut you off. If you can be as brief as possible?

MR. DOUGHERTY: I will try to do that.

To clarify another issue, the following conclusions and recommendations with respect to restricting the types of grants which are made, the most effective use of EPA funds between 1975 and 1983 would be to achieve secondary treatment.

There never has been established the value or the capability of trading most cost effectively, or otherwise, non-point discharges. The $35 billion identified in the need survey represents the Federal level of financing of approximately $5 billion per year, or the present level of funding.

During the ensueing period of 1975 to 1983, EPA should undertake in our judgement, at least two demonstration projects in each of the ten regions to determine the real effect of non-point source treatment. The rehabilitation of collection system and advanced waste-water treatment upon river water quality, aquatic life, and nutrient degredation of navigable streams.

It should undertake mass development of stream data management to support the demonstration projects recommended. Further, this data should be used to implement the load allocation system for water quality limited rivers and to set forth a system of priorities, if justified, for the collection and treatment of non-point sources rehabilitation collection system and wastewater treatment.

This program, in the Commission's opinion, is mandatory and it is a methodical and a logical approach as a prerequisite to the expenditure of the $235 billion for the treatment of all non-point source categories.

Item four, Extending the 1977 date, the Commission on several occasions made a recommendation to maintain, not the 1977 schedule, but to go to the 1983 schedule for secondary treatment.

With regard to item five, and this seems to be everybody's pet peeve, I guess, I thought we ought to clarify the issues a little bit first.

What are those issues? First of all, it is the lack of progress in the construction grant program. That is the basic problem.

Consulting engineers and local government complain about extended delays required to go from Step I, II and III, and thirdly,

the need for dealing with both state and Federal agencies causing redundant activity, duplication of expense and excessive time losses.

The Commission has given considerable thought to this problem despite the fact that this is not one of our problems.

As a result, the Commission has a recommendation and a plan of action for you. I think we can speak a little bit more freely because we don't have this problem.

What we are suggesting is that you make effective use of the NPDES Permit system in the 201 planning process. And, this may only require some very minor changes to the Act.

The conditions of the plan are essentially these, and these are brief, and I frankly would like an opportunity sometime in the future to discuss it in detail.

CHAIRMAN QUARLES: I think one of the things that is of benefit in a hearing of this sort, is perhaps to surface points and then to make the point following through.

We are available.

MR. DOUGHERTY: Fine. I will even cut some of these out, but let me give them to you anyway, so some people will be able to chew on them.

Item A, as a condition of a grant offer, the local government, the state and EPA must first enter into an NPDES Permit or agreement. Get the significant difference.

We are not talking about just a permit, we are talking about a contractural, legal agreement between the parties which you are going to obligate and bind all three. I think this is necessary, because when I sit here and listen to you guys with the kind of questions you are raising here today about should we change the Federal share, should we change the design basis, you make me nervous. You really make me nervous, and I will tell you what I would really like to have, an agreement in writing where you agree to fund us when we go ahead with the project.

We are talking about reimbursement when we do this. The NPDES Permit established an agreement by the parties to provide reimbursement in the grants.

I can think of one thing the Act missed, which was the reimbursement provisions. As a matter of fact, I think we would have been better off if we had forgotten about the reimbursement and gone back to '56 and put in reimbursement for the new projects to include, frankly, in this agreement, the permit conditions and the 201 project planning.

One additional thing we think is necessary, that is a key to unlocking EPA from reviewing and plans and specs. And, that is the submission, and to be part of the agreement is a design criteria section which, frankly, can be prepared.

Our suggestion would be that EPA retain authority on design and then you can establish just one more guideline, fellers, just one, which would be the design criteria.

This would then eliminate the need for EPA to review the detailed plans and specs and allow this to be done by the States. Now, the states have to do this anyway, because every public works project water, sewage or public building, or what have you, must be reviewed by the city or state governments.

So, we think this is a good way to allow EPA to still retain its responsibility as to the design requirements of any project, but get rid of the nitty-gritty work of detailing plan review and spec review.

CHAIRMAN QUARLES: I think out of fairness to the other speakers, you ought to stop now.

MR. DOUGHERTY: I am almost finished. I have one more important point to make.

As a condition of this agreement, the local government would be required to guarantee to the Government to produce an effluent to conform to the NPDES Permit for the time period that the permit is issued. That I think is an important factor.

The implementation of the Commission's proposals will provide, first, that the facility will be designed and is directly related to the NPDES Permit and requirements.

Secondly, the project planning reimbursement, financing and construction will be initiated and carried out without delay.

Thirdly, EPA will retain its authority for design criteria and water quality standards, and this places the responsibility for performance on local governments through NPDES Permit, and I can't be too strong in emphasizing the use of NPDES Permits, which is already in the Act.

Thank you.

CHAIRMAN QUARLES: There is a lot of agreement in EPA that regulatory conditions are required.

Are there any questions? Thank you very much.

Mr. Sam Warrington.

MR. WARRINGTON: Thank you, Mr. Chairman.

CHAIRMAN QUARLES: Before you begin, let me say this, following your presentation we expect to hear from Mr. Inzero and Mr. Sumner and then from Mr. Peloquin and then from Mr. Speth.

Please proceed.

MR. WARRINGTON: I am Sam Warrington, Chief Engineer, of the Texas State Department of Health. It is a pleasure to be here today in my capacity as President of the Water Pollution Control Federation to present the views of the Federation on possible Administration amendments to the Federal Water Pollution Control Act relating to the municipal waste treatment construction grants program.

Present with me today is Robert A. Canham and other members of the staff.

For the discussion of the issues at hand, I would like to point out that our members have expressed dissatisfaction with the way this Act has been administered since October 1972.

To better grasp the nature and extent of their dissatisfaction, the Federation sponsored a series of ten regional workshops during 1972 and 1973 to provide them with an opportunity to publicly air their grievances and recommend ways to improve the administration of the law. The culmination of this effort was the publication of the attached report entitled: "PL 92-500: Certain Recommendations of the Water Pollution Control Federation for Improving the Law and Its Administration".

Thereport is a digest of recommendations made at the workshops and stresses the need, one, to provide adequate federal funding for both construction grants and state programs; two, to establish realisttic deadlines and goals, particularly for issuing and complying with permits; three, to avoid administrative confusion occasioned by changing guidelines and regulations; and four, to eliminate onerous layers of red tape and paperwork.

More concisely, the report underscores the need for both stability and flexibility in the implementation of the law. We believe, and I am sure you would agree, that this makes sense. For over two years, the people directly involved in water pollution control activities at the state and local levels have witnessed vacillations in the Federal obligation rate; the development of a voluminous and every-changing regulatory mechanism; and the formulation and implementation of stringent nationwide policies, guidelines and regulations which fail more often than not to take into account local differences.

Clearly, we cannot allow this situation to continue. We appreciate the recent efforts of the Environmental Protection Agency in addressing these problems, but believe that much more needs to be done to achieve stability and flexibility in program administration.

Quite frankly, we do not believe that these hearing on possible

administration amendments to the Clean Water Act will assist us in our efforts to achieve this objective, but rather will serve only to install even more disillusionment and dissatisfaction at the grassroots than currently exists. This is not to suggest, however, that we are unalterably opposed to the enactment of all of the possible amendments under discussion. We do support two of the five.

We strongly support an extension of the 1977 deadline by which publicly owned treatment works are to achieve compliance with the secondary treatment requirements of the Act. At the same time, we believe that such obviously needed relief is necessary and appropriate not only for municipal dischargers but industrial dischargers as well, and not only with respect to the 1977 compliance deadline, but also with respect to the December 31, 1974 deadline for the issuance of Section 402 permits.

We, therefore, favor the enactment of amendments designed, one, to provide protective relief to both municipal and industrial dischargers unable to meet the July, 1977 effluent limitations deadlines provided, of course, such dischargers demonstrate good faith efforts to the satisfaction of the EPA administrator; and two, to extend the permit issuance deadline to allow for the orderly issuance of meaningful municipal and industrial permits, based on a compatability with local conditions, as well as to remove potential legal liabilities for good faith permit applicants who have not yet been issued permits.

With regard to the compliance deadline issue, we would like to suggest the consideration of certain approaches that can, we fell, serve to ease the administrative burden that would no doubt be occasioned by an extension of the deadline. The Federation recommends, for example, that EPA reevaluate the definition of secondary treatment with a view toward relating post-treatment disinfection to public health purposes.

Such an approach would not only place more municipal dischargers in compliance with the 1977 requirements without undercutting environmental goals, but also would save valuable Federal, State and local resources.

The Federation also recommends, as a means to encourage program continuity and the achievement of statutory compliance deadlines, the reinstitution of reimbursement authority and the utilization of existing prefinancing authority.

This approach would go a long way toward salvaging available state and local funds, which have been hit hard by inflation and debt service, and encouraging the utilization of these funds as a balancing wheel to smooth out the peaks and valleys inherent in federal funding.

In addition to recognizing the need to extend certain compliance deadlines, the Federation also recognizes the historical and continuing state experience in controlling water pollution control. As a result, the Federation supports the increased delegation of

authority and responsibility to the states so that they may, subject to federal audit, assume primary responsibility for implementing appropriate provisions of the Act relating to the construction grant as well as the permit programs. The certification program envisioned by HR 2175 represents an effective mechanism for achieving this objective.

This is not meant to suggest, however, that we view HR 2175 as a panacea for all of the problems that have and continue to a certain degree to beset the implementation of the construction grants program. We believe, for example, that legislation such as this can have a positive impact on the future course of the program only to the extent that it is implemented in a spirit of mutual trust between the Federal and State water pollution control partners in such a way so as to eliminate, to the maximum extent practicable, the red tape and duplication of effort that has hindered the administration of the program to date.

We have some reservations concerning the use of Title II funds for this purpose because of the precedent setting impact this may have on the future use of Title II monies for other equally laudable objectives. Assuming the appropriateness of using these as opposed to other funds for this purpose, a long-term funding committment on the part of the Federal Government to the Title II program is necessary to allay whatever fears the States may have about participating in this effort as well as to stimulate all of us, working together, to achieve the goals of the Act.

The administration proposals with regard to the compliance dealine and State certification issues would inject some stability and flexibility into the construction grants program, and we, therefore, support them.

We cannot say the same for the other proposals that are under discussion today. The proposals to reduce the Federal share, to limit Federal funding of reserve capacity, and to restrict project eligibility, taken singly or in package form, represent yet another example of the interest the Federal Government apparently has in throwing the already shaky clean water effort into turmoil.

While we recognize and appreciate the magnitude of the problem that the administration is attempting to address through these proposals, we have not lost sight of the stringent Federal clean water goals mandated by Public Law 92-500, the attainment or unattainment of which will be determined not here in Washington, but at the grassroots.

We oppose a reduction of the Federal share of eligible projects costs from 75 percent to a level as low as 55 percent. As discussion paper number one, points out the Federal Water Pollution Control Act Amendments of 1972 completely revamped our approach to water pollution control, imposing stringent standards and deadlines, not to mention complex and comprehensive planning requirements, on both

municipal and industrial discharges.

Congress recognized the increased burden it was placing on all governmental levels, particularly the State and local levels, and raised the Federal share to 75 percent. Under these circumstances, it would be most inappropriate to reduce the level of Federal participation in the program unless, of course, there was a concommitant relaxation of the requirements of the Act.

This, however, is not the thrust of this particular proposal. The thrust of this proposal is to ease the Federal financial burden with respect to the achievement of the goals of the Act, thus increasing the financial burden of the States and local communities.

We appreciate all too well the magnitude of the price tag associated with accomplishing the clean water objective and believe that alternative courses of action must be considered, but to assume that the States and local communities can afford a larger share of the burden, particularly at this time when we are all facing a severe economic situation, strikes us a sheer folly.

Many communities, for example, are finding it hard to raise 25 percent of the cost of a project, including some located in States with matching loan or grant programs. Increasing this local share for federally associated grant projects increases the competition for dollars available in the money market for municipal projects.

As a result, either a change in local priorities or increasing interest rates attracting additional capital would be required if local communities were required to assume a greater financial committment. Inasmuch as these are not realistic possibilities, an increased local share would serve only to retard the already lagging program effort as well as the eventual achievement of the goals of the Act.

The states face the same budget problems the Federal Government faces. While some states may have the ability to assume a larger share of the grant program, providing there is a corresponding increase in state control over the program, they must consider the priority given to the construction of wastewater pollution abatement facilities in relation to other priorities requiring the expenditure of state monies.

Funding the program up to 75 percent and thus allowing the states to allocate money at a lesser amount, however, would be to give the prerogative of satisfying greater needs based on their priorities.

This proposal, moreover, fails to take into account a problem which has not received the attention it deserves, but which relates to the increasing burden that local communities will have to shoulder in the not too distant future. I am referring to the rapidly rising operation and maintenance costs that have begun and will no doubt continue to accompany the new requirements of the law.

In effect, the manpower and energy costs associated with properly operating and maintaining the sewerage treatment facilities we are planning for the future may increase the current average cost of sewer service of $30 to $70 per year to $300 to $500 within a few years. Since there is no Federal subsidy to blunt the impact of such an anticipated increase, it will fall entirely on local taxpayers.

This additional cost, coupled with added expense that would be imposed by a reduction in the Federal share, would certainly be too much to expect those communities to bear.

The complex and far reaching clean water program envisioned by Public Law 92-500 mandates the continuation of the status quo with regard to the funding of waste water treatment facilities. This approach would guarantee a modicum of program stability and ensure equitable treatment of local governments which have not yet received a Federal grant award.

Considering the slowness with which the program was implemented, we do not need consideration of a proposal to reduce the Federal share, but rather consideration of a proposal, if the goals of the Act are to be met, designed to provide long-term funding through 1983 to meet documented and anticipated needs.

We also oppose the possible administration amendment to limit Federal grant assistance under Title II of the Act of design capacity for treatment works and interceptors sewers.

I do not wish to dwell on this issue at length because the Federation's position is adequately reflected in the attached January 2 letter to the Administrator of EPA.

This letter lists the Federation's comments on the CEQ study entitled "Interceptor Sewers and Suburban Sprawl" and expresses our views on the issue under discussion, which the study ostensibly triggered. It points out that, stripped of its control of land use guise, such a proposal would represent a retrenchment in the degree of Federal assistance available to communities for the construction of treatment facilities and involve, in practice, the disruption of the design, construction and bonding of sewage treatment facilities.

Such a reevaluation of the Federal funding role may be appropriate considering the results of the latest needs survey, but such a reassessment should address the financial limitations of not only the Federal government, but the States and localities as well.

Furthermore, an approach which envisions a more realistic Federal funding level must also account for the integral relationship between Federal financing and the Act's deadlines and goals. By disregarding these ramifications, a proposed amendment in this area would constitute a piecemeal solution to an essentially multi-faceted problem.

As such, it would wreck additional havoc on a construction grants program that is just currently coming into its own, hamper current planning efforts, and ensure the continued pollution of our waters.

Finally, we oppose the restriction of the types of projects eligible for construction grants funding. If we are sincere in our desire to achieve the ambitious goals of the act, we need flexibility at the State and local levels of Government to tailor the requirements of the Act to local conditions.

The Congress recognized this when it expanded the scope of eligible projects in October, 1972 in order to provide an increased incentive for the development of economically efficient projects. Any modification of this approach, especially limiting Federal financial participation to treatment plants and interceptor sewers, would discourage broad options, impact cost efficiency and impede our efforts to attain our clean water objective.

We believe that it is necessary to give Federally dictated priority planning ample opportunity to accomplish an end result. Placing restrictions on projects eligible for Federal financial assistance at this time would interfere with the accomplishment of this objective inasmuch as it would encourage states to reshuffle their priorities and lead to inevitable delays.

While communities have adequate incentives to invest in certain types of facilities without Federal assistance, such as in cases where local health related matters dictate the construction of collection systems, in cases where a complete facility is needed, a relatively large investment would be required, an investment that the community could not afford to make.

While each of these proposals has the potential for throwing hurdles in the path of our clean water efforts, one can only appreciate the entire picture if they are considered as a package, a possibility that is not discounted by the EPA discussion papers. Viewed as a package, these proposals would lower the Federal share of project costs from 75 percent, not to 55 or 50 percent, but to approximately five percent based on total needs of $350 billion associated with meeting the goals of the Act.

Discounting the $235 billion in estimated storm-water control needs and limiting our analysis to a consideration of categories I through V of the needs survey, communities would receive a Federal share of 17 percent of eligible project costs.

A Federal share of 39 percent would result if we considered only the costs associated with the construction of treatment works and interceptor sewers. Compared to the existing local share of 25 percent, these proposals would require a local share ranging from a little over 60 to 95 percent. And, this does not take into account that,

in reality many communities do not receive 75 percent because that amount is tied to eligible projects costs or the anticipated increase in operation and maintenance costs which I alluded to earlier.

These proposals, in the final analysis are moneysaving measures for the Federal Government which fail to address the requirements of the Act. We believe that there are alternatives which would serve not only to save valuable resources over the longer-term, but also enable us to continue our efforts to clean the nation's waters.

In this regard, we recommend an agressive national research program and a pool of skilled personnel to conduct research, to install pollution control equipment and to operate such equipment properly.

We are spending today one-third of what we were spending in 1967 on municipal research and development. This represents an abandonment of a real national research effort and is indefensible in view of the obvious needs and potential savings involved.

The attached Federal position paper entitled, "Research and the Quest for Clean Water" highlights representative areas where important questions remain unanswered, areas that must be addressed if we are to meet our clean water goals. As this position paper points out, it is the Federation's position that the limited present Federal research effort in water pollution control represents little more than a surrender with regard to the nation's goal of clean water.

During the past three years, moreover, the Federation has pointed to a decline in EPA's efforts in the manpower training field as heralding future shortages of trained personnel, both professionals and operators. Federal support of academic training is slated for elimination, operator training is pegged at a meager level and the specialized training program, the sole mechanism by which the results of Federal research efforts are disseminated to States and localities, has been put on a fee basis, with the result that fewer persons will be sent to reap the benefits of this training program.

We believe that a higher level of committment to this aspect of water pollution control would ensure the proper maintenance of facilities once they are constructed. We cannot accept the spectable of a nation embarking on a massive program to clean its waters while systematically reducing its efforts to provide skilled manpower to manage and operate the program.

These are the types of alternatives we believe EPA and the Administration should be considering here today because they represent positive approaches to the problems inherent in providing the nation

with clean waters. Proposals to reduce the Federal share, restrict eligibilities and limit Federal funding of reserve capacity represent negative approaches to these problems, approaches that will serve to interfere with the achievement of our water pollution abatement goals.

We have offered what we think are a few alternatives here, that we hope will be of some use as you consider these requirements.

Thank you very much.

CHAIRMAN QUARLES: Thank you, and I want to make a comment in response to what you have said.

First, I would like to acknowledge the extremely constructive role that the Water Pollution Control Federation has made from the beginning when we implemented this complex statute.

I think the seminars that you have sponsored have helped and been extremely helpful, and certained, you are not one of the ones that have caused the thing to go slowly.

I would point out that the rate of implementing the program has significantly improved and I am sure you are aware that obligations for the month of May were $658 million, and we have already obligated over $600 million in the month of June, and we expect to obligate the remainder of $1 billion, or over that.

The program is moving more rapidly now.

Now, the point, I think, we are concerned about and this is simply something we are trying to communicate back and forth with you and the others, is to look ahead and be realistic in facing the $350 billion needs, recognizing that there is some limit on the Federal funding. And, rather that that level is at any particular level of so many billions of dollars a year, there is some limit.

If the program continues on the basis which it is now on, that will be the limit that holds back proper progress.

The question is, whether by expanding the portion of the burden carried by state and local levels the totality of effort can be expanded so that the program can move forward more rapidly?

I do think we need to look at it from that point of view.

MR. WARRINGTON: Certainly. We can appreciate the tremendous chore that you have and we do appreciate the fact that recently there has been better flexibility and things we have suggested have taken place.

CHAIRMAN QUARLES: Are there any questions or comments from

the panel:

MR. AGEE: You recommended consideration be given to funding for 1975, laboratory funding. Would you suggest there be any limitation on the eligibility of that funding?

MR. WARRINGTON: No, we are actually speaking of stability. But, we want some stability not a grant that stops in 1977. We want long-term planning, that is what we are trying for.

MR. AGEE: Thank you.

MR. HANSLER: You mentioned the reimbursable position. Are you talking over the long-term. I was not clear on that?

MR. WARRINGTON: I have someone here who could give you a better answer than I can. Robert A. Canham.

MR. CANHAM: This was contained in the statement of last fall. It is utilizing the existing authority in 9500 for the pre-financing and the reimbursement. It would be long-term. Of course, as it goes along, I don't think we would be opposed to considering adjustments in the way this functions.

So, I don't believe the intent ought to be that we would propose this forever. If another equitable arrangement could be worked out.

MR. HANSLER: I have one comment following John Quarles comment.

We have, obviously, been striving for some way to define the program in terms of getting universal needs, and then looking at a fund level to achieve that.

Do you feel the totality of eligibility should be continuing?

I am not going to expect an answer now, but I think we need some explanation of what a program like that is aiming toward, to explain the program to the Congress and to OMB. I think that is one of the things we are grappling with.

MR. WARRINGTON: We don't have a census on that, but I can try to get one, if you would want it.

CHAIRMAN QUARLES: Well, Mr. Warrington, thank you very much.

Bob Canham, would you please state your name for the record?

MR. CANHAM: Robert Canham.

CHAIRMAN QUARLES: Are you the Director of the Water Pollution

Control Federation:

MR. CANHAM: Yes.

CHAIRMAN QUARLES: Thank you.

Peter Inzero.

MR. INZERO: Good morning. I am Peter Inzero of the National Utility Contractors Association. With me is David Shevock, of EPA.

I would like to make an opening statement, plus a report on EPA Number one.

The National Utility Contractors Association, representing the nation's sewer and water facilities construction contractors, appreciates this opportunity to comment on the five possible proposals for amending the Water Pollution Control Act.

However, we would be remiss if we did not express our concern over EPA's apparent emphasis on writing regulations rather than building water clean-up facilities.

In the month of May, one of the agency's best months in the history of the program, EPA funded 59 construction projects but issued 42 pages of proposed regulation revisions and changes in the Federal Register totalling about 60,000 words, and issued 24 news releases.

Our members want work. Not words. The American people want and need clean water. We respectfully urge EPA to get on with the job of cleaning up the Nation's water. The benefits to the environment, the economy and the employment situation are obvious.

The National Utility Contractor's Association are in favor of any proposals that will increase the rate at which our Nation builds the necessary environmental control facilities to assure the integrity of the Nation's lakes and rivers. However, we do not believe that simply reducing the 75 percent Federal share to 55 percent will accelerate the program. A reduction in the Federal share:

One, does not address the basic question concerning the willingness of the nation to pay the price for water pollution cleanup estimated by the Needs Survey, or an interpretation of the survey.

Two, will not increase the rate of treatment plant construction because the principal problem is not funding, but EPA generated red tape;

generated red tape;

Three, will not increase the probability of producing more cost-effective designs;

Four, will probably not be accompanied by a comparable increase in state and local funds to fill the gap;

Five discriminates against economically depressed areas; and

Six, would be unfair to those communities which failed to receive 75 percent Federal funding due to circumstances beyond their control.

Regardless of the accuracy of the Needs Survey, the Federal cost of building the necessary municipal treatment facilities is generally acknowledged as being much higher than the original $18 billion estimate. If the costs are $300 billion plus, then Congress must reconsider the desirability of committing that large a portion of national resources through the existing program to construction of municipal facilities.

This implies a reconsideration of the goals of the Act. The nation's price sensitivity at a 55 percent or 75 percent Federal share is likely to be low. If the costs are in the $30 to $50 billion range, then the savings which accrue from a reduction in the Federal share, $6 to $10 billion, must be weighed against the remaining problems arising from a change in Federal policy. A larger local share implies more local control which would apply to both setting water pollution cleanup goals and deciding what pollution control equipment is required.

NUCA is keenly aware and greatly disturbed that only $5 billion of the authorized Federal funds have been obligated by EPA with only a few days left in FY '75, which is the last fiscal year of authorized funds.

If EPA cannot obligate the funds available at 75 percent Federal funding, there is no reason to believe that projects will be reviewed and funded at a faster pace with a lower Federal share.

At EPA's average funding pace, the original $18 billion will not be obligated until January, 1982, seven years too late. This reduction in the Federal share will not result in an increased rate of funded projects unless the red tape created by EPA regulations and program guidance is reduced to permit more projects to be funded.

Another stated objective of the reduced Federal funding is to encourage greater state and local accountability for cost-effective design and project management.

This appears to NUCA to be an admission of EPA's failure to effectively implement its cost-effectiveness guidelines developed pursuant to Section 212 (2) (c) of the Act.

The implication that local and state governments will produce more cost-effective designs at 55 percent Federal funding than they did at 75 percent funding, has little basis in reality. The kinds of legal and regulatory controls which EPA has developed, but admittedly not succeeded in implementing, are not even in existence at the state and local levels in most areas.

NUCA believes that continuing substantial Federal assistance even at 55 percent will provide pressure for over-design. Simply changing the Federal share will not create the incentive for cost-effectiveness which is implied.

The history of Federal funding of municipal treatment plants predicts the effect of changing the Federal share on state and local governments. Prior to 1956, Federal funds were not provided for the construction of treatment works. Between 1956 and 1966, 30 percent and 55 percent was made available, with the higher percentage made available to states which also provided funds.

The Federal percent increased about 30 percent on a matching basis for each percent, up to 25 percent, that the state provided. This law clearly has an incentive for state aid. However, 13 or 26 percent of the states did not provide matching funds. Even those states which did provide matching funds, often did not use the full matching provision.

NUCA believes that shifting the burden back to state and local communities will result in a delay in communities' ability to clean up the nation's waters. As a result, economically depressed areas will be further handicapped and are less likely to benefit from the jobs created by the construction of collection and treatment systems.

Those communities which did not receive 75 percent Federal funding would be forced to pay a higher share of the clean up costs. While some transition provisions would be necessary, there is an obvious inequity when a community or state which was willing to pay a 25 percent share is suddenly forced to pay 45 percent of the costs.

I will now turn the mike over to EPA Chairman, Mr. Dave Shevock.

MR. SHEVOCK: One EPA paper number two, consideration of EPA's proposed ten year - twenty year design requirements reveals four basic problems.

One, it is arbitrary and conflicts with EPA's cost-effectiveness guidelines; two, it is a poor way of handling the

broader issue of growth; three, the design life allowed is too short, given the current delays in funding procedures; and four, the restriction is prejudiced against the taxpayer moving into growing areas.

Limiting Federal funds to a ten year reserve capacity for treatment plans and 20 years for collection systems is an arbitrary and harmful method of saving Federal funds. The policy is an overreaction to a recent CEQ study which found that sewers funded by EPA were often used to their fullest extent. This study, though, did not show whether or not the full utilization was due solely to induced or accurate predictions.

Here, EPA is suggesting that an arbitrary design life of ten years preempts cost-effective design. The EPA regulations for cost-effectiveness already required phased construction if this is cheaper. But, EPA has almost totally exluded cost-effectiveness from their decision making process by limiting communities' options to a decade of growth.

Another related issue is how to control or predict growth. The proposed amendment assumes that growth is solely induced by sewer construction and that growth is undesirable. But, highway locations, school locations, job availability and other factors also create conditions for growth. Sewers are a limit on, not a cause of, the pressure generated by these factors.

A ten year limit on reserve capacity does not control growth any better than the present cost-effectiveness guidelines. This point becomes even clearer when one considers that the minimum time from conception to start-up of a sewage treatment plant is eight years under the current review procedures. Consequently, if plants are built for only ten years of growth, communities will have to start planning their replacement two years after they come on line. This two year period is not likely to enable communities to make significantly more accurate growth predictions.

Restricting Federal funds for reserve capacity is also less equitable than the present program. Taxpayers in high-growth areas would have to pay higher taxes, because of the increased local expenditures required, and these taxes are likely to be much more regressive than the ones which fund Federal grants.

The EPA's stated concern about current practices leading to over-design is contradicted by the existence of numerous over-loaded plants. In fact, recent surveys show that a majority of secondary plants cannot meet secondary requirements. NUCA feels that the harms of an overloaded system are greater and more likely to occur than the disadvantages of excess capacity.

Thank you.

CHAIRMAN QUARLES: I want to very clearly point out and emphasize a point that I think is misunderstood in your presentation, where you refer to EPA proposals.

The papers are not intended as proposals. They are indicated as discussion papers, and we suggest these for consideration.

Also along this line, insofar as the idea of reducing the Federal share is concerned, that might be a reduction to 55 percent, that might be a reduction to some other level. What we have felt is a reduction below 55 percent, does not warrant consideration.

Some reduction, perhaps part way down, or as low as 55 percent, would warrant consideration.

Any other questions or comments?

Thank you very much.

MR. SHEVOCK: Thank you.

CHAIRMAN QUARLES: Mr. Sumner, please.

MR. SUMNER: Thank you. I am Bill Sumner from Nashville. I am the current President of the American Consulting Engineers Council. We have filed a 20 page statement which I will not read.

In fact, we marked up a copy to cut it to ten minutes. I am not even going to read that.

I am flattered to be included among the many experts here commenting on the discussion papers. I want to compliment the EPA for the thoroughness of the papers, the importance of the questions addressed and, I will just briefly state our general position.

I am afraid that being engineers we probably are almost as broke as people say we are and basically, we are against any change in PL 92-500.

The reasons have already been given. I would comment on the changing of the level of grants. I have heard from the dias up here that there is a limitation on the federal government's ability to spend. I am glad to hear that.

I hope we take that message all over town, but I would add there is a limitation of the ability of other public agencies to spend and all the money comes from one place. The people who are going to spend -- If we are going to spend $350 billion, the American people are going to spend the money.

If the Federal Government reduces their participation, they have to give local agencies someplace to raise the money themselves.

As usual, I am talking about something I don't know anything about, so I will go to item number two and discuss the paper number two regarding growth.

I think that cost-effectiveness always has been and always will be the answer to how much capacity we provide, whatever public facility we are talking about, and I think it would be a disaster to artibrarily impose artificial growth numbers on engineering design, or public financing, either one.

Discussing paper number three, project eligibility, that is a complex thing. A suggestion about relation. All of this more steady, but I think the priority system itself, which makes the type of eligible projects based on analysis, a good management philosophy rather than arbitrary rules.

Discussion of paper number four, I think it should be based on availability of Federal funds.

Paper number five, I think we have always said that the maximum delegation practicable should be made by the states.

I want to apologize for the engineer's, perhaps, lack of participation in this program, although we have had people up here at most of the meetings, but we have been distracted by the paper that has been coming out during the past month that has been referred to previously. And, when something has EPA's name on it, our hackles begin to rise and perhaps we have not been as objective and careful in some of our considerations as we should have been.

I would suggest to EPA several things that are not in the discussion papers, although the discussion papers prompt me to make these comments.

First, that they maintain maximum options and try to move away from more and more restrictive language having to do with all parts of their programs.

Also, that they try to, in some way, engender the confidence in thein the confidence in the other members of the team who are going about solving serious national problems.

There is a definite air of distrust. Even in the discussion papers there is repeatedly a choice of words that implies that somehow they have got to bribe grantees and bribe state agencies to be objective, and intelligent, and responsible, in the handling of public funds.

I think this is a mistake.

We are going to keep looking at these discussion papers. I don't think that July 7th should be a time to stop thinking about

them.

We think the EPA does need to save money. We do have some suggestions. We go along with some of the reimbursement things. We go along with the currency of some of the steps.

We think that EPA's failure to combine steps one and three, and the rehabilitation work and eliminate step one in many cases it borders on malfeasance.

We think it is a tremendous waste of money.

I thank you for your time, and we are going to keep plugging.

CHAIRMAN QUARLES: Thank you, Mr. Sumner, very much. Any comments or questions?

Mr. Peloquin.

MR. PELOQUIN: Thank you, Mr. Chairman, members of the panel.

I am Alfred E. Peloquin, Executive Secretary of the New England Interstate Water Pollution Control Commission.

The Commission wishes to express its appreciation for the opportunity of offering comments on the five issues noted in the Federal Register on May 2, 1975.

The Commission's comments have been limited to the Issues to be Discussed, portion of each paper as published.

EPA's issue papers were discussed at the Commission's Annual Meeting held June 19 and 20, 1975 and with the Directors of the Water Pollution Control Agency of each Compact-member state in a telephone conference call on June 24th, 1975.

I would also like to include some other comments if the record can be kept open. The comments are presented in the same numerical sequence as set forth in the Issue Papers. However, in the interests of time, I will only hit certain points on some of the issues, but would ask that the full statement be entered into the record.

CHAIRMAN QUARLES: As with everyone, the full statement will be entered into the record.

MR. PELOQUIN: Thank you, Mr. Chairman.

Paper Number one, Reduction of the Federal Share. One, would a reduced Federal share inhibit or delay the construction of needed facilities?

Yes, in the New England Interstate Water Pollution Control Commission Compact area, communities are geared to bonding for approximately ten percent of the eligible project cost. Resistance to the funding of treatment works is already developing because the impact of operation and maintenance costs is beginning to hit home.

A reduction in the Federal share could cause a surge in project applications to beat a dealine in reduced level of funding; could cause a community to have its plans redrawn to a reduced scope consistent with available dollars, or it could completely kill credibility in Federal programs with all pollution control activity coming to a halt.

Initially, many states opposed the increase in grant level. However, subsequent to enactment of PL 92-500, states with grant authority to as much as 40 percent were forced to seek legislative amendments to provide for at least some local contribution. States feel that the situation has stabilized and a change at this point would be extremely disruptive.

Two, would the states have the interest and capacity to assume, through state grant or loan programs a larger portion of the financial burden of the grant program?

State Water Pollution Control Agencies do have the interest to assume a larger portion of the financial burden. Realistically, many states are facing severe fiscal problems. States also realigned their grant structure in 1973-74 to conform with requirements of PL 92-500. Consequently, it is the concensus of the states that the State Legislatures would not look favorably on authorizing additional bond issues at this time. It should be stressed that all NEIWPC Compact member states make state grants to communities in addition to the Federal grant.

Three, would communities have difficulty in raising additional funds in capital markets for a larger portion of the program?

Many communities particularly large cities are in severe financial difficulty. The larger cities are those needing the larger, costlier projects.

Considering recent developments relative to New York City's fiscal dilemma, we would expect communities to have substantial difficulties in raising additional funds.

Four, would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management and post-construction operation and maintenance?

Most states feel that the state water pollution control

agency has a good overall control over projects in their respective states. Reduction in the Federal share will not change local impact nor grantee accountability.

In most cases, the grantee lacks the expertise to perform the functions necessary to preclude development of the problems noted in this item. A reduction in local share could lead to greater operational problems as local communities in attempts to reduce the total project cost, thereby reducing the local share, accept unproven designs promoted as cheaper, more efficient systems.

Five, what impact would a reduced Federal share have on water quality and on meeting the goals of PL 92-500?

The goals of the Act will not now be met within the framework of the law.

Reducing the grant percentage would probably stretch out even further the achievement of the goals.

Paper Number Two. Does current practice lead to over-design of treatment works?

We question the validity of the statements under this item. Drawing on the Commonwealth of Virginia's analysis of this issue and recognizing that many overloaded works exist, it is the concensus of the professionals in the field that growth was there before the grant system was instituted. The study on which these statements are based is considered grossly inadequate. Before any policy change is directed relative to reserve capacity, a broader more in-depth impartial study should be made by professionals in the field having the necessary expertise to adequately assess the problem, particularly on overloaded systems, to ascertain whether growth was definitely related to reserve capacity or to such other economics oriented inducements as improved highway and transportation systems, available labor force and availability of existing facilities left vacant by changes in the industrial/manufacturing complex of an areas, or other related conditions.

Two, what could be done to eliminate problems with the current program, short of a legislative change?

States are unanimous in the view that there are no problems at the present time. What is being espoused as problems is, in reality, the problems which will develop by cutting back on reserve capacity.

States consider growth to be a local zoning issue, not within Federal regulatory control. Growth can also be controlled by appropriate management of the NPDES program. There is agreement on a need for greater refinement of population/industrial growth analyses. New technology and new discoveries, such as the pill, are changing many

socioeconomic structures.

Planners, designers and government agencies must be attuned to ever-changing situations and, using computer and other technology, apply the best possible judgements to the issue under consideration.

Three, what are the merits and demerits of prohibiting eligibility of growth related reserve capacity?

Prohibiting growth reserve capacity may stretch available dollars among more projects. However, the end result could be disasterous. Reserve capacity provides a safety valve for water pollution control. It accommodates a degree of storm flow and developing infiltration as the collection system ages.

Communities can also be expected to require design of facilities consistent with available grant funds. If this occurs, we will soon have gone full-circle and will face the problem of the 1956 1960 era. We will question the implication that monetary ineffeciencies exist relative to over-design.

Granted, there could be situations considered to represent monetary inefficiencies, but the resultant problem is probably related to factors other than over-design.

We also feel that there may currently exist over-designed systems, but the extent of this current over-design may be due to socio-economic-industrial realignments within an areas rather than over-design per se. At the time of initial design, such systems were most likely consistent with the needs of the time.

Four, what are the merits and demerits of limiting eligibility for growth-related reserve capacity to ten years for treatment plants and 20 or 25 years for sewers?

Limiting reserve capacity would have the same impact as prohibiting reserve capacity.

Five are there other alternatives?

In addition to comments under Item Two above, modular construction of treatment facilities should be considered; a better analysis of the need for reserve capacity; consideration of a reduced Federal share for reserve capacity as opposed to a reduced Federal share across-the-board and growth control through the NPDES program.

On paper three we feel that impact of different eligibility structures vary on a case by case basis. A national standard priority system is unrealistic and unworkable.

The Commonwealth of Virginia has very eloquently illustrated the impact of reduced eligibilities. We strongly endorse Virginia's

Statement of Position, that states should have the option of recommending grant funds for projects that are necessary to meet water quality standards. Virginia's position on this issue is included in its presentation at this hearing and is, therefore, available to you.

Two, is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of Federal financial assistance?

In the early sixties, local incentive for water pollution control was high. Such efforts were considered local efforts and when spearheaded by a few local enthusiasts, great strides were made in developing and funding projects. These were considered local projects. Many large local bond issues were voted which water pollution control officials felt would fail.

The advent of PL 92-500 imposed a Federal, highly complex program on the grassroots level. This was no longer a local issue to be addressed with pride. It was a dictated Federal program. This action combined with other priorities such as schools, highways, inflation and unemployment to mention a few, effectively killed local incentive to undertake the investments now needed to satisfy the requirements of the Act.

Three, is there adequate local financial capacility to undertake investment in different types of facilities?

Comments made under Item Three, Paper Number One, apply.

On paper number four, many states feel prefinancing of POTW's should be reinstituted. Our compact member states, however, feel that the Federal government has defaulted on its committment as set forth in the 1965 Act, and with 31 percent of the prefinanced amount still remaining unapid, it is unlikely that the New England and New York State Legislatures would again authorize prefinancing.

The question of whether or not it is fair to require industry to meet the 1977 deadline while extending it for municipalities?

The Act, by virtue of its grants provisions and administration has generated conditions which have resulted in delays in the construction of municipal facilities. Most states feel that industry, other than those tying in to municipal systems are not bound by precedent setting grant conditions and, consequently, should move ahead with their respective treatment works.

For those industries scheduled to tie in to municipal systems at a later date, we concur with the House Public Works Committee staff philosophy that some legislative language be considered to assure

that such industries will, in fact, tie in at the appropriate time.

Is it fair to make industrial requirements more stringent pending municipal compliance, as is the case with joint systems?

Requirements, whether industrial or municipal, should be made as stringent as necessary to meet water quality standards.

Four, should an outside limit be provided to the Administrator granting extensions, for example, five years from date of amendment, or should the possible compliance deadlines be open-ended?

Extensions should be based on a realistic appraisal of the situation and on a case by case basis at the regional level.

Five, will EPA lose credibility supporting an across-the-board extension for municipal compliance, especially in cases where it is unnecessary? Or, are the current economic priorities such that such an extension is only reasonable?

A case by case analysis on extensions would provide flexibility and a realistic approach to a critical field problem. This type of approach should enhance EPA's credibility.

It is also the concensus of the states that the NPSES program provides the vehicle for granting extensions on a case by case basis. The NEIWPCC Compact member states are unanimous in their opposition to across-the-board extensions. It is felt that such action would delay achievement of the goals in that communities who would otherwise meet the 1977 date would tend to lag anticipating relief under the extension.

Six, how big a difference would these alternatives make on local funding or state financing?

The NEIWPC compact member states are of the opinion that these alternatives would make no difference on local funding and state financing.

Seven, should EPA consider changing the definition of secondary treatment to allow for classifications according to size, age, equipment and process employed?

States have consistently recommended a change in definition of secondary treatment. On June 4th, the Committee of ten was told this could "only be done on the Hill". We disagree since this definition is regulatory as opposed to statutory.

Again, flexibility is needed to assure achievement of water quality standards. The states concur in the philosophy of secondary treatment, but feel that the controlling factor should be the quality

of the receiving water. It has been suggested that treatment works be designed to achieve secondary level treatment but that allowances be made for seasonal variations with threat of enforcement for temporary deviations from the stated definitions.

Eight, would a two year extension for compliance be preferrable to the six year extension promoted under Alternative Five? Is this alternative unnecessarily lenient?

Comments under Item Four above reply.

Nine, until such a time when a solution to current compliance delays is adopted, should EPA issue letters of authorization to those POTM's that cannot achieve compliance with the 1977 deadline instead of issuing short-term permits?

Most states feel that the permit program provides a vehicle for extending hte 1977 deadline. Essentially, the simplest and most effective method of coping with compliance delays is recommended.

Whatever method is used, consideration should be given to the procedures used by states having permitting authority so as not to override state actions.

Paper number five, delegating a greater portion of the management of the construction grants program to the states.

One, what functions should be delegated?

The Act should provide for the delegation of all functions identified in the EPA Title II regulations, including environmental impact statements.

Two, should all parts be delegated?

Provisions should be made for delegation of all parts subject to negotiations between the State WPC agency and the appropriate Regional Administrator.

Three, what difficulty may be encountered?

Provisions for use of up to two percent of a state's allocation should preclude the need for additional financial committment on the part of the state. For those states where receipt of Federal funds must be approved by the state legislature, some delays may be incurred.

Several of the compact member states are performing various functions now and feel that additional staffing problems will be minimal provided guarantees of continued funding are available.

Four, will suggested funding be adequate?

Suggesting funding in HR 2175 should prove adequate providing regulatory requirements are kept to a reasonable real world achievement level. Every effort should be made to preclude the development of bureaucracies at state level for implementation of the amendment.

Section 213 (e) of HR 2175, states that the two percent allotment will be made each year after the date of enactment. It is anticipated that the allotment will not apply to the presently available $18 billion. Since the next appropriation may not be until FY - 1977, implementation of the provisions of HR 2175 may not occur until 1977 or 1978. The language of the proposed legislation should be adjusted to allow for implementation of the HR 2175 immediately upon enactment.

Five, will program efficiency increase?

Delegation of program responsibility to states will improve program efficiency unless the rules and regulations adopted for administration of HR 2175 generate the types of problems created in the past by rules and regulations issued under PL 92-500.

Six, time required for state assumption of responsibility.

Time required will be dependent upon the implementary regulations developed by EPA and whether such regulations will require state legislative approval.

Seven, alternative funding schemes.

States recommend that funds be made available by special appropriation rather than utilizing funds allocated for construction of treatment works. There should also be a reasonable guarantee of funding for a long enough period to provide program stability.

If I might just wrap up, Mr. Chairman, the states do support the concept. The big issue here is what will be required as far as the regulations.

Since February, the states have been asking EPA to initiate the reulations for implementing this Act. I am glad in the last Committee we attended, it was established to address this issue. This is going to govern the amount of time necessary to implement the program. The states feel they can do this.

Thank you very much.

CHAIRMAN QUARLES: Let me ask you, before the 1972 Act was passed, how many of the New England states had grant programs?

MR. PELOQUIN: Five, all but Rhode Island.

CHAIRMAN QUARLES: All but Rhode Island. What hasbeen the experience since the Act was passed? How many of those have been abandoned?

MR. PELOQUIN: None have been abandoned, but they have reduced the level of their contribution.

CHAIRMAN QUARLES: So, the municipality would put up ten percent and the state would put up 15 percent?

MR. PELOQUIN: Yes, sir.

CHAIRMAN QUARLES: I tell you, I am just troubled a little bit as I consider the implications of the Cleveland-Wright Bill in turning substantially the entire responsibility of the program over to the state agencies, ultimately. That is the goal we all want to get to.

In reference to states that do not have any matching grant program at the state level, and I was interested in the comments you made to the effect, and I think others have said this also, that there is a feeling that states are doing an effective job to monitor the construction projects. But, it is my impression that in a great many cases, the states do not have the staffing sufficient to do this job, just as EPA does not have staffing to do this job. And, I wondered if there is not a better prospect for attaining adequate staffing at the state level where some of the state money is actually going into the project? I wonder what your attitude is on that?

MR. PELOQUIN: I think the financial situation in the states is critical. We have just had a go-around in Massachusetts this week, where they are contemplating releasing 1,000 state employees. The Division of Water Pollution Control in Massachusetts recognizes it has to increase its staff.

I think there have been committments made that they can increase their staff, but other departments have to cut theirs further.

It is going to be a problem, and it is something that has to be resolved and addressed immediately. It is going to be very difficult to rely entirely on state money to fund the program, particularly with potential of the system in the Cleveland-Wright bill.

CHAIRMAN QUARLES: Perhaps, of course, in New England, where five of the states already have a state grant program, we are not necessarily talking about any change, and I suppose I am just asking you for your opinion on the basis of your experience with reference to Rhode Island or with reference to other states. But, is it

realistic to think that you can develop and maintain as much concern within a state budgetary process to preserve an adequate staffing, if there is not state money going into the projects?

My point is, and many states, state monies go into the projects and in some states there is not state money going into the projects?

MR. PELOQUIN: I think, Mr. Chairman, the interest of the personnel within state agencies, the integrity of individuals concerned with cleaning up the environment and waters of our areas, I thin --

CHAIRMAN QUARLES: You say the people who are there are going to have that concern and they will do the best job they can do, can be effective within the state budgeting process as these competing demands develop and as the squeeze gets tighter, in fighting for an adequate number of staff to do the job?

They will do the best they can do, but it is a question of whether they can obtain the staff they need?

MR. PELOQUIN: I think you are as familiar with the political ramifications of budget as we are, and I think we will face the same problems you will at the Washington level. All we can do is do battle. The big factor on our side will be, if we can develop some flexibility within the program, and at least some reasonable assurance for continued funding for a period of time, if we can get these assurances, it will be a heck of a lot easier to achieve those goals.

CHAIRMAN QUARLES: No doubt about that.

Mr. Hansler.

MR. HANSLER: Mr. Peloquin, do you think that the EPA delegates Title II functions to the states would be under regulations that went out last October, or the regulations that the Cleveland-Wright passed, issued again on a step by step basis, and the state has the ability to pick up each function, or should it be all at once?

MR. PELOQUIN: We discussed this issue yesterday morning. The states feel the authority for the transfer should provide for transfer of the full Title II authority. But, the provision be made for transfer on a negotiation basis with a regional administrator.

CHAIRMAN QUARLES: Phasing, in other words?

MR. PELOQUIN: If it is necessary to do it, yes.

CHAIRMAN QUARLES: Any further questions?

Thank you very much, Mr. Peloquin.

Mr. Speth, please.

As he is coming up -- Following his presentation I will call upon Mr. McCredie, Mr. Roznoy, Mr. Lubetkin and Mr. Marks.

I am going to apologize. I may not pronounce some of these names adequately.

Mr. Speth.

MR. SPETH: Thank you members of the panel.

We appreciate this opportunity to state what we believe should be done to correct some of the suggestions put forth.

By way of introduction, I am an attorney with the Natural Resources Defense Council. We have been involved over the past few years in many aspects of the water pollution act.

CHAIRMAN QUARLES: You certainly have been.

MR. SPETH: Many factors contribute to the current state of affairs. The original authorization of $18 billion was too low.

EPA's failure to enforce the mandatory, regulatory requirements of Section 301, or even to use those requirements constructively aided in the pressures, the lack of acceptance of certain of the Act's provisions by Government officials, the inadequate manpower in both grant and regulatory programs and, lastly, the resulting unreasonableness of the 1977 deadline.

As a result of these difficulties, the Act no longer addresses the municipal pollution problem with any authority.

Accordingly, we believe a special overhaul of the Act is required. That it should be undertaken immediately, and EPA should sponsor the amendments required.

Our basic problem with the issues presented in the Federal Register, they seem motivated by desires, not to spend money and not to put together a workable program responsive to the problems which have arisen.

Briefly, the principal elements of the new approach we would recommend are as follows:

First, the Act's regulatory deadlines both in 1977 and 1983 deadlines should be retained, and they should apply as they do now at least under the statute if not in practice. Quite apart of whether

Federal funding is available.

However, the Act should be amended to grant EPA the authority to extend 1977 deadlines on a case by case basis, based upon, as the Federal Register noted, proposals to actual time required by the expenditure of good faith efforts to build necessary facilities.

In no case, however, should the 1977 deadline be extended to 1983.

Second, the Act should be amended to eliminate the 75 percent requirement and to substitute instead a scheme in which every eligible facility receives a full right or share of Federal funding that is made available by Congress.

For example, if it should eventuate that Congress after studying national needs only funds 65 percent of the total need, each eligible facility would be entitled to 65 percent of the Federal funds.

Third, Congress should authorize major, new financial support for facilities construction and for the personnel needed to insure that these vast sums are spent in an environmentally and fiscally responsible manner.

We fully support the idea that a construction program should be Federally funded. We would hold this caveat however.

Federal funding should be available only to support those population and discharges population, the discharge projects for 1983.

Every purpose of the act, the purpose of Federal funding under the Act is to assist in achieving the goals of the Act. Funding future growth and long-term growth should be the responsibility of states and localities.

To implement this overall approach, Congress should determine soon how much construction grant funding it is willing to offer us for the period from now to 1983, being of course, additional authorization on top of the $18 billion, and it should authorize this amount quickly.

When this amount is compared with the assessment of national need, the determination can be made indicating the amount of financial assistance each project can expect.

From the beginning, each municipality would know it would be receiving Federal support timely and how much. The determination, the discrimination between some localities would be eliminated.

All Federal funds would have the maximum impact in terms of first, stimulating local, state funding and justifying positions of Federal requirements.

Federal requirements.

These requirements should be enforced vigorously by the EPA with 1983 serving as the dealine.

From this vantage point we can comment briefly on certain of the issues raised in the issue papers.

First, should the Government's Federal share be reduced? Generally we are concerned about the effect of predetermining the Federal share and prefer a scheme in which funding is made available by Congress, and is divided up equitably amongst eligible facilities.

Secondly, should Federal funding of reserve capacity be limited, as stated above we believe it should be strictly limited. No capacity should be Federally funded beyond the needs projected for 1983.

Thirdly, should categories of eligibility be eliminated? Our answer is no. We note that the proposed stimulus for all eliminations appears to be largely the $235 billion estimated for storm water control. We seriously question this figure. In fact, we are not absolutely sure how that figure was arrived at, but, it is our understanding that in part it was arrived at by estimating the cost of what it would take to separate out combined sewers that presently exist.

Is that right or wrong gentlemen?

MR. RHETT: There was another category for separating combined sewers, but I think we would agree with you that that figure is not a hard figure, but that was something new that was brought out in the survey.

MR. SPETH: That raises the general problem. It seems to us it would be extremely hard to base all these discussions on only the most accurate kind of data, and that the $235 billion was cited repeatedly in the whole needs survey, I think without sufficient qualification. And, it is treated in the Federal Register Notice as if that was a hard figure.

To apply the secondary treatment concepts to the storm water problem, we have not seen enough to convince ourselves that that is a reasonable figure.

That is really all I can say about it.

Should the 1977 deadline be extended? As outlined above, yes, it must be since the 1977 date lacks credibility. Such extensions should be made on a case by case basis after justification by the dischargers involved, and finally, the question of the Cleveland Bill.

It is our feeling that that proposed legislation is

unlikely to achieve the objectives of speeding up the actual expenditure of funds.

In any scheme like that which is going to be acceptable to the United States public, there is going to have to be EPA supervision of what is going on. Certainly initially, EPA determinations of whether the states are qualified to assume responsibilities. That process is going to take a lot of time to work out.

If the program is going to be a responsible one, the same kind of decisions which EPA is grappling with now, will have to be made by the states. They are going to take a lot of time to make them.

We have grave doubts that this whole -- That this bill is really responsive at all to the needs to speed up spending money and the needs to buck the red tape in the program.

Thank you.

MR. AGEE: Mr. Speth, I need a little qualification. You mentioned you would recommend that the capacity, that the funded capacity, be up to the population reflected to 1983 and then the locals would fund the capacity under that, designed under the system.

MR. SPETH: Yes, that is precisely the recommendation. There is a little confusion. Not a lot, there is a little bit. That the plan should only be ultimately designed to serve the 1983 needs. We are not suggesting that. We are suggesting that -- We are not suggesting Federal funds be eliminated.

MR. AGEE: Thank you.

MR. HANSLER: Would you apply that same principle to sewers, trunk sewers?

MR. SPETH: Absolutely.

CHAIRMAN QUARLES: All right, thank you very much.

Mr. McCredie.

I am going to put a little bit more emphasis as we are going along here on completing statements within the time limit. I think that is important.

I gather Mr. McCredie is not here at this time. Is Mr. Roznoy here?

Mr. Lubetkin.

MR. LUBETKIN: Of course, I could take 30 minutes.

CHAIRMAN QUARLES: No, sir, let me just also say why you are coming up. So that the people can know where we are headed and you can make your own plans accordingly.

As you can see, we are going through the morning without a break. I realize that is a burden for all, but I think that is useful to get as many speakers as we can. Our thought would be to continue without interruption until the luncheon break, and to recess for lunch sometime in the range of 12:30 to 1:00.

If we do break for lunch at that time, then the majority of employees will have had a chance to go through the cafeteria and we will be able to get somewhat quicker service there.

That is probably where most of you are going to want to eat in view of lack of alternatives.

Mr. Lubetkin.

MR. LUBETKIN: My name is Seymour A. Lubetkin, a licensed Professional Engineer and Chief Engineer of the Passaic Valley Sewerage Commissioners, the largest Authority in the State of New Jersey and a Director-Elect of the Water Pollution Control Federation.

This paper, commenting on the five papers, as published in the May 28, 1975 Federal Register, is presented on behalf of both the New Jersey Water Pollution Control Association and the Passaic Valley Sewerage Commissioners. As Chairman of the Committee, which was asked to review the five papers, we offer the following comments and recommendations:

Paper number one, reduction of the Federal share. The proposal is a reduction of the Federal share of Project Costs from the present 75 percent to a level as low as 55 percent. One of the stated purposes is to let the limited available funding go further. This purpose, we believe, is an illusion and, rather than aid, will adversely affect the individual taxpayer.

There is no question that, whether the state or Federal Government pays, it is still the taxpayer who ultimately foots the bill. But in all areas where the major expenditures are needed, the cities are finding it harder and harder to raise the cash. Bonded indebtedness of our big cities is one of the things that is shaking our country.

The municipal bond market interest rates are going higher and higher, despite the fact that they are tax free. The public is losing confidence in the municipality's and authority's ability to keep on paying. Thus, if $100 million must be spent, it is cheaper on the taxpayers if the Federal Government spends it.

Maybe Treasury Bills and Bonds may not be much lower in

interest, but at least the Government gets back income tax on the interest made on its borrowing, while the cities are being forced to pay eight percent and nine percent of Tax free income to its lenders.

In addition, the forced load on the Municipal Bond market will hurt all other municipal and state bonds we issue, that might be needed for proper operation of our local governments. Remember, even though the United States now pays 75 percent of construction cost and local costs are 25 percent, the municipalities also pay operation, maintenance and ineligible costs, which, we believe, are not only higher than the construction cost, but many of these costs will continue to increase with our inflationary spiral long after our bonded debt service is stabilized.

As far as the specific issues raised in the paper, it is our opinion that:

One, a reduced Federal share will inhibit or delay construction of needed facilities because of the financial difficulties of local Governments.

Two, although state aid would be better than no aid, we feel that the difficulty of getting state aid and getting the necessary referendums passed by the taxpayers in the present climate of austerity would doom such a program andwould certainly make it inequitable if some states would give aid and others would not. We think greater state aid as a substitution for Federal aid is not in the cards.

Three, there is no question in our minds that many communities, including those that need it most, would have difficulty in raising additional funds in the capital market for the reasons expressed before.

Four, we do not believe that reduced Federal share would lead to a greater accountability on the part of the grantee for best cost effective design, project management, and post-construction operation and maintenance.

In fact, all those items, with the possible exception of design, are completely independent of grantee share. If the grantee is negligent with a smaller share, it will be equally negligent with a larger share. Its negligence affects its operation and maintenance cost more than the cost of construction. As far as effective design is concerned, we feel there may be a tendency to the opposite, namely, that design in many cases may be adversely affected by the grantee bearing a larger share of the cost.

The inability to fund sufficient monies may force a reduction in construction costs by making an inferior or inadequate design in order that any work be done. Existing office holders may feel they can be re-elected because of lower immediate capital costs, and the fact that reckoning on inadequacies may not have to be

answered until later by their successors.

Five, we believe a reduced Federal share would be detrimental to water quality because some of the necessary projects would not be able to be funded. There are some cases where sufficient local bonds would not be able to be sold economically, even if the city fathers were willing to take on the large debt.

In summary, we believe it would be a mistake to reduce the Federal share. It would be much better to review and change the many questionable environmental standards and save money in that manner.

Paper number two, limiting federal funding of reserve capacity to serve projected growth.

We think this is also an areas where we must be judicious in our thinking. We think the principle is proper, but the number of years upon which to put a growth limitation requires careful analysis. Certainly, the idea of zero growth is not equitable as we will find the population paying a bond debt service for facilities that are no longer adequate.

However, the principle of taking care of our immediate needs without sacrificing our economical ability to adjust to the future may be accomplished by breaking down the size of any project into hydraulic or physical size and size necessary for the degree of treament mandated.

We believe it is absolutely essential for a plant to be able to hydraulically handle future expansion to at least 20 years from completion of construction, even if we limit the treatment facilities' sizes to much lesser amounts. This is important because if a plant is not hydraulically able to accept or receive a given flow, wash outs, flooding or by-passing must occur, whereby a limitation on treatment equipment will just cause a gradual reduction in degree of treatment which, in many cases, can be easily tolerated. However, if this is done, I believe it is important to incorporate into the law some protection from requirements on a municipality or authority, by the USEPA in the near future, to force expansion shortly after completion of expensive facilities.

We also point out that larger pipes to allow for proper hydraulic growth is a small percentage of cost, but would be very expensive to add to later particularly in high density areas. We might use the following principles:

A, structures, pipes, et cetera to be built will be sized hydraulically for reasonable future expansion of growth.

B, room for future additional facilities to be allowed.

C, construction to be modular so that future facilities can

be added in a practical and reasonable manner.

And D, the municipality or authority not to be required to add facilities to improve treatment until the treatment level, due to increased load, falls a significant or specific figure below the design or required criteria.

If, in the opinion of the Administrator, Item D is intolerable due to the critical nature of the receiving stream, then he must allow the facility to be built with greater reserve capacity. This is a judgement factor and must be decided before limiting plant size.

As far as the specific issues raised in the paper, it is our opinion that:

One, although current practices, in some cases, may lead to overdesign, we do not believe changing the 75 percent Federal share to 50 percent would eliminate this. The proper place to eliminate overdesign is at the state or Federal review level. Certainly the State Certifying Agency should know how to properly distribute the available funds, so as to get maximum water quality benefit for the present and near future for its particular state.

We believe there is no substitute for good judgement on a case by case basis. We believe there should be less legislative restrictions and more leeway given to the Regional Administrators, State Certifying Agency and local authority.

Two, we agree with the principle as stated before of allowing full hydraulic growth but limiting treatment growth.

Three, four and five, we believe the answers to these issues were covered in the discussions.

Paper number three, restricting the types of projects eligible for grant assistance.

We believe on evaluation the projects eligible for grant assistance, but not for the reasons cited, nor do we believe it should be by legislative decree. We think we have the necessary restrictions now with the priority system and limited money.

Proper state evaluation of projects to determine the best water quality improvement for the dollar can be used as a basis for priority so that those projects needed most get funded first. Those projects not immediately funded, lower priority projects, would have to wait until they could be afforded.

We think it improper to declare ineligible any type of project by class. Although we think treatment plants generally should have high priority and correction of combined sewer overflows and

treatment, or control of storm water should have low priority, possibly under certain circumstances there may be exceptions, and we should leave it to the State Certifying Agency to determine what is most needed to accomplish the goals of water quality standards.

Another point which we feel is extremely important is to reinstate the reimbursable provision in the Grant Sections. We had discussed this in detail and felt the following would be not only equitable, but would aid in accelerating construction of needed work.

One, every municipality or authority submitting a project by means of a feasibility report would be placed on a priority list in accordance with the need of the project to accomplish the goals of the Act.

Two, as applicants complete approved plans and specifications, if they are high enough on the priority list, they may have their project approved for construction with available grants.

Three, applicants with approved plans and specifications may, if they desire, proceed with construction if they are not high enough on the priority list; however, they must proceed without Federal financing, but they will be eligible for reimbursement if and when they become high enough on the priority list.

Four, at the end of each fiscal year the priority list is revised to remove projects already funded, add new projects, and reevaluate the need for old projects, with the understanding that if a project was funded locally, its priority status cannot drop; that is, no new projects or old lower priority projects may be put on the list ahead of the locally funded project.

Thus, if a municipality decides its project is important enough, or if it is near enough to the top to be funded in a following year, it might elect to proceed, saving the inflation costs of waiting and knowing it will not lose out because it was acting for the good of the environment. Any project on the priority list would move to the top eventually, if it proceeded with construction, as other projects were funded and removed.

As to the specific issues raised, we feel:

One, that we should evaluate the priorities and, therefore, the environmental impact on the cost effective imporvement to water quality; that is, the greatest benefit per dollar spent.

Then, when this is done, we must finance the high priority type items first on both Federal and local levels. Also, we must not mandate local completion of lower priority items that do not get Federal support. The important thing is to realize that we must not require municipalities to fund these lower priority items alone, but we must recognize they are postponable.

Two, the administration and assignemtn of priorities, and therefore construction programs, will be a state function.

Three, the progress and construction of both priority items and non-priority items would proceed more rapidly because of the reimbursement provisions proposed by us. This would increase employment, and if taken in conjunction with other recommendations made in the latter part of this paper, would improve the overall economy compared with the present situation.

Paper number four, Extending the 1977 date for the publicly owned treatment works to meet water quality standards.

This is a self-evident must. The date was never realistic and made non-compliance practically mandatory. This may not mean much, except we lose confidence in a difficult law with an impossible goal.

We are forced to look for invisible loop holes to enable us to make grants when we know the date cannot be met, and yet if the grant is not made, either we financially penalize an earnest attempt to clean up or nothing gets done. Of the five alternatives, we think the most practical is a combination of alternate three and four, slightly modified as follows:

Seek statuatory amendments that would maintain the 1977 date but would require the Administrator to grant compliance schedule extensions on an ad hoc basis based upon the availability of Federal funds and upon actual time required with the expenditure of good faith efforts to build the necessary facilities.

We also believe that industrial deadlines should be capable of Administrator extension based upon physical impossibility of compliance and when good faith performance is shown.

As far as the specific issues raised in the paper, we feel we have given our opinion concerning issues one through six. As to the remaining issues were believe:

Seven, EPA should definitely change the definition of secondary treatment to cover a large range of degrees of treatment, and abolish BOD as a standard, and apply the necessary treatment, including the necessity of disinfection on a case by case basis, giving the Regional Administrator wide latitude as to application, considering all environmental and socio-economic factors.

We feel extensions of the dealine would still be necessary because of the time lag due to construction and funding.

Eight, we feel any specific extension in the legislation is proper.

Nine, yes, letters of authorization would be much better than the complex paper consuming short-term permits.

Paper number five, delegating a greater portion of the management of the construction grants program to the states.

We feel this should be done when the state demonstrates it is capable of handling such a complex proposition. If, however, a state does demonstrate its ability and has a desire to do so, we believe it should be compensated by the Federal Government to offset the additional expenditure it makes compared with states that do not take over this management.

We do not, however, believe the compensation should come from the State's allotment of Federal money as proposed. This would penalize states that did this work. We feel payment should be either from a general fund or a fund set up by taking up to two percent of the total allotment to all states, before allocation. At the end of the year any unexpended money in this fund would be distributed amongst all states in the same ratio as originally to be used for grants. Thus, no individual state would be rewarded or penalized for not doing this work by affecting its grant allocation for projects.

Besides, the five specific items, we believe there are many more important items that could have been addressed, and since the notice stated that the hearing was not meant to confine the discussions, we are mentioning a few with a very brief discussion.

Item A. Have the federal government guarantee the payment of environmental municipal bonds.

This would allow the government to move against a defaulting municipality for repayment if need be, but the real asset to the taxpayer would be to make all environmental bonds, so certified by EPA, Class AAA bonds and the interest rate in many cases would drop from eight percent or nine percent to four percent or five percent. What a savings to our taxpayers for a very little Federal cost.

For example, for each $15 billion dollars a year of Federal expenditure, there must be $5 billion of state or local monies spent, based on the present 75 percent - 25 per cent share. Five billion dollars on a 30 year bond issue of nine percent and five percent gives debt services of $486,680,000 and $325,257,000 respectively. Thus, you can see that such Federal support could save municipalities $161,432,000 per year for 30 years for each $15 billion put up in Federal aid. This is a reduction of 33 percent of the municipal share without increasing the Federal share.

This would also make the municipality put its priorities in environmental work, since other municipal bonds that were not guaranteed by the Government would be paying the high rate of interest,

depending upon the rating and stability of the local government, called for by the local status. It is important to note that we are not recommending Federal backing of all municipal bonds, just those issues certified by EPA as environmental issues for work required by PL 92-500.

Item B. Review and adjust our requirements on a case by case discharge basis. Reduce our expenditure by not requiring the same minimum discharge by everyone.

To require the high standards that we have defined for secondary treatment for discharges into the ocean, or even our large rivers, at all times is the height of folly and a waste of money. Mandatory year round chlorination of all discharges is not only economically wasteful, but harmful to our environment. All discharges should be individually evaluated as to the effect on the environment and each Regional Administrator should be able to prescribe the required treatment and schedule for operations. We could save much money and at the same time aid the environment.

Item C. Do not mandate some of the theoretical details presently in the law.

Make the law more general and allow the Regional Administrator more latitude on details. As stated before, there is no substitute for good judgement, but make the law permissive enough so that judgement of the Administrator is not overruled by an adverse ruling from OMB or another watch dog agency.

Generally speaking, we should go over the Act paragraph by paragraph and delete those parts of the Act which legilatively are in too much detail, particularly where we feel the item does not contribute to water quality, but is an administrative type of ruling which does not leave us much discretion. Things like equitable and user charges sound good, but in practice are defined too strictly to permit a cost benefit type of operation. If you have a law that states that costs shall be equitable, leave it to the municipality to determine what is equitable. If they are wrong some taxpayer will take them to task. The present regulations are so complex that the cost of administrating, in many cases outweighs our financial return at a net loss to the taxpayer.

We don't believe the Federal Government should get into the rate structure aspects of the operation. It is just another expensive area for them to monitor with no direct affect on the environment.

Procurement is another area where we should be careful. The mandating of two name brands or equal could, in many cases, cause the purchase of inferior equipment that can lead to very high maintenance or replacement costs.

Item D. Improve the cash flow to grantee after a grant offer is accepted.

At present it is not until a portion of the construction is completed that we may apply for a partial payment of the grant money to cover the cost of that particular construction phase.

Even when all delays of processing are reduced to a bare minimum, there is a one month lag period from the check. To this must be added the time from construction in the ground until the time the engineer can certify this to the Grantee, and EPA, of approximately one month. Thus, if a contractor must wait for the grant funds to be available, he has a minimum of two months; and, in practice, three or four months, until he gets paid.

If, on the other hand, the grantee pays the contractor when the money is due, as many do, it finds it is prefinancing a portion of the grant, to its financial detriment.

We suggest that the legislation or regulations be modified so that the funds be given to the grantee in accordance with the cash flow schedule that is submitted with the application for the grant.

Reports and inspections can be required so that if construction is seriously lagging, a rescheduling of the cash flow can be made. In other words, let the grantee have the money about two weeks before it needs it, so that when calculating its cash needs the grantee does not have to do some very expensive overfinancing.

Thus, the realization that we have limited funds must be extended to municipal participation. We must not just consider reducing Federal share, we must reduce total share to highest priority items with greatest cost benefit ratio. The thing to bear in mind is that the reduction in the Federal share, without corresponding reduction in local share, will contribute to Federal responsibility for bankrupting many of our communities which are presently in trouble.

Now, we realize a problem, when you said a cash flow schedule, that you could have a lag and you might be getting the money too far in advance. This you can do by having your people check progress things. All we want is the money two weeks before we need it.

Thank you.

CHAIRMAN QUARLES: Excellent presentation.

Mr. Alm.

MR. ALM: If I understood you, your proposal -- you are

proposing that EPA provide a tax exempt local bond?

MR. LUBETKIN: Yes, on bonds certified by the EPA as work under the grant program. They will guarantee payment by the municipality, so when New York City goes out for a bond on a particular treatment plant, instead of paying nine percent they will five percent.

MR. ALM: I was going to ask you to what extent financing problems occur in New Jersey, and whether or not they are an impediment to the program.

MR. LUBETKIN: Tremendous. We had in New Jersey a 15 percent matching grant. In a few months we ran out of money from a bond issue that went before. Legislation has been introduced for a bond referendum to add money, another $180 million or something like that. I am not sure of the exact figure. In the present climate it has to go before a referendum and I am willing to bet, unless there was some stipulation made to the public that if we do not get this we don't get so much Federal money, it is just going to be killed.

The voters are up to here. In fact, you may have read recently, we have just passed an unbalanced budget, which means that the Governor has told the Senate, if the Senate does not give them additional taxing powers he is going to fire something like 30,000 state employees, so that will give you an idea of our problems.

CHAIRMAN QUARLES: Let me ask along that line. Suppose we went back in some form to the old system in which there was a higher level of Federal grant, where there was a state matching grant program and a lower Federal grant, would that provide the leverage?

MR. LUBETKIN: There is no question that particular gun would force the state to pass its bonding act. But, the state is paying more than the Federal Government to get its money, so really the taxpayer would still be paying more, although the state can finance cheaper than a municipality, the Federal Government can finance cheaper than a state, and I do feel under today's climate, it is cheaper for the taxpayers, for the Federal Government to pick up the maximum.

Now, the other thing is that it is unfair where some people have already had the 75 percent, and now you are asking --

CHAIRMAN QUARLES: I understand that. And, there is an element of unfairness that would obviously result, and that is undoubetedly going to be one of the concerns.

Under the old system, most states were moving toward an establishment of a matching grant program. Let me just throw out an idea.

Suppose the Federal share were kept at 75 percent provided

that there was a straight state matching grant program for ten or fifteen percent, but that in the absence of such a program, or perhaps at some date in the absence of such a program, the Federal share was 65 percent or 70 percent, 60 percent, something of that sort. Then, I would assume that the reasonable follow-on from that would be that very quickly all the states, indeed, would have state matching grant programs.

MR. LUBETKIN: I would assume that also. It would be rather silly not to, and every organization would get behind the bond and that is the way you will get it passed.

CHAIRMAN QUARLES: If that is the result of playing this out, you may have substantially all of the constructions that would be built over the next couple of decades, the Federal share might be 75 percent that you have now. So, there would be no change there.

It would be injecting a new element, namely, that there would be more assurance that for a substantial part of the balance, you would be getting state borrowing rather than municipal borrowing with the interest benefits there.

In addition, it would be providing the other aspect of providing assurance that the state agency which had the increasing responsibility for administration of the program has got a stake financially in the construction, and therefore, increased incentive to provide the staff to do a good job of handling the applications and monitoring the construction.

MR. LUBETKIN: We agree with that. In fact, we sent the resolution to the state endorsing the 15 percent. It is just that without the club of the Federal Act, we just did not believe it would pass a referendum.

MR. HANSLER: If a Federal Treasury guarantee of the 25 percent local bonding became a reality, do you think there should be a Federal requirement that the city whose bonds are guaranteed, that city must not allow a tap-off of sewer system revenues to run general government?

MR. LUBETKIN: Yes, I do.

MR. HANSLER: Would you like to see revenue bonding and the authority for a political subdivision to cover the 25 percent state local share in New Jersey?

MR. LUBETSKIN: What do you mean by revenue bonding authority?

MR. HANSLER: Where they would sell their bonds based on a revenue schedule to pay for the local share of the trunks of the interceptors, whatever, rather than rely on capital bonding which

goes to capital tax.

MR. LUBETKIN: In our area, revenue bonds pay a heck of a higher rate than the others, because where we classify something revenue, if you don't get the money in you are stuck. But, as soon as they get somewhere, they can go on other taxable -- There is a difference.

MR. HANSLER: What if you had the Federal guarantee though?

MR. LUBETKIN: I think if you had the Federal guarantee, you do not -- It doesn't matter where your source of revenue is. It becomes moot. You make it revenue or anything else, because the rate of interest is a function of risk, and if the Federal Government is going to eliminate or minimize the risk, because as soon as the Federal Government goes, so does the dollar bill go, and you have the lowest possible interest rate.

MR. HANSLER: I am looking at the equity within a state, trying to finance the 25 percent state-local share with a state bond issue, versus the people, who are responsible for requiring these improvements, paying the share themselves at the local level.

MR. LUBETKIN: I understand what you are saying. Of course, when Mr. Quarles asked the question, the reason he felt that there should be state participation, is because he felt there might be more state interest, and, therefore, more control over the thing.

Your position, as I hear it is just the opposite, that once we get the Federal guarantee, now there is no reason for us to reduce costs, because we have minimum costs and shouldn't those people who are getting the benefit pay for it?

Of course, theoretically the answer is yes. I can only go back to a statement made that Mr. Quarles asked. If many of them already had 15 percent, is it now fair to switch horses, and of course your answer is, there is always unfairness.

From an individual-municipal point of view, that has not funded its work, they want the 15 percent. For someone who has his money already and has to pay for someone else, they would like it cut off. So, from the average taxpayer, once we have Government guarantee, it doesn't make any difference.

MR. ALM: I have one question.

Do you have any interest rates in New Jersey?

MR. LUBETKIN: Yes, there was a six percent, but then they passed legislation removing the ten percent on the year by year basis. The last I heard there is no particular difference.

They get around that, by selling an eight percent bond and selling it at a discount.

MR. HANSLER: Do you think there would be more influence on the part of a state government in land use if you had state grant programs versus a local program only.

MR. LUBETKIN: There would be if the state grant is tied up with approvals on the management program.

In other words, if you have a state management program and you say the grant is subject to -- you are fitting in with that management program, you have the dollar club, there is no question about that.

If it is not a mandatory item, you are going to have individual communities, local rights within a state. The problem of local rights versus state rights, just as you have state versus Federal.

I know there are many cases where we try to use the club, unless the carrot is big enough, you always have fights. I definitely think, if a state is given money, they will have a more significant impact on land management.

CHAIRMAN QUARLES: All right. My bias is obvious. I think if we are aiming toward the goal that I feel most of us are aiming towards, which in increasing state management over the system, at least in regard to the Federal, that it is very important that the state have a financial committment involvement in funding the facilities.

That is my bias.

Mr. Marks, please.

MR. MARKS: Mr. Chairman, gentlemen of the Committee, I thank you for the opportunity to comment on possible legislative changes governing the Agency's grant program for the construction of municipal sewage treatment facilities. My name is Billy Marks and I am an environmental analyst for the City of Newark.

To begin, we would like to say that the city of Newark is addressing the needs of our country's development and is aligning our city's needs to complement those of the country.

It is with deep sincerity that we comment on the possible legislative changes before us today. In presenting our comments, we feel that they key issue to be considered in these legislative changes is the establishment of priorities on a national basis.

Is the Congress going to accelerate the demise of this nation's cities by providing water monies to fuel suburban and exurban

projects and that the 75 percent figure be retained for funding of urban projects.

These minimum allocations will place the emphasis on support of the needs of existing densely populated urban centers. These centers are now experiencing strained environmental conditions that are instrumental in the negative patterns of growth presently being suffered, as evidenced in New York City, Newark and other northeast areas. By incorporating this type of discretionary Federal funding policy, we will experience a built-in growth control regulator that should help to curtail present suburban and exurban sprawl, while providing for an urban refurbishment and renaissance.

The second area of proposed legislative change is the limiting of Federal financing to serve only the needs of existing populations. As it has been well documented that the United States Environmental Protection Agency is presently financing rural development and growth through its water funding programs, the City of Newark wholeheartedly agrees with the limiting of Federal financing to serve only the needs of existing populations.

Our only request is that priority be given to urban areas that support dense existing populations. Since urban areas have a relatively stable growth projected for the near future, there will be little or no need to plan a reserve capacity in these areas. But, we also recognize that the Federal financing of only existing populations will not prohibit grantees from providing cost effective reserve capacity beyond that fundable by the United States Environmental Protection Agency with that reserve capacity being 100 percent financed by the grantee. This issue should be addressed.

The third area of proposed legislative change is the restricting of the types of projects that are eligible for grant assistance. Public Law 92-500 authorizes funding of the following types of projects:

One, secondary treatment plants.

Two, tertiary treatment plants as needed to meet water quality standards.

Three-A, correction of sewer infiltration/inflow.

Three-B, major sewer rehabilitation.

Four-A, collector sewers.

Four-B, interceptor sewers.

Five, correction of combined sewer overflows.

Six, treatment or control of stormwaters.

This classification above is the same used to identify water pollution control needs in the 1974 Needs Survey. The City of Newark's reaction to the narrowing of project eligibility by eliminating some of those categories, where clearly identified needs have been established is that it may jeopardize the basic PL 92-500 objective to restore and maintain the chemical, physical, and biological integrity of the nation's waters.

If implementation of a narrow approach for project eligibility is enforced, many projects may not be implemented because of prohibitive cost factors. What the city recommends is that each project's eligibility be evaluated on an ad hoc basis, with the regulating factor being orderly environmental growth planning. The proposal to limit eligibilities to Categories I, II and IV-B, as defined in the 1974 Needs Survey, would further stimulate the damaging patterns of sprawl taking place today.

Sewers and sewage treatment plants are today's prime determinants of development. The location and rate of extension of interceptor sewer lines across undeveloped land has more impact on land use than any other public facility, reference, the Costs of Sprawl, and the Fourth Annual CEQ Report.

The location of a new interceptor increases the number of buildable lots along its right-of-way with population density being controlled by the interceptor's size. Thus, to give priority to interceptor development is not in the best interests of sound land use practice.

To the contrary, Newark proposes that the types of projects eligible for funding remain unchanged and that instead, a priority be assigned for each project on an ad hoc basis, thereby insuring that only environmentally sound projects will receive the highest priority.

The fourth area of proposed legislative change is the extension of the 1977 deadline for municipalities to achieve secondary treatment and compliance with state water quality standards. Since it is currently estimated that 50 percent of the municipalities will not be able to comply with the requirements of Section 301 of the statute, the City of Newark agrees that there should be an extension of the 1977 deadline.

However, these extensions should be extended on a case by case basis through the discretionary authority of the USEPA. This will permit compliance schedules to be established on a relative basis as each municipality starts construction.

The fifth area of proposed legislative change is increasing the states' role in managing the grant program. The United States Environmental Protection Agency now reviews all construction grant projects and oversees the use of Federal grant funds. The City of

Newark agrees that a tightening of the fiscal accountability systems should be required of states carrying out their construction projects.

Statutory authority should be retained by the United States Environmental Protection Agency to develop criteria for independent audits and evaluation of construction grants. Even though the United States Environmental Protection Agency may delegate the management of grant programs to the states, Newark believes that the United States Environmental Protection Agency should establish a list of national project priorities and supervise the development of priority lists of each state. The Federal control over the priority arrangement of the projects will help to insure the incorporation of national objectives, especially those of curtailing suburban and exurban sprawl.

In closing, the City of Newark would like to reemphasize that the establishment of well defined national priorities should be adopted as part of the legislative changes that are being discussed here today. Through this process, the Congress will insure that national goals are met in preserving our urban centers and decreasing the momentum of suburban and exurban sprawl.

Thank you.

CHAIRMAN QUARLES: Any questions?

Thank you very much.

Is Ms. Rastatter here, do you know?

Next, I would call on Warren Gregory and Tom Walker.

MS. RASTATTER: I am Clem L. Rastatter, Senior Associate of the Conservation Foundation, a non-profit operating foundation which has devoted a considerable portion of its pro-ram activities and resources to research and public education in Federal water quality issues. I am pleased to appear here today before such a distinguished group to present the testimony of the Conservation Foundation.

Given the preceding testimony that I have heard, I am afraid I am going to raise some question, given everybody elses' testimony and make someone mad at me.

It seems very unpopular to question whether or not the Federal Government should pay 75 percent almost ad infinitum toward the country's water quality improvement needs. There is no area of the 1972 amendments that have been subjected to more controversy than those elements of PL 92-500 that constitute what I call the municipal waste treatment facilities program. And, from an environmentalist perspective, there is no other area of the Act where the political

and financial issues of implementing new environmental requirements seems less resolvable.

With that discouraging remark I would like to point out what I feel has become a central issue in the way we address any one of the issues presented here in the papers here in the Federal Register.

The central question is the debate that centers around the kind of requirements that municipalities must meet, by date and financing. It is whether or not the municipal program established by Public Law 92-500 is meant to be primarily a public works program, or is that program meant to be primarily a regulatory program?

The answer to that question, we feel must be that Congress established a regulatory program and provided Federal financial assistance for the construction of publicly owned treatment works. Governmental point source dischargers as well as industrial point source dischargers were required to meet specific effluent standards by 1977 and 1983, and substantial penalities were authorized to be imposed by Congress for noncompliers.

With that as background, I will just try to summarize our reaction to the issue papers and I will start with the issue paper which we feel is logically the first issue in all of these papers which is that of extending the 1977 date for publicly owned treatment works to meet water quality standards.

In order to meet with that issue, it is necessary to address the issue raised in that paper about what has caused the situation that we are in whereby most municipalities will not meet the 1977 deadline, and we feel there are several reasons, in addition to those listed in paper number four, which explain why 9,000 municipalities will not be able to comply with 1977 requirements.

These range from the impoundment of half of the $18 billion worth of construction grant funds authorized to be obligated; delays in construction grant obligations caused by the slowness in development of EPA regulations as well as lack of understanding on the part of municipalities, states and consulting engineers as to what must be done to comply with new Federal requirements.

Delays in construction grant obligations caused by inadequate numbers of EPA personnel, and/or inflexibility and confusion of EPA personnel in response to problems.

Inadequate instruction from Congress on how to deal with those grant applications already in the pipeline which would suddenly have to meet new grant requirements.

Delays in construction grant obligations caused by recalcitrant municipalities and construction engineers in dealing with new Federal requirements with which they do not agree.

All of the above listed problems indicate that central to the problems of meeting 1977 deadlines for municipalities has been -requent delays in making available or obligating available Federal funds. And, a primary cause of these delays has been what might have been foreseen as problems in getting large Federal and state bureaucracies to change course and adjust to new requirements.

One further problem, however, which was probably more responsible than any other for municipalities' failure to meet 1977 deadlines was the decision by EPA in 1973 to tie the regulatory and funding requirements of the Act together. While the other problem areas listed above have gradually sorted themselves out with time, causing temporary delays in the program and in meeting statutory deadlines, the ramifications of the decision to tie regulatory and funding requirements together, are likely to continue to haunt us for some time.

This decision, enunciated in a policy statement entitled "Municipal Permits and Planning: Compliance with the 1977-78 Deadlines" stated that when a municipality failed to receive federal funding sufficient to begin construction in time to meet the 1977 secondary treatment deadline, this municipality would be issued a National Pollutant Discharge Elimination System permit that would be based on optimum operation and maintenance, and would not require a new significant construction. EPA rewrote the law. Instead of saying, that all municipalities had to achieve secondary treatment by 1977, EPA was now saying that only those municipalities that received Federal funds would have to so comply.

There has been significant debate over the various dollar figures that have arisen in three separate needs surveys. Whatever the current need is, and it seems to be pretty clear that the bulk of the $346 billion need identified in the past survey includes the whole spectrum of eligible construction activities, not just the secondary treatment goal, it is clear that Congress has not authorized an amount sufficient to meet the nationwide secondary treatment goal. Nor, we submit, is Congress likely to ever authorize such an amount if figures that are currently being bandied about are in any order of magnitude correct.

We also would submit that while significant Federal financial assistance is a desirable objective, an equally desirable objective is that municipalities and states treat the provision of sewage treatment as a community responsibility in the same manner that the school system is a community responsibility.

Where does this leave us now concerning the 1977 date for municipal compliance with effluent standards?

It is clear that the date for municipal compliance must be extended. I know of no one who is responsibly suggesting otherwise.

We have created a situation where at least half, if not most, municipal dischargers will not meet statutory deadlines, making a farce of the law, and of enforcement, if this is allowed to stand. It is equally clear to us however, that an unlimited extension dependent upon the availability of Federal funding means we will be spending money to essentially stand still, to play catch up with some of our worst problems, while areas which do not yet have problems and have not yet received Federal funds wait until their problem has become sufficiently bad that they can make the state priority list for the limited amount of Federal financial assistance available.

Nineteen eighty-three is eight years away. This is more than enough time for communities to plan, design and construct whatever the necessary facilities are to meet a uniform effluent standard.

We suggest that the deadline for municipal compliance be extended to 1983. We also suggest that municipalities be put on notice right now that non-compliance with the 1983 standard will mean enforcement action.

We feel quite firmly that a policy alternative which allows the Administrator of EOA to give a case by case extension with no deadline to municipalities means that the existing policy of hands-off unless there are Federal funds available will continue.

The above mentioned extension should only be given to those who are not now on a permit schedule requiring them to meet a secondary treatment effluent standard. Since all of those now on a secondary treatment compliance schedule have received significant amounts of Federal funds, this should pose no problems.

All of those communities who now have permits based on optimum operation and maintenance, should be required to be on a new permit with a new compliance schedule by July 1, 1977. The Environmental Protection Agency should make it very clear that each phase of that compliance schedule is enforceable, whether or not Federal funds are available, and regardless of the amount of Federal funding available.

In issue paper number four, EPA discussed the alternative we have suggested and gives two reasons why this alternative does not appear to be a good one. EPA suggests than an across-the-board extension, regardless of the problems of the given POTW might jeopardize the NPDES program, and that industrial facilities might insist on similar extensions, also jeopardizing the NPDES program.

We feel that both of these arguments are specious, given that EPA is already treating municipalities differently from industrial facilities by not requiring municipalities who do not receive Federal funds to meet 1977 deadlines, and there is no reason why the extension until 1983 has to be an across-the-board extension

for all POTW's.

There are a number of POTW's who are on a 1977 compliance schedule because they have received sufficient Federal funds to meet that schedule. There is no reason for that schedule to be changed.

Having stated that we believe municipalities should have to meet a uniform national standard regardless of the availability or nonavailability of Federal funds, we can now address the remaining questions raised by the EPA issue papers.

First, however, we must ask another question: What standard should municipalities have to meet in 1983?

This is a difficult question, and one that the Congress wrestled with for the two and one-half years that they debated the FWPCA Amendments. Congress determined that enforcements and administrative efficiency required that municipalities as well as industries meet a uniform national effluent standard. We do not feel this concept should be changed.

The one area where this concept has been seriously debated during the last several years, has been in the area of deep water ocean dischargers. We have seen no convincing evidence that these dischargers should be excused from meeting secondary treatment deadlines. It is our understanding that while dissolved oxygen demand may not be a problem in the deep ocean, secondary treatment remains the most cost effective treatment for toxic substances, heavy metals and pathogens.

In fact, an EPA Task Force investigating the deep water ocean discharge issue concluded:

"One, there are pollutants whose input to both open ocean and near-shore waters should be limited because of their toxic and persistent characteristics and because their efforts cannot be minimized by dilution. These include lead, cadmimum, mercury and persistent organics.

Two, Pollutants which cause or have the potential to cause adverse environmental effects in near-shore waters include moderately toxic and persistent metals and organic compounds; nutrients; oxygen-demanding materials; settleable solids, floatables; and pathogens.

Three, pollutants which cause or have the potential to cause adverse environmental effects in the open ocean include moderately toxic and persistent metals and organic compounds; settleable solids; and pathogens. Not included are nutrients and oxygen demanding materials. However, these materials can cause harm adjacent to the outfall site if the waste is not rapidly diluated and dispersed.

Four, of the treatment technologies considered, primary, chemical primary and secondary, secondary treatment achieves the best effluent quality for the pollutants of concern in both near-shore and open ocean waters. Other more effective, but more costly technologies were not considered.

Five, disinfection must follow primary, chemical primary and secondary treatment processes to achieve destruction of pathogens. However, the opportunity for disinfection following primary treatment is precluded because it is ineffective and very costly.

Six, based on preliminary investigations, primary treatment is the best technology of those considered for open ocean waters if the selection is based solely on costs relative to pollutant removals, sludge production, land requirements, and on-site energy demand and assuming no reduction of pathogens is necessary. If pathogen reduction and more effective removal of other pollutants is necessary, secondary treatment is the best technology."

We would suggest the 1983 goal should remain Best Practicable Waste Treatment Technology, and that at a minimum BPWTT be defined as a secondary treatment effluent standard.

In essence what I am saying, was when it was recommended on a case by case basis, that if you gave an automatic extension to all of those who did not have permits, that would eliminate some of the administrative burden of having to deal with those who really have no good reason to be extended beyond the 1977 deadline.

Although we feel that municipalities should comply with a uniform standard regardless of availability of Federal funds, it is in everyone's interest to see that existing federal funds are maximized and are --

Nine papers in ten minutes that is just not fair. I will make it as short as I can.

-- In the interest of equity, stretched. We believe that we now have the evidence before us that requiring 75 percent Federal funding for every municipal facility has been a mistake.

Consulting engineers designing such facilities have had every incentive to design very costly capital intensive facilities knowing full well that 75 percent Federal money would be available to pay for them. Regardless of the existence of cost effectiveness guidelines, in many cases the facilities designed have been larger, and more complex, than they need be.

There is no evidence to support our understanding that many municipalities which receive Federal construction funds are designing facilities that they are unable to afford to operate properly.

There are other reasons for these phenomena mentioned, but it does seem to us that the combination of 75 percent funding for all projects and the policy of no enforcement to meet the 1977 standard if there is no Federal funding available, has exacerbated this phenomenon of large capital intensive secondary treatment facilities.

For communities know that not only is there a good chance they will get 75 percent funding eventually, but they also know that if they sit back and wait to see if they are going to get the money, no one is going to complain.

We suggest that the money that Congress authorizes each year for contractual obligation be divided among the states on a per capita basis. The state in turn would establish a floating percentage Federal share depending on the amount authorized for obligation that year, these funds to be distributed within the state on the basis of an EPA approved priority list. This must be done with a clear understanding that regardless of the availability of Federal financial assistance, every municipal point source discharger must be in compliance with the Federal law by 1983. With that in mind, the state should be fiscally responsible along with the municipality for seeing that 1983 standards are met.

We also suggest that Congress now authorize the appropriation levels from the present until 1983. States should have in place an EPA approved priority system for distributing these -- funds by July 1, 1976.

The combination of the state priority system and the long range authorizations for meeting the 1983 standard will allow communities to make their plans realistically with full knowledge of the Federal funds likely, or not likely, to be available.

If this step is not taken, there is some danger that a number of communities will move forward very slowly, waiting to see whether and what kinds of Federal funding is likely to be available. This will in turn create an enormous enforcement and political problem.

A certain proportion of each year's authorization should be reserved to be distributed on the basis of EPA established national priorities. These funds should be used to increase the Federal share of a grant that is innovatively moving toward the national goal of no discharge of pollutants.

In order to assist small communities in reaching 1983 goals we suggest that EPA immediately fund a research project aimed at providing guidance to small communities on what sewage treatment technologies might be most cost effective for their communities.

It is our feeling that the secondary treatment effluent standard that is currently being met in small communities by large

capital intensive secondary treatment plants could be met in many cases by lagooning systems, land treatment systems and septic fields.

Although we have recognized a floating federal share to meet the 1983 goal, we recognize that this change in committment will cause problems for those communities with facilities currently under construction. Many of these communities will not have the fiscal mechanisms in place for coming up with the extra money to make up the difference and still meet permit deadlines.

We suggest that all communities with facilities currently under construction continue to receive the full 75 percent Federal share. All communities in the midst of Step II planning should be given 75 percent Federal funds to complete Step II planning, and be given an up to two year extension, on a case by case basis in order to plan for raising extra local funds. Those communities currently in receipt of Step I funds should be treated similarly.

When the suggestion is made to reduce the Federal share of construction grant funds, a question of equity is often raised by opponants. For this reduction will mean that some facilities will be funded with 75 percent Federal money, and others will receive a lesser percent or no Federal funds. We submit that the answer to a mistake, is never to continue that mistake.

Paper number two, limiting Federal funding of reserve capacity to serve projected growth.

We at the Conservation Foundation support the concept of limiting the eligibility of a growth related reserve capacity. We would like to suggest, however, that once again, unless this limitation on growth reserve capacity is accompanied by strong enforcement of effluent standards, it is likely to lyad to water quality degradation instead of improvement.

The Government must be able to exercise a credible threat to a local community when it says we will not pay for your next 20 years' growth projection, but if you are planning that projected growth, you had better be prepared to deal with it. Otherwise, the situation will be such that many communities building Federally funded sewage treatment facilities, will build for existing capacity and wait until they have overflowed that capacity and thereby gotten themselves on the priority list to get new Federal funding.

One of the questions at stake here is: Is the purpose of the large scale existing Federal construction grants program to deal with an existing problem that has gotten to be of such magnitude that communities cannot realistically be expected to deal with it themselves, and therefore, requires a significant Federal committment? Or is the purpose of the existing Federal construction grants program to fund a permanent public works program that, incidentally, improves water quality?

We do not think that the Congress ever intended that the construction of sewage treatment works would proceed at the rate of $5 to $6 billion a year indefinitely. It appears to us that the purpose of the construction grant program is to deal with an existing problem of enormous magnitude, getting communities onto an even keel where they can cope with the problems themselves.

As part of a program to reduce the amount of community growth that EPA will fund through sewage treatment grants, we suggest that EPA write growth related conditions into all permits for municipal facilities to insure that such facilities are not so designed that they are overloaded before they are built, and that the community must realistically plan for growth in the design of its sewage treatment facility instead of waiting until the plant is overloaded.

Since January, 1974, EPA has adopted the position that it has the authority through Section 402 (h) to include special growth related conditions in municipal permits where growth is or is likely to be a factor in the facility's performance.

In a guidance memorandum to Regional Administrators, then Assistant Administrator for Air and Water Programs, Robert Sansom, suggested "that all municipal facilities selected for growth related conditions ... be alerted to the authority of the regional administrator, or the state if NPDES approval has been given, under Section 402 (h) of Public Law 92-500, to seek a court order imposing a ban or restriction upon sewer connections in the event of a violation of permit conditions and requirements."

Mr. Sansom went on to suggest that where facilities had an unused capacity, but with overload being imminent, and this was defined as the facility operating in excess of 85 percent of designed capacity, or where a high growth rate of three percent or more per annum is anticipated, concrete management and planning action should be required within the permit itself.

As all compliance milestones within NPDES permit are themselves enforceable, the memo concluded that in this manner high growth areas could be forced to plan adequately for their growth. This same kind of technique could be used if EPA determines to limit the growth related reserve capacity of municipal facilities to insure that such facilities are not under-planned and quickly overloaded due to a lessening of the Federal share.

Given the approach that Federal funds should only be used to pay for existing problems, we believe that there is some merit in planning a five year reserve capacity for treatment facilities and a similar reserve capacity for sewers. If the average lead-time for the planning, design and construction of a sewage treatment facility is around five years, this should give more than ample time for the community to make its own growth related decisions.

As was pointed out in EPA's position paper and has been effectively point out in many other sources, including the CEQ study on interceptor sewers and suburban sprawl, restricting the amount of growth encouraged by sewage treatment funding will force local communities to confront the real costs of growth, making rational decisions and planning for these decisions well before these growth problems hit them.

One of the questions raised in the papers presented is whether or not a recommended change requires administrative or legislative action. The law requires that sewage treatment facilities be planned with an adequate reserve capacity. The adequacy of the reserve capacity is left to be established by the Administrator of EPA. It does appear to us that this particular set of decisions does not require Congressional action.

Issue paper number three. Restricting the types of projects eligible for grant assistance.

Paper number three discussed restricting the types of projects that are eligible for grant assistance from the Federal government. As the papers concerning eligibility rightly point out, changes in eligibility for sewage treatment grants can have the effect of channeling construction in one direction or another. This problem would be particularly exacerbated by a continuation of a policy that syas none of the standards of the Act have to be met unless Federal funding is available.

In many, if not most cases, communities would take no action without Federal funds, and only those projects eligible for federal funds would get built.

We suggest that funding eligibility not be restricted. The price of the enforceable regulatory goal that communities must meet, that of secondary treatment effluent standards, will not be affected by a reduction in the eligibility for federal funds. Reducing eligibility does not, in fact, reduce needs, but merely those needs that the Federal Government is willing to pay for.

There is no reason why directing the expenditure of federal funds cannot be handled through administrative action, prioritizing the expenditure of funds within each state. If EPA has made it clear that effluent standards will be enforced, and that states will be considered equally culpable with communities for meeting those standards, it is likely that the states will establish the funding of the enforceable effluent standards as its first priority.

Issue paper number five, delegating a greater portion of the management of the construction grants program to the states.

We now come to the final question raised in the issue papers to which our discussion is directed today. Should a greater

portion of the management of the Construction Grants Program be delegated to the states?

It should be pointed out that the phrasing of that question is somewhat misleading, as almost all of the proposals currently under discussion would delegate virtually all of the important decisions in the grant giving process to the states.

At the center of the question of delegation to the states, is once again the question of what is the purpose of the construction grant program? Is the program a public works program, or is the purpose of the program to provide financial assistance to meet certain national environmental goals? Since we feel the answer must be the latter, we oppose the delegation of major elements of the construction grant program, specifically Step I planning to the states.

It is interesting to note that most of the focus of whether to delegate the construction grant program to the states has centered around delays in obligating construction grant funds.

In fact, a careful examination of the hearings done by EPA that have resulted in the recommendation that the construction grant program be delegated to the states, shows that the central focus of concern with this recommendation is how to get the construction grant money out as fast as possible with as few strings attached as possible.

Unfortunately, much of the rhetoric by state agencies concerning the fast obligation of construction grant funds has focused on the red tape the Federal Government imposes on grant funds, such as user charges, industrial cost recovery requirements, careful consideration of alternatives, environmental assessments and public participation requirements.

It is interesting to note that the EPA Construction Grants Review Group pointed out that one of the major problems that affected both the quality of the construction grant program, and the rate of obligations of the program, is lack of EPA field staff to handle and evaluate grant application. The report noted that in 1968, the construction grant program obligated $2 billion with 320 program personnel. This same report pointed out the lack of state manpower, administrative and technical capability to perform greater delegated functions.

"The two principal factors affecting the expansion of state delegation area:

"One, the states' capability to perform these functions and, two, the need to financially support the states' assumptions of delegations. On the first point, EPA's Regional officials believe that the states, with some exceptions, would require time to develop capability to implement additional delegated functions.

"The overall success, both current and prospective of delegating the review of plans and specifications and operation and maintenance manuals is the result of the fact that states have performed these functions for a long time.

As a general rule, however, the states have traditionally been less involved in most of the other program functions, particularly facilities planning, the most manpower demanding function, and, in all but a few cases do not possess the technical and/or administrative experience and manpower to effectively perform these other functions.

Accordingly, except for the above projected delegation of plans and specifications and operations and maintenance manuals, and except for a few other opportunities for readily delegating other functions, future delegations will have to be based on the states' ability to develop the administrative machinery, the technical competence and the expanded staff necessary to implement new delegations.

At best, this requires time. At worst, it is inhibited or even made impossible by a number of constraints, including; one, state personnel ceilings, two, state inabilities, in some cases, to attract qualified personnel because of low pay scales and other reasons, and three, in some cases, lack of state interest or incentive to assume new responsibilities.

In short, constraints militate against significant immediate expansion of delegations, and necessarily impose time delays, one to three years, on any concerted attempt by EPA to encourage expanded delegations."

How the agency and the construction grants review group report can then conclude that delegation of the Construction Grants Program to the states is the answer to all problems is beyond us.

It is an important fact of political life that once EPA has the authority to delegate the construction grant program, it will be under an enormous amount of pressure from the states, and from certain elements in Congress to do so. EPA will be under this pressure regardless of the capabilities of the state agencies, and there is no way politically that EPA will be able to take back the delegated authority. So in those five or six states which have for many years had an innovative sewage treatment program, the delegation of authority may improve the rate of obligations of Federal funds. In the other 44 to 45 states, the delegation may mean the rapid building of large scale traditional, concrete public works projects, with little consideration for the secondary environmental impacts that are required by Federal Law.

Lest you begin to question that the rapid obligation of sewage treatment grant funds is not a goal of an environmental organi-

zation such as ours, let me set the record straight.

It is indeed a goal which we place high on our list of priorities. Equally high on our list of priorities, however, is the planning of sewage treatment facilities in such a manner that the secondary environmental impacts of such facilities will not outweigh direct environmental benefits.

The case has not been made convincingly that qualitative problems with the construction grant program will be solved by delegating that program to the states. Certainly EPA's manpower problems will be somewhat alleviated by this delegation. But it appears that such alleviation will be at the cost of meeting Federal environmental goals.

I would like to note here that the retention of Federal responsibility for environmental impact statements might help alleviate some of the problems mentioned before, if it were not for three things:

EPA has traditionally written very few full EIS's and, in fact, has the funding in this fiscal year to write EIS's on approximately five percent of the construction grant applications;

Normally, the environmental impact assessment conducted in the Step I planning process, proposed for state delegation, determines whether a full EIS is necessary; and

The EIS has never been treated by EPA as a decision making instrument, even where it concerned an EPA program such as sewage treatment grants.

We suggest that EPA be given the additional manpower it needs to maintain effective quality control while expeditiously obligating funds. The manpower increase can be supplemented by continued delegation of certain discrete program elements in Step II and Step III Planning to state agencies.

To leave you with some final thoughts on state program delegation, while several states have been quite innovative in their approach to planning sewage treatment facilities, many states have not. In fact, most state agencies have been among those resistent to new and important federal requirements that were imposed as a condition of receiving federal sewage treatment construction grant funds under PL 92-500.

The attitude of many state agencies has been, give us the money and let us spend it our way. And, our response should properly be, that PL 92-500 is a national environmental law with specific goals, and that the funds available to help communities fund sewage treatment are meant to be an incentive to meeting those goals.

If a state does not want to meet the conditions of construction grant funds, it should not use federal money.

It is an important fact of political life, we feel, once EPA gets the authorization to delegate authorization to the state, in no way are you going to be able to keep them from doing it, and in no way are you going to be able to take it back from the state if they are operating it poorly.

I think the evidence of the last couple of years and the debate over the last couple of years makes that clear.

I had some other thoughts on state delegation, but I think my time is more than up.

CHAIRMAN QUARLES: Thank you. I felt it was worthwhile to let you proceed, particularly because there are not many, very many, representatives from groups such as yours today, and I think it is a good statement of viewpoints, that I suspect are fairly well shared.

You are putting your finger on one of -- several of the hard gut questions we have to face. As a whole group here of people concerned with the future of the program, clearly one of the hardest issues is, is this a regulatory program or a public works program.

Or, to put it another way. Should the rate of funding by the Federal Government be decisive over the rate of progress, or should it be expected that the regulatory controls to be established, whatever the Federal Government provides, is that much help down the road, but the entire distance has to be traveled, and the burden falls on the states and localities to make up the difference.

Let me just ask you to comment on the point you made before that what is not fundable must be deferrable. I guess you are simply in direct conflict with that approach.

On the other hand, do you feel that is it realistic and likely that the entire amount of work called for by the standards, as we look towards 1983, is fundable, whether it be by local or state or Federal, within that time frame? I guess there has been some question raised as to the validity of the estimates, and I am not clear if all are those are needed to meet water quality standards, but if we are talking about extremely high levels of funds required, do you recognize a possibility, that really, the amount of work required to meet the standards is out of any reasonable relationship to the amount you can expect to be funded?

MS. RASTATTER: I think you have to look at two different sets of approaches to effluent quality standards and water quality standards. If you are saying to me, do we have enough money available at the Federal state and local levels, to meet a fishable, swimmable water quality standard by 1983, I guess I would have to be pretty

discouraging.

It is not just a question of the money available, it is a question of how fast we move. I think one of the biggest problems with 92-500, is it is assumed you could move thousands of bureaucrats in an instant. That is unrealistic.

On the other hand, if you look at the effluent standards requirements, legal requirements that are directly enforceable through the permit program, I think there might be some question that the money will be available.

You have to look at several things.

CHAIRMAN QUARLES: By the effluent requirements, the law requires us to meet the water quality standards as well.

MS. RASTATTER: Yes, Whatever the municipal facilities standards becomes.

CHAIRMAN QUARLES: Yes.

MS. RASTATTER: I think you have to look at two things, the one in which 75 percent Federal funding has encouraged the building of more expensive facilities in many rural areas than might have otherwise have been necessary to meet water quality standards and effluent standards, and the manner in which the funding of reserve capacity has also increased the, or diminished, the way in which the money can be stretched.

I think there are also other areas of the Act to help the local Governments come up with their share that has to my knowledge, have never been used. Like the Environmental Financing Authority.

I was struck by the gentleman's suggestion earlier that the Federal Government guarantee bonds for local communities. By my understanding, that is exactly what the Federal Environmental Funding Authority was suppose to do.

CHAIRMAN QUARLES: Similar. I think the point I am trying to bring us to is that, as I said earlier, there is a lot of room for blame to be spread all around. Why funds were not obligated more rapidly than they have been; I think even apart from that, there was an original flaw in this statute based on a fairly -- To understand the scope of the job, however, the standards call for an amount of work to be done, that was tremendously out of phase with the expectations of how much money would be required to do the job. People did not expect that the levels of funding would be required, and if the next round of statutory requirements are going to succeed any better than the last one, doesn't there have to be the concensus on, really, what are we talking about as the goal to get done? How much is it going

to cost? Where is that money going to come from? And, only after those questions are answered is it possible to establish regulatory requirements that are going to have a chance of succeeding.

MS. RASTATTER: Well, because the Needs Surveys have been so contradictory and confusing, it is very hard for me to respond to questions of what will be the total cost of meeting regulatory requirements of the Act.

I do agree with you that there is insufficient direction in many areas provided by the Act. However, I do think that there is evidence in the legislative history of the passage of the Act, that nobody expected or very few expected, that $18 billion was going to be sufficient.

I believe the Senate Committee passed an appropriation of $14 billion, they were lookin at estimates of the League of Cities in the range of $34 or $35 billion.

CHAIRMAN QUARLES: I don't think there was very much expectation --

MS. RASTATTER: Which is not to say that Congress knew what they were doing.

I am not making that statement.

CHAIRMAN QUARLES: You wouldn't be that extreme.

MS. RASTATTER: No, no, but at least the people writing the Act had some knowledge. If you took a vote on that right now on that direct question --

CHAIRMAN QUARLES: Probably it is true that few people really faced up to the prospect and took it seriously, that some municipalities would get 75 percent grant and others none. Both groups would have to get the job done by the 1977 deadline.

MS. RASTATTER: I am convinced it was passed -- that when Congress read it -- there was hardly anyone in Congress that read it. It is 89 pages long.

CHAIRMAN QUARLES: That may be one of the reasons why it did not work, and if we are going to come up with a law in the future that will work, isn't there a need to address these questions and really have them understood before the law is passed?

MS. RASTATTER: I would agree that there is certainly a need to address these questions. Unfortunately, 1977 is two years away, and we have to wrestle with these questions before then.

In the course of addressing these questions --

CHAIRMAN QUARLES: You are taking a broader view, you are looking at 1983?

MS. RASTATTER: Right. I am also saying that regardless of the cost, regardless of the Federal share of that cost, someone is going to have to meet it because if your estimates of cost are in any order of magnitude correct, then we are just wasting our money right now. We are meeting some of the worst problems, some of the communities that we are pouring millions of dollars into now, for instance Blue Plains, Cincinnati, have had some of our worst problems and are receiving some of the largest funds -- The Potomac is not going to be clean by the time the Blue Plans is finished, and I don't think anyone expects it.

We cannot look at how much Federal money can go into an individual project as the basis for the way in which we approach the whole program. We have to look at the whole, entire program's needs and distribute responsibility for that program at a variety of governmental levels.

CHAIRMAN QUARLES: What we are trying to drive to is, does serious reflection occur, rightnow, recognizing that any legislative action is year or two off, but to begin the process of coming to grips with these questions so it may be possible to achieve a concensus, or at least a consistent point of view, on what are we going to get done? When are we going to get it done? Who is going to pay for it?

And, then establish some regulatory requirements that, in fact, can be enforced against our Mayors and Governors and others, because they are reasonable.

We have a way to go.

Le me ask another -- Let me bring up another element. That is the delegation of program responsibility to the state agencies. It is entirely clear to me that we are not going to do the job of achieving water quality until we enforce permit requirements, which we have not been doing, and it is an immediate challenge to the EPA and state agencies to really begin rigid enforcement actions against municipalities where they are failing to maintain and operate the facilities.

Let me start off with the hope that we will make some significant progress in that direction. We certainly are going to put an emphasis on it.

I ask you, if there is a sound and effective enforcement of the regulatory requirements, then would your concern be alleviated as to transfer of responsibility to the state agencies or responsibility

for handling the grant assistance part of the program?

MS. RASTATTER: No. Primarily because the regulatory -- my understanding is anyway, of the law is that the regulatory, enforceable regulatory requirements that are outside of the grant program are what comes out of a pipe. The variety of other requirements, conditions, that are found in Title II, are imposed through the availability of Federal funds.

I think it is entirely possible you would just lose control completely of the way in which those Federal funds are used, with reference to citing the cost effective alternative that is selected, the whole variety of environmental consequences that have to be evaluated.

I am not persuaded that the Environmental Impact Statement within the agency is going to make that much difference, given that the agency does not regard the EIS as a decision making statement, and the Environmental Impact Assessment, is usually the basis upon which the determination of whether an EIS, or theoretically it is supposed to be the basis, of the determination of whether or not an EIS will be written.

MR. HANSLER: You kind of opened the door relative to control technology available to municipalities, and extending that from 1977 to 1983, do you think EPA should require municipalities which have secondary treatment plants under the old law, operating now, and the receding waters on meeting the swimmable, fishable requirements in 1973, with the factor of safety, do you think those should be upgraded to meet our present secondary treatment standards?

MS. RASTATTER: Yes. I though you were going to ask me should they be required to go something beyond secondary treatment, and in that case I was going to beg off.

MR. HANSLER: I ask this because we are looking at Federal, state and local funds, and the big dollar bill out there, should we ask somebody who has secondary treatment under the old law where the water quality standards are being met now, with the big safety factor to tag on some more?

MS. RASTATTER: Clearly, that is going to be your big concern in the spending of Federal money.

Let me back off here a little and say to not require that is to make the assumption there is not going to be any other effluent discharges into the particular body of water that are going to degrade it.

I don't know if that is an assumption that you are prepared to make.

CHAIRMAN QUARLES: Again, saying it should be the lowest

priority, that type of thing, that is the way we have handled this problem.

MS. RASTATTER: But it is inconsistent with my saying they have to meet regulatory requirements.

CHAIRMAN QUARLES: I would like to see us get to the point where we have some regulatory requirements that are reasonable, and are in harmony with realistic expectations as to the level of unfds that might be available so that we can bang away on them and insist they be applied.

I know you disagree with the 1973 decision, but I submit, whether I was right or wrong, that would be the decision -- that would be the outcome in our system. Again, and again, and again, what I would like is to get us to a situation where we would not be replaying that, but we would have another set of requirements, more realistic.

MS. RASTATTER: If you make a continued assumption that communities will not have to do anything without Federal money, which means that you can continue on the top -- or the permit enforcement program is flexible, then clearly, you can more administratively make the decision that that particular community that Mr. Hansler has described would not have to put any equipment into operate efficiently, or to decrease its overload, but, if you make the assumption that there are regulatory requirements that have to be met, and these regulatory requirements have a basis in administration and efficiency in terms of being able to project whether that water quality that is currently being met is going to continue to be met, then I think you will have to look towards requiring that community to meet a more efficient secondary treatment effluent requirement.

CHAIRMAN QUARLES: Thank you very much.

I think we should now break for lunch. Hold on a moment before you go.

Let us assume, at least the panel will eat in the cafeteria, and hopefully many of you will, and then we can get through there in 45 minutes, and plan to reassemble at 1:30.

I have another engagement myself at 1:30 and will not be back, the others will be.

I will leave it to Mr. Agee to convene the group and we will continue at that time.

(Whereupon, at 12:45 a luncheon recess was held the hearing to reconvene at 1:30 p.m.)

AFTERNOON SESSION

MR. AGEE: First this afternoon will be Mr. Warren Gregory and Mr. Tom Walker.

Following them will be Paul Gleason or Sheldon London. Following them will be Robert Sugarman.

Before we start, I would like to ask all of the speakers this afternoon to please stay within ten minutes if they possibly can, and do what you can to summarize statements. We would like to have the total written statements, but we have roughly 30 people that wish to testify this afternoon.

We do have the auditorium for as long as we want it today, so I think everyone will have a chance to testify.

Mr. Gregory.

MR. GREGORY: Thank you Mr. Chairman, members of the panel and ladies and gentlemen.

In the interests of keeping within the prescribed ten minutes, I would summarize my statement which I have given to the reporter.

My name is Warren Gregory. I am the Director of Legislative Affairs of the National Solid Wastes Management Association. It is a professional trade association which represents private firms engaged in the collection and disposal of solid wastes as well as the recovery of energy and resources from the waste streams.

What we are interested in commenting on today is perhaps not as germane to those issues that you, as professionals in the water quality industry are interested in, what we are interested in commenting on is the enclosed inclusion of Section 208, Planning, as outlined in the Staff Working Paper of the Senate Committee of Solid Waste Planning to all agencies.

Our association very strongly feels this is not a direction which will in any way enhance the overall goals of the Water Act, nor is it something that will contribute to any great economies.

The programs of the EPA to foster and develop planning for both water and solid waste, as well as other areas of environmental concern have always been supported by NSWMA. We are,however, concerned that a proposed amendment to the Federal Water Pollution Act, as outlined in the April "Solid Waste Utilization Act of 1975" staff Working Paper, would invite an additional area of responsibility to be added to regional planning efforts.

Specifically we are concerned with the inclusion of solid

waste planning as a responsibility of a regional planning agency established under Section 208 of PL 92-500. We feel that this amendment is inappropriate and inconsistent with the goals and objectives of the Federal Water Quality Program.

We call your attention to the working paper which was recently submitted to the Transportation and Commerce Committee. The comment made by the Professional Staff who put together that paper, is that the greatest thing needed in a Water Act right now is not additional amendments, but more stabilizations and streamlinings, and I can only sit here and reflect on all the comments I have heard this morning, and I must agree that the ladies and gentlemen who have commented this morning are representing the people who are acting in water management, and if the comments as expressed by them are reflective of any of the inputs you gentlemen must consider, I ask you to consider the appropriateness of adding an additional area into your approrpiations and that is solid waste management.

Solid waste management is predominantly provided by private industry in the United States. According to a recent EPA survey more than 75 percent of the daily collection and disposal services are provided by private industry, unlike water quality which has obviously been a charge of public administration.

I think the mixing of these two disciplines, aside from the duplication of existing management plans, which might result in the inclusion of solid waste management, the additional planning of a 208 agency will cause not any economies to be fostered in the program, nor will it do anything to enhance the very admirable, but very difficulty, overall goals of 92-500.

Thank you.

MR. AGEE: Thank you very much.

We have another gentleman, Mr. Walker, is he going to testify also?

MR. WALKER: Yes. The testimony is not the same, but I will testify, yes.

Good morning it says here, and it is the afternoon. And, I will try to stay under the ten minutes, and try to keep it brief.

Mr. name is Thomas C. Walker. I appear before you today on behalf of Browning-Ferris Industries, Inc., the largest waste systems company with subsidiaries having substantial operations in all aspects of the waste systems and resource recovery business throughout the United States.

By way of background information, Browning-Ferris operates in 130 locations in the United States, Puerto Rico and Canada.

In 1974 BFI handled over 10.5 million tons of our nation's solid waste and our Resource Recovery Division supplied in excess of 1,400,000 tons of secondary papermaking fibre to the paper manufacturing industry throughout the world.

Although the primary thrust of our operations involve solid waste systems, a small but increasing portion of our energies and resources are being devoted to the collection, disposal and recovery of liquid wastes.

We have had the opportunity recently of reviewing the Senate Public Works Committee draft of the Solid Waste Utilization Act of 1975, and have taken particular note of the provisions of the committee draft to amend the Federal Water Pollution Control Act.

The Federal Water Pollution Control Act, Section 208, provides for creation of plans for the management of water quality on a regional basis throughout the country, including either directly or by contract, the design, construction, operation and maintenance of such water management facilities as may be required by any plan developed pursuant to that section of the act.

We recognize and fully support achieving solid waste management and resource recovery goals through regional planning. However, we must seriously question the appropriateness of mandating that a specific planning agency established under other environmental programs such as waste water treatment should also be charged with the additional responsibilities for solid waste management and planning. Through our experience working at the state level, we recognize that numerous states have taken meaningful steps toward the establishment of regional solid waste planning programs within the state often under the auspices of state EPA like agencies.

The early results of these programs have been commendable, and based on their success many additional states are now seriously considering legislation in the current or for the next legislative session that would provide for a regional planning program to meet the solid waste planning needs of the state.

Notably, the State of Michigan in January of 1975 enacted landmark legislation providing for the planning, administration and operation needs of that state while utilizing, to the maximum extent possible, existing and planned private solid waste operations and facilities.

Legislators in other states have drafted legislation for consideration which parallels the progressive legislation such as exists in California, Connecticut, or other states that have made meaningful progress toward solving this critical problem.

This planning process within the state, intergrating its activities through a state EPA like organization, provides the basis

for a broad national plan which can then be administered through a legislative mandate to the Federal EPA. Sudden transfer of these responsibilities to an agency established to meet the other diverse and frequently conflicting needs associated with water quality, particularly at a time when these water agencies are at best embryonic, could be catastrophic to both the water quality and solid waste management needs of our country.

By their very nature, the regional planning and management agency for waste water treatment, water quality management and planning is most reasonably structured around river basins, sub-basins, or aquifer regions. Solid waste planning and management, particularly that associated with the broad resource recovery programs, which are held by many to be the ultimate solution to the solid waste problem, must be structured around population centers and availability of waste resources in manageable quantities that can be processed, recovered, and disposed of in the most efficient manner. The starting point, therefore, must by definition be difference because the needs to be served by these two types of agencies are clearly diverse.

Historically, water quality programs have been the responsibility of public agencies with utility-like structures. Waste collection and disposal services, however, have historically been provided by the private sector.

It is the private operator who handles 73 percent of the nation's solid waste with only 34 percent of the nation's solid waste employees. It is the private operator, who supported and financed by private capital within the framework of the free enterprise system and utilizing the profit motive as a stimulus for his activity, has developed the most significant technical solutions for these critical problems while maintaining favorable economic for the consumer of his services.

Interjection at the national level of a utility type planning operational and administrative organization, bureaucratic in nature by its basic structure, can only negate the dramatic advances of recent decades by the private sector and result in a quantum jump in costs to the individual who must ultimately pay the bill for these services, the taxpayer.

This same taxpayer has invested enormous amounts of his funds through the water quality programs initiated and proposed by the Federal Water Pollution Control Act in an effort to meet ambitious and desirable water quality standards. The presently existing organization established for this purpose is struggling admittedly to achieve these optimistic and laudible standards. To dilute these efforts at this most critical juncture through the assignment of additional, unfamiliar and inconsistent responsibilities could be disastrous to the future of both our water quality and our solid waste management programs.

By the very nature of the waste water treatment agencies, their inclination would be to own and operate facilities and their motivation might well be to reporduce, at taxpayer expense, existing solid waste and resource recovery facilities, consistent with their historical way of doing business.

As indicated earlier, many states have recognized the importance of mandating that facilities created by the public sector do not needlessly duplicate or displace existing or planned private facilities. Both Michigan and Florida resource recovery Acts assure a non-duplication of services. The Michigan Act Number 336 states:

"The department's action shall not displace a licensed resource recovery, waste facility, or other waste management project in existence or under construction."

The Florida Chapter 74-342 states:

"To the maximum extent possible, include provisions for continuation of existing regional resource recovery, recycling, and management facilities and programs."

It is our understanding that, to date, approximately 40 regional areas in 17 states have been designated as waste water management regions and only 14 agencies have actually received grants under the Act.

We further understand that a total of approximately $9 billion has been allocated for these purposes for 1975, indicating the enormous magnitude of the waste water program.

If similar resources are brought to bear on a solid waste program, certainly the incentive for private capital to expand its investments in these areas will be thwarted and it can become, we believe, a public utility-type function requiring large amounts of capital to sustain itself on a national basis operating outside the constrictive parameters of the free enterprise system.

In summary, we believe that there is a clearly evidenced need for an extensive regional planning program to identify facilities and needs throughout the country on a region by region basis to achieve the solid waste management and resource recovery goals so vital to the sustenance of our environment.

The program that is proposed, utilization of authorities, created under Section 208 of the Federal Water Pollution Control Act to accomplish this task, would be a serious misdirection of our national resources and result in the diluting of already ambitious water quality programs while concurrently disrupting the established efforts in many states to attack this problem, through what we believe to be the most effective vehicle, a state controlled agency for this purpose.

We believe that by the very nature of the water quality authorities, granting them this new responsibility will result in substantially higher costs for waste management. In the event that these authorities are given responsibility for this added task, we believe that full utilization of the existing private enterprise system will not be achieved. We strongly recommend to you that the EPA act in every possible way to bring the full power of this agency to bear on Congress to remove this well intended but counterproductive section of the current draft of the Solid Waste Utilization Act of 1975.

The future well being of the citizens of the United States will surely depend in part on the manner in which the waste of this country is managed in the years to come. We look forward to continuing to play a vital role in developing progressive and practical solutions to this challenge and appreciate this opportunity to express our view on this very important aspect of that challenge.

We would be pleased to provide such additional information as the Environmental Protection Agency feels would be useful in evaluation positions we support.

Thank you.

MR. AGEE: Thank you very much. Both you and Mr. Gregory have the same observation. We will take your views into consideration, and we will pass your views on to other people.

MR. WALKER: Thank you very much.

There is a tremendous limitation for funds, and I think it will be evident, Mr. Chairman, if solid waste were added to the existing two-way water authority, it is very likely the same funds would be further diluted and spread. This can be also very disruptive to many of the programs of the folks in the room today.

MR. AGEE: I would like to call at this time Mr. Paul Gleason, representing the Burrough of Lincoln Park, New Jersey, and following Mr. Gleason I will call on Robert Sugarman.

Mr. Gleason does not seem to be here, so I will ask Mr. Robert Sugarman to come forward at this time.

Peter Iannatta?

Richard Rosen, representing Energy Resources Company, Incorporated. Mr. Rosen.

Following Mr. Rosen I will call on James Romano.

MR. ROSEN: My name is Richard Rosen. I am the Chief Scientist at Energy Resources, a large environmental and research

engineering firm. For the past ten years I have studied the problems of municipal waste treatment for EPA and its predecessor agencies.

Additionally, I have worked extensively on this problem in my own research. For the past two years our firm has been under contract to EPA to perform a cost-effectiveness analysis of the municipal waste treatment program.

We are here to report on a number of observations that result from a series of studies which we have undertaken during the past two years.

The first problem that I want to direct attention to is the basic difficulty in understanding whether or not waste treatment facilities performed in accordance with their original design.

We have undertaken an evaluation of over 200 waste treatment facilities nationwide, derived from a random sample of these facilities, and of all of the waste treatment facilities operating in the State of Connecticut, the results of this evaluation have been disturbing with respect to the quality and availability of the data which represents some judgements on whether these systems actually meet their design or performance standard.

Initially, when we made our analysis, we believed that the distribution of removal efficiencies represented by BOD and suspended solids, which tend to be parallel to each other, last least in this sample, suggested this distribution of efficiencies with two-thirds of the plants deriving treatment levels in excess of 80 percent.

When we subjected this data to further analysis, we found that, indeed, a different distribution provided which helped to partially explain some of the problems we had in trying to equate treatment and removal efficiency with either capital cost or by O&M investment.

(Slide)

In this particular slide, what you see is a very large scattering of dots over the range of treatment efficiencies or removal of BOD, and a similar one would be suspended solids. If I were to display it. With a general distribution of the entire range of costs, probably reflecting some different site differences.

But, the major point to be generated from this is the enormous variance in the treatment facilities themselves.

When some additional analysis is undertaken to relate the level of removal to that involving actual design flow, this distribution becomes even more bizarre. It suggests there is little in a direct concern for the overall performance measurement on the part of a number of facilities.

All of this is somewhat important, as we all know, because of the enormous amount of the nation's resources that are being directed to waste treatment plant investments. Because we were concerned with the validity of the data that we generated in the national survey, because when we subsequently checked on plants that were doing chemical analysis, we found they had no laboratories and no analysis in many cases.

We attempted to get data generated by an impartial outside source, namely the State of Connecticut's EPA, which as been independently monitoring the performance of treatment facilities in the State of Connecticut for a number of years.

The result of this analysis suggests the same kinds of problems we observed in the National Study were also exhibited in the State of Connecticut, but that one piece of information was materially different, and that is, the average removal rates were less than those being reported to EPA.

The same kinds of observations are available in the data which we generated when we viewed O&M as an explanatory variable, because we, like many other people have been concerned about possible incentives for improvements in O&M and wondered as O&M cost increased did performance increase?

What we did find was that the variance in terms of poor performance decreased somewhat as O&M expenditures increased.

I think the real question a lot of us have is, are we accomplishing anything by spending all of this money?

In the work that we have been doing for the Council on Environmental Quality, we have been testing the overall performance of waste treatment investments in terms of meaninful changes in water quality, measured by the extent to which we see changes in the number and percentage of violations over time in a variety of water quality measures. Because it is important to consider water quality standards from a variety of perspectives, we have separated them in terms of the requirements of drinking water standards and recreation and other, and I will explain two of recent interest, namely water standards and aquatic life.

What we see exhibited here is a relatively steady decrease in the percentage of violations. This indicates some substantial improvement, some relative improvement, since 1966 in the incidence of serious water pollution represented by the standards exhibited in the water quality criteria for drinking water.

We similarly see the same kinds of improvement in the standards when looked at from the perspective of acquatic life.

However, upon more careful analysis of the data, we

discovered that most of the improvement is generated not from the improvements and variables, which would reflect performances by municipal systems, but by performance to abate industrial discharges.

In this respect one can see some of the decrease in the violation of trace metal standards that we were able to generate. Again, relatively steady decline in trace metal violations, for both of the standards which we investigated.

Now, when one examines BOD for example for roughly the same population set, one sees no obvious time trend regardless of how the data happends to be analyzed. Similarly, when one examines phosphate, one sees again no significant trend.

As all of us know phosphates are a substantial contributor to obvious declines in water quality on number of occasions.

We are deeply concerned about the basic direction of the municipal treatment program, because of a variety of externalities which are associated with particular treatment strategies. As one can see from this particular table, the relative performance characteristics of different options changes significantly the level of sludge produced with which one has to deal as a result of the system, and also the requirements for discharging chlorinated effluent into the system.

There are also variations in performance. We have found as a result of a variety of studies undertaken on a number of rivers in the State of Connecticut, again, for which there was good data, that the level of chlorination was substantially mitigating one of the objectives in the treatment facilities in a number of areas. Namely, improving the fish populations for recreation and sports fishing.

With all of that, we have a number of specific recommendations, one of which conforms directly to one of the provisions that appears in the proposed legislation.

The present investment pattern with 20 year design is characterized by an investment of the sort that is exhibited in Figure 14. By adjusting the period to 12 years, one can generate the kind that is exhibited in Figure 15, and this is a recommendation of the proposed regulation which we highly endorse.

The other recommendations which we have, which we feel deeply important to the overall success of the program are as follows:

The first relates to vigorous and honest monitoring and evaluation of the performance of the systems themselves. We feel it is only by having a time dimension, random sample of performance done independently on particular facilities, that any of us will really

know the extent to which particular designs are effective and to what circumstances.

The second relates to exhibiting greater sensitivity to the differences in eco-systems. In particular, recognize the rules under which treatment facilities -- There is a difference between a river and estuary, there is a difference between those and lakes, and there are differences between large and fresh water bodies.

I assume you would like to -- Is that a signal to end?

MR. AGEE: Yes. Just sum up.

MR. ROSEN: The last point we would like to make, is we feel that whatever subsidies are generated should be performance oriented. They shouldn't be all front end subsidies geared to the successful completion of the facility, but it should be also related to the management and operation of that very facility.

Thank you.

MR. AGEE: I have one question I would like to ask. Your observations, in your observations, have you noted anything in the design -- What are your observations of designs as to operability after they are designed?

MR. ROSEN: We have observed that many systems are built bigger than they have to be, and this adversely affects the system.

We observed one very large and perfectly functioning facility in Hartford, Connecticut, built to handle 40 million gallons a day which we considered to be an excellent plant in every respect. It ran well and looked like it would run well and actually performed.

One of the things that we observed, there were several aspects of that plant which were dramatically designed, but the engineer of the plan had taken this into account and had diverted the waste into another treatment facility, not using a significant portion of the sludge tanks available under the original design.

MR. AGEE. Do you have any questions?

MR. HANSLER: I have read a lot of arguments on the chlorination and the utility. There has been a lot of talk within the agency that we ought to look at the requirement for chlorination for a secondary treatment on a case by case basis, and such reliability, where it is necessary, not automatically.

MR. ROSEN: I concur with that. I would suggest that it is not necessary to chlorinate waste treatment effluent, except in areas where population is going to become exposed. Or contact with

the effluent with the effluent contaminated water for unreasonably long periods of time and in large numbers.

MR. AGEE: Thank you very much.

I would like to call at this time Mr. James Romano of the National Society of Professional Engineers.

Following him I will be calling upon Martin Lang, New York City Environmental Protection Administration.

MR. ROMANO: Thank you Jim.

I am Jim Romano, and as was stated, Vice President of the National Society of Professional Engineers and also the Chairman for the Engineers in private practice, a division of the National Society.

At the outset, it should be absolutely clear that the 70,000 some members of the National Society of Professional Engineers does not favor making a substantial change in Public Law 92-500, so this young lady who characterized these engineers as recalcitrant will have to drop out all 70,000 of us.

But, in spite of the deficiencies in the Act, and the frustrations which arise from those deficiencies, the construction grants program is beginning to function and, therefore, we do not wish to see it crippled at this time.

We are concerned, however, that any change however modest will adversely affect the progress. Under these circumstances, we look at only two of the five propositions which were written up so well in the Federal Register as being worthy of immediate consideration.

These are the extension of the July, 1977 deadlines and secondly, the delegation of a greater portion of the management of the program to the states.

Let me discuss the others briefly with you. I will not take up my full ten minutes. We have already filed a full statement with the secretary.

With regard to reduction of the Federal share, NSPE recommends that the Federal share funds for the construction grants program remain at its present 75 percent level.

Our primary reason for adopting this position, and it is a major factor as you know in subsequent discussions throughout this presentation and also in all the other ones that have been made, is that the program from start to finish is essentially a Federal program.

Goals and objectives were established by the United States

Congress and those goals were, although laudable, are well beyond the economic reach of most municipalities, therefore, it simply has to remain a Federal program. And one way for it to remain a Federal program is to put enough Federal money into it to make it work.

Most states and municipalities are now in a financial bind. Any reduction of the Federal share obviously would require increase in the local and state share, and in all but a few instances, this would translate immediately into increased taxes or a reduction in other types of services. Something that is not palatable at the local level.

Given these alternatives, it is unlikely that most communities would look with favor on the construction of a treatment facility, particularly where there is a pervasive opinion in the United States that the principal beneficiaries of such efforts are the residents of down stream communities.

So, under these circumstances it is a virtual certainty that a reduction in the Federal share will stall, or tend to stall, the construction grants program. So, as we see it, we have a zealous Congress, and perhaps an over-zealous one, who with the best of intentions and idealistic approach, got us started down this road and now they have a responsibility to keep us on this road.

To withdraw Federal funding, even partially, will endanger this program.

The second proposition which was examined in the Federal Register was the limiting of Federal financing to service needs of existing populations. NSPE opposes any legislation which will be designed to restrict Federal support to include only those facilities needed to serve the existing community needs, and, further, we would oppose similar efforts directed toward reducing the Federal support by linking it to, let's say, to the 10 and 20 year rule of estimated growth.

The basis for our position is cost effectiveness. We won't get into that, but it is obvious to all of us after hearing discussions throughout this morning and this afternoon, that there are times when it is better to put in a little additional capacity so at a later date when we need that capacity, you will not spend nearly as many dollars as you would have if you had left it out in the first place.

So, without belaboring that, I will simply state that NSPE sees our position as based on cost effectiveness. We think it is more realistic to continue the current practice in which an applicant is judged on the basis of data related specifically to its current situation than anticipated future development.

NSPE opposes the imposition of an arbitrary limit on Federal support tied to a finite time period.

Let's look to restricting the types of projects eligible for grant assistance.

NSPE opposes any restrictions on the types of projects which should be eligible for grant assistance.

It isnecessary to give full consideration to all alternatives for resolving local pollution problems. This implies that Federal support will be forthcoming, regardless of the alternatives selected, and that denying Federal grant aid for one or more elements of a system is a negative incentive.

We think it will simply encourage grantees to propose perhaps less effective alternates, simply to be assured of full funding participation by the Federal Government.

Obviously, if the grantee is encouraged to do anything else but what is most cost effective to achieve an objective, it will be to no one's best interest.

So, NSPE opposes the concept which would restrict the projects eligible for Federal assistance, because it would offer a negative incentive.

With regard to the time frame in which we are supposed to achieve certain goals, NSPE joins in what seems to be almost universal support for this suggestion.

The only question, of course, is the nature and the length of the extension. There are complicating factors in any extension, of course, and they include such things as the level of funding to be provided by Congress in the coming years; whether Federal funding will be made available over an extended period of time permitting lon g range program planning, will other aspects of the program be altered, legislatively or administratively, will additional requirements be imposed which will have the effect of slowing down the program and so forth.

It has been suggested that the deadline be extended on a case by case basis. This implies a lot of things, but one thing it does imply is evenhandedness and consistently fair judgements by states and Federal officials.

But, beyond that, if we assume that enforcement would also be on a case by case basis, this aspect along would attain nightmareish proportions, and I would not want to be an agency that would have to enforce them.

One of the primary difficulties with PL 92-500 has been its tight deadlines. Some of which are unrealistic to the point where they evoke the term ridiculous.

It does seem appropriate to establish a rational time span in which to achieve the Act's objectives. And, to this end NSPE recommends that serious consideration be given to extending the July 1, 1975 deadline.

At the same time, we think attention should continue to be focused on meeting the July 1, 1983 deadline which would require application of the best possible treatment technology over the life of the works, and that, again, can be examined as we approach that deadline, to see if we are making any progress in that direction.

With regard to delegating the greater portion of the management program to the states, this is, of course, included in legislation already introduced in the House of Representatives, and I understand it is receiving a considerable amount of support, and the NSPE adds its own endorsement to that.

At the same time we call for caution. There are certain responsibilities such as those imposed by the National Environmental Policy Act which cannot be delegated to the states.

It is inherent in such delegation, that the process of developing technical and personnel capabilities by the states, and the transfer of management responsibilities will cause disruptions and certain delays in the program.

It is also possible that not all the states will be willing or will be able to exercise this authority if delegated.

In those circumstances, EPA will simply have to retain a complete management responsibility, at the same time will have to have some sort of Federal-State accommodation so that they can work within the states.

It is implicit in this proposal, if we are to assure the viability and integrity of the program, that certification of the states go from the criteria established and in their application be of the highest order.

So, despite these negative comments, NSPE gives its recommendation and support. We urge, however, that certain realities be recognized so the recommendation can achieve a positive impact.

In conclusion, I would like to make this remark for us all. Most of what has been spoken here today and in all of the Federal Registers I have been reading, relate to money matters. So, we do have to recognize that no matter how laudable the ideals of PL 92-500 might be, if we cannot afford them or will not afford them, we ought to take another hard look at the law itself, so I think we should continue to have forums where we can discuss trying to make a present law work, and the National Society will indeed work with you in trying to make it work. But, I think we should discuss at some

time whether some real changes in basic concepts may not be needed.

MR. AGEE: Thank you.

We certainly recognize the engineering profession as a chief part in making the Water Pollution Control Act work. One of the questions I would like to ask you is, do you feel that the cities take sufficient interest in the design and construction and operation of waste treatment facilities? Do they take sufficient interest in it, or do they just like the engineering profession and the EPA to do it for them?

MR. ROMANO: It is not a question of letting us do it for them. It is a question of whether they have the capability, and it varies.

Larger cities, well funded cities, do have adequate staffs. They do participate in the concepts and designs very strongly. Other communities, which have the problem, but do not have the staff or the money, do rely on their consultants and EPA to do the work for them.

MR. AGEE: One other question. You mentioned your society did not support the elimination of any of the eligible features that are presently contained in the Act. Would you include collector sewers in that observation, or do you feel that a collector sewer should be funded at the lower level?

MR. ROMANO: We don't want to cripple the program, but at the same time, we don't want to cripple a local program which may have in its development plan such an item as you mentioned, the collector sewers. If that is something that is really good and necessary for the program, I don't believe we should write it out simply by fiat, and say it has to be the same across the country.

I think we have to leave them all in. All have to be considered.

MR. AGEE: Thank you.

Gerry, you have a question?

MR. HANSLER: Do you think there ought to be a cut-off date on the age of housing that doesn't have collection systems now? Could they receive Federal funds?

In other words, should we pay for subdivisions five, ten or 15 years old?

MR. ROMANO: One of the big problems with Federal programs is someone has to start playing God. It is not just your program, but every Federal program.

When are you going to make a judgement like that as to whether someone who has been living in a community such as you describe for ten years, is or is not eligible for certain Federal monies? That is a difficult one to answer. Again, I don't think that is one that will lend itself to a categorical answer.

MR. HANSLER: Do you think there is some point in time when we should not have collection systems for subdivisions and developers?

MR. ROMANO: I suppose you could find a time for one particular one. I don't think we can sit here and say you can take five years to ten years, and make it uniformly equitable across the country.

I think you as a Regional Director are going to get involved in that sort of judgement, and I think it will even come closer to that in the state levels where you will have to rely on their judgements as well.

MR. HANSLER: The states will have it first, because they have to certify.

MR. ROMANO: So, they will have to make the case locally first.

MR. HANSLER: Thank you.

MR. AGEE: Thank you, Mr. Romano.

I would like to call at this time Mr. Martin Land, then I will call on Charles Samowitz from the City of New York, and the Mr. Peter Gadd.

MR. LANG: Gentlemen, I really think there is nothing drearier than to read a prepared statement, but most uncharacteristically I am going to do just that.

But, before I do, listening to the preceding speakers, I would like to point out that while all of these prophets and prophetess of doom are saying the sky is falling, the program is working. Maybe it is limping along, maybe it should be corrected.

We are here to talk about suggested changes, but it is working. I think it is very significant that tomorrow morning, the Mayor of the City of New York is going to formally dedicate the upgraded and expanded 85 million gallon a day sewer in the Borough of Brooklyn, which is an outgrowth of Federal and State funding.

So, something is coming down the pike.

I would also like to take this opportunity to give a completely unsolicited testimonial to our opposite numbers, the solid

career professionals, both in the Federal Region and the state offices in Albany who have tried to make this program work.

We must stop viewing each other as adversaries, and view ourselves as partners. After all, with this program, with the bulk of the money coming from the Federal Government, whoever pays the piper calls the tune. And, you are very much in the position of calling that tune.

I am Martin Lang, Deputy Administrator of EPA and former Commissioner of the Department of Water Resources. This is submitted on behalf of Robert A. Low, Administrator of New York City Environmental Protection Administration.

I am very pleased to have this opportunity of commenting on the Administration's proposals to amend Public Law 92-500, and to suggest some additional actions for which we in New York see an urgent need.

I have to depart from the strict text again, because when I use the words "we in New York", it is kind of a code word. That is New York's attitude.

I think that the problems of abating pollution are common to all mature metropolises in the country, so let us just talk about the needs of the cities' problems and not just with the Government.

At the outset, I would like to declare in the strongest possible terms New York City's opposition to any amendments that would dilute the historic purpose of the present law to improve the marine environment of our nation for the rest of this century and beyond.

The intent of the law was to make possible an intensive effort, in one decade, to atone for all the errors of the past and upgrade our waters by creating new works to last into the 21st century.

The timing of the law was fortuitous. In a faltering economy, it provided construction and manufacturing employment not for make-work projects, but directed to a high national purpose. In New York State alone, the water pollution control program is estimated to account for 150,000 jobs over the next five years.

The law's timing also coincided with the now obvious inability of municipalities themselves to generate such a massive program.

Therefore, any reduction in the Federal 75 percent share, any statutory limitation on Federal participation in long-term planning and building, any restriction on Federal funding for necessary collection systems would all have a crippling effect on the goals of the Act, on construction and manufacturing employment and on the nation's

effort to combat municipal decay.

As for reduced Federal sharing, I think that I can speak for all the nationa's municipalities in declaring that it has been the prospect of substantial Federal funding that has spurred water pollution control programs around the country even at a time when local budgets are hard-pressed.

If this prospect were to be allowed to dwindle, there is no quiestion but that municipal managers would find it only prudent once again to hold clean water programs in abeyance, as they have in the past, until such time as the Federal Government renewed its funding committment at a higher level.

The facts speak for themselves. From 1965 on, when the previous Federal act promised 55 percent reimbursement and then failed to deliver the funds, construction was virtua-ly frozen in most of the country. What would be the sense, Mayors asked, in committing substantial local funds now ehn additional Federal funds might be forthcoming later?

In other words, curiously, the 1965 Act resulted in an anaomoly. It delayed water pollution control projects around the country.

In New York, the State government had the vision to advance to the City a portion of the Federal share and gamble on the credibility of the Federal government, thus triggering substantial construction. Where actual appropriations follow authorizations, construction to achieve the goals of the Act accelerates. Without this incentive, PL 92-500 will become an empty promise.

Asking each community now to accept less than the 75 percent funding level, as the result of an abstract feeling that nationwide Federal funding will thus go further is patently unrealistic. What each community will understand is that a neighboring town that was a bit faster with its planning got more Federal reimbursement for its pollution control program. The natural reaction would be to delay the second plant in the hope that a higher level of Federal funding would be restored.

I would make the same point in relation to the Administrations proposal to limit Federal participation to programs designed to serve only current needs, and to the proposal to eliminate Federal funding for collection systems, both of which I will discuss in more detail in a moment.

Both of these proposals would inhibit development and funding of local programs. Requiring localities to pay alone for that part of a wastewater treatment program designed to serve future growth would only encourage them to delay the entire program. And elimination of sewer upgrading and collection costs from the Federal

program, since in many cases sewer work is required by the Federal regulations as part of pollution control, would present the same inhibition.

In other words, experience shows that if funding for a whole job is not available, it is unlikely that the job will ever be done at all.

With regard to the management impact of a reduction in Federal participation, the working papers raise the issue and imply that municipalities are now profligate with Federal funds and would be inspired to be more careful if their own investment was increased.

I assure you that this issue is specious. No matter how small the local investment, the respect of municipalities for all public monies insures prompt and professional handling of pollution control programs. I am not talking theory. In New York City, for example, we have adopted a procedure under which State and Federal engineers participate with us along every step of a program from conception to completion.

In other words, the state and Federal Government have regulatory powers they have the powers giving money, withdrawing money. They have the power of approval and disapproval, and they can utilize that power very effectively to assure cost effective design and prudent husbanding of all funds.

An increase in local expenditures for these programs would not have any affect on the care with which they are produced. I believe that issue is irrelevant.

The role of states, I would mention here, in fact, our strong support for the Administration's proposal to delegate to states even more authority in managing these programs than exists under present law. Not only are states more intimately familiar with the problems and needs of their municipalities, but, at least in New York, they have demonstrated their professional capacity to monitor implementation of the law. Giving the states more authority would substantially reduce duplication of effort and would speed the process of planning, design and construction.

Limitation of scope of projects for Federal funding. In contemplating the possibility of reduced Federal sharing, of course the basic issue is the availability of real Federal dollars for the enormous job that must be done. But let us consider the need realistically.

The fact is that more than two-thirds, or $235 billion, of the $342 billion estimated in the 1974 survey of state needs to be required for facilities eligible for funding under the Act is for a high degree of treatment of storm waters.

As to the role of the states, I would mention here, in fact, we feel strong support for the Administration proposal. However, there can be no argument that the real needs are for collection systems, interceptor sewers and treatment plants for dry-weather flow. The resulting total is, therefore, seriously misleading. To try to frighten Congress away from 75 percent funding, because of an unnecessarily inflated nation needs figure is absurd.

In the allocation of priorities for pollution abatement programs, certainly treatment and control of storm waters should be low on the list. As it is, in fact, last on the list of eight types of projects eligible for Federal funding under PL 92-500.

But to suggest, as does the third Federal proposal that all collection systems discharging into intercepting sewers and then to treatment plants be eliminated from the Federal program would seriously hamper our progress.

The law requires the recipient of a grant to agree to certain conditions. Often one of them is that the municipality commit itself to build or rehabilitate the collection system for a new plant.

Again I refer to the prudent requirement of the I&I provisions. In some cities, the cost of such construction equals that of the treatment plant itself. To remove Federal participation from such necessary work would inevitably motivate the municipality to abandon the entire project.

To suggest that cities already have enough motivation to do sewer work and, therefore, do not require Federal aid is a non sequitur. Motivation is not the question. Money is. New York City, for example, has a $6 billion investment in its existing collection system, an investment that is made virtually unaided. Much of that system is now old and in need of rehabilitation and extension. It makes little sense for the Federal government to invest heavily in wastewater treatment without concomitant investment in the system for delivering the wastewater for treatment.

Eliminating funding for sewers would also reward the laggard states which have not yet progressed in developing treatment programs. They will continue to receive full Federal reimbursement for the treating plants that cities like New York have already underway, and many of them at the old 55 percent rate, by the way, while cities now ready for collection system work will be out in the cold.

Turning to the proposed limitation of Federal funding for that portion of systems designed to serve future needs, I again find the working paper to be a bit cavalier. As with the proposals to reduce the Federal share and to limit the projects covered, the papers say, in effect, go ahead with what you need anyway, we just won't share

the bill.

Obviously, there can be no realistic explanation that that municipalities in the foreseeable future will be able without Federal assistance, to do what is right. We will be doing only what is absolutely necessary, if we are lucky.

The Federal proposal seems to acknowledge the prudence of planning for the future and encourages municipalities to do so, but without Federal participation. It makes no sense to specify such limitations nationwide. The nature of problems around the country are too diverse.

For example, in a sparesely populated rural area, increasing the size of a pipe laid through open fields as population increases in future years is relatively a simple matter. Such a change cannot be compared with changes that might be necessary in an interceptor sewer laid in a deep rock tunnel under a congested metropolitan area mined with complex utility lines. Such an installation can be made only once in a lifetime, with an eye on future generations.

The proposal is clearly a sincere effort to prevent windfalls for irresponsible developers in undeveloped areas of the country. But the effort misses by adeopting a technique that would also deter the construction of logically-designed facilities for major, mature metropolises, certainly the environment can be better protected by continuing prudent review of project proposals than by arbitrary limitations on a program that was intended to serve future generations.

If the intent of a limitation on reserve capacity is to devote presently available funds exclusively to current needs, I predict it will backfire. The results will be that funds will not be psent at all. Municipalities are unlikely to approve their share of an investment in a plant that will be obsolete even before it is completed.

On the final proposal, extension of the 1977 date for compliance with effluent limitations, there is no question that extension is required.

I recall vividly Administrator Agee addressing a Commission in Denver and getting a spontaneous round of hearty applause from all the assembled managers and engineers in the country when he pointed out in all probability there would be an extension at that time on an ad hoc basis until 1977, becuase it was needed. That is a fact.

Even New York City, with what we believe is the most advanced wastewater treatment construction program in the nation, will not be able to achieve compliance earlier than 1981, if no impediments arise.

I think then, it will come as no surprise that we support the fifth alternative proposed in the working paper, extension of the deadlines to 1983, with a crucial modification.

Again, the proposal is unrealistic in suggesting the compliance in 1983 be required, "regardless of Federal funding". I have addressed this point often in this testimony so will merely restate that compliance will not be possible without continued Federal support as provided in the present law.

I would like to suggest, however, that PL 92-500 be amended to authorize prefinancing, as was possible under the previous law. As I reported earlier, it was the possibility of prefinancing that triggered the development of New York's massive program. However, the amendment must provide for strict guarantees and time schedules for reimbursement, which did not exist in previous law.

I am going to borrow from Commissioner Samowitz's time.

MR. AGEE: His time and yours both.

MR. LANG: At this moment I would like to conclude. New York City is eligible for an additional $200 million in Federal reimbursement of eligible work that we prefinanced, for which there is not adequate funds. The $1.9 million spread over the country was not sufficient to meet the real needs, so I would like to conclude then with a plea for adequate prefinancing.

Thank you for your patience.

MR. AGEE: Mr. Lang, thank you very much. Gerry, do you have any questions?

MR. HANSLER: One question. What approximate percent of your water and sewer system's revenues are tapped off and returned to run for the general city government?

MR. LANG: Do you want to refer to that, Cy?

MR. SAMOWITZ: None at all.

MR. LANG: In fact, we ran a deficit.

MR. SAMOWITZ: They retired short-term notes, initially revenue anticipation notes.

MR. HANSLER: Those revenue anticipation notes were for water sewer system expenses, the city-wide expenses?

MR. SAMOWITZ: It eventually gets sorted out.

MR. LANG: Obviously, some of these notes are in anticipation

of this $200 million which was never forthcoming, issues ten years ago.

MR. HANSLER: The ability of local communities to come up with the 25 percent share, many towns around the country and one of the constraints is historically water and sewer revenues have been tapped off to a system running general purpose government.

MR. LANG: The operation of our water supply and the operation of a sewage treatment facility are supported by, both the capital expense budget of the city, the return on sewer wastes, industrial wastes, sur-charges and sale of water goes to the general fund of the city.

MR. AGEE: Jack, do you have any questions.

MR. RHETT: No.

MR. AGEE: Mr. Samowitz. Would you identify yourself?

MR. SAMOWITZ: I am Commissioner Charles Samowitz, Commissioner of Water Resources, New York City.

MR. AGEE: Mr. Samowitz, do you have a statement to make, or has Mr. Lang covered your points?

MR. SAMOWITZ: Mr. Lang has covered most of my points.

MR. AGEE: I would like to call Mr. Neal Troy, and it is my understanding that Mr. Troy would like to share his time with Ken Watson.

MR. TROY: Mr. Chairman, I am Neal Troy, Manager of Environmental Control, Owens-Illinois, Incorporated, Toledo, Ohio; and as such am responsible for the environmental protection programs for 137 manufacturing plants in the United States and a number of other countries.

I also serve as a member of the Steering Group of the Environmental Quality Committee of the National Association of Manufacturers.

Accompanying me are Kenneth S. Watson, Director of Environmental Control, Kraftco Corporation, Glenview, Illinois, who has like responsibilities and is also a past president of the Water Pollution Control Federation, representing water pollution control experts in the United States and many other countries.

We are appearing on behalf of the NAM, many members of which have cooperative arrangements with publicly owned treatment works for the treatment of industrial wastewater.

We would first like to make the point that we are strongly

dedicated to this joint approach. Several years ago the NAM Board of Directors adopted a formal statement that "Such regional solutions may achieve cost and technical advantages and are being accomplished in many parts of this country."

The NAM Environmental Quality Committee has consistently worked for laws and regulations which would facilitate and encourage sound regional solutions. Unfortunately, some laws and regulations have had the opposite effect.

We are, therefore, greatly appreciative for this opportunity to participate in hearings held to explore possible ways to achieve more efficient construction of publicly owned treatment works with least cost approaches.

Our attention is first caught by the proposal to limit Federal funding of reserve capacity to serve projected population and industry growth. We believe this would be a short-sighted approach.

We note that Review Paper Number Two cites, "a study on interceptor sewers conducted for the Council on Environmental Quality. This study was critical of EPA's present practice of approving eligible reserve capacities of up to 20 years for treatment plants and 30 to 50 years for interceptor sewers, in that it occasionally permits excessive reserve capacity for interceptors, which facilitates growth and its attendant secondary environmental impacts."

We believe that there are adequate means to control the secondary environmental impacts of growth, and that this is the preferable approach rather than to impose a no-growth policy through limitations on the construction grants program. Arbitrary limitations wholly unrelated to cost effectiveness analysis would be a false economy and could lead to unnecessarily high expenditures in the future.

In the light of the sharp upward trend in construction costs, this would appear to be inevitable.

Review Paper Number Two itself points out that "large economies-of-scale are realized in interceptor construction. For example, a ten percent increase in capacity represents only a three to five percent increase in cost. Second, traditional design periods are very long usually about 50 years."

We believe that it is important not to create a backlog of future problems by encouraging "no reserve capacity" design, and that allowing no reserve capacity for future industrial discharges would stifle economic growth and be illogically discriminatory.

Review Paper Number four, discusses extremely important issues related to the proposal to extend the July 1, 1977 deadline for

publicly owned treatment works to achieve effluent limitations based upon secondary treatment, or a more stringent level of treatment if necessary to meet state water quality standards, in light of the estimate that 50 percent or 9,000 municipalities servicing 60 percent of the 1977 population will not be able to comply with these requirements.

Among the questions raised by Review Paper Number Four are: Is it fair to require industry to meet the 1977 deadline while extending it for municipalities?

Is it fair to make industrial requirements more stringent pending municipal compliance, as is the case with joint systems?

We believe that the situation under the Federal Water Pollution Control Act Amendments of 1972 is such that a mid-course reassessment and correction is needed as a matter of overall national policy. The Act should be amended to prove that, after July 1, 1977, an assessment should be made of all of the nation's waters to ascertain what progress and what results have been attained under Phase I of the Act.

Dischargers into waters which meet state water quality standards by that date would not be subjected to any more stringent effluent limitations. Dischargers into waters which still did not meet state water quality standards would be required to comply with more stringent effluent limitations equitably designed to help achieve receiving water standards for desired uses, which themselves, should receive a 1977 review. This would be a program that would make sense from both the economic and environmental standpoints without raising any questions of fairness as between municipalities and industries.

Review Paper Number five discusses the proposal to delegate a greater portion of the management of the construction grants program to the states. We concur that, if the states were able to assume a greater degree of program management, it might be possible to expedite the flow of funds into necessary construction projects, thereby obtaining both environmental and economic benefits. We note that H. R. 2175 is designed with such an objective in mind.

Mr. Watson would now like to make a few supplemental comments, particularly from the standpoint of the food processing industry.

Thank you.

MR. WATSON: My name is Kenneth S. Watson. I am Director of Environmental Control for the Kraftco Corporation, directing this area of activity for the Corporation's four divisions and roughly 150 plants in the Unites States and Canada.

My total professional experience has been in the field of environmental control. This experience has encompasses serving as Executive Secretary of the West Virginia Water Commission, the pollution control agency for that state; Assistant Secretary of the Ohio River Valley Water Sanitation Commission; Director of the General Electric Pollution Control Program for many years; and my present assignment in which I have served for a period of more than five years.

I am a registered professional engineer in a number of states and a Diplomat of the American Academy of Environmental Engineers. In an effort to help that environmental field evolve to cope with the tightening climate, I have served as President of the Water Pollution Control Federation and Chairman of the National Technical Task Committee on Industrial Wastes.

With reference to the public hearings scheduled by EPA concerning Changes in the Sewage Treatment Grant Program as detailed in the May 2, 1975 Federal Register, the Food and Dairy Industry has a general interest in all five areas outlined and would briefly like to address this fact prior to commenting specifically on point four being considered in the hearings.

It is hoped that, as a result of these hearings, EPA can move its program in the direction of more flexible deadlines which will permit tailoring a program more nearly encompassing the many special considerations which apply to any particular community.

Since most food and dairy plants are properly connected into municipal sewer systems because their wastes are completely compatible and this approach thus represents the most equitable one for the total community, this industry feels that the use of the joint approach should be preserved and encouraged in any changes made in the EPA grants program.

It appears that the specification that treatment requirements be fully cost effective will not necessarily be followed by EPA in many cases, particularly insofar as the best available, 1983 treatment is concerned. Since this is true, it is requested that any changes made in the EPA program thrust in the direction that expenditures necessary to meet EPA requirements be tested against the cost effectiveness principle before being enforced by that agency.

Now, with reference to extending on a case by case basis the 1977 deadline for municipalities to achieve secondary treatment, it appears obvious that something must be done about this deadline because it simply cannot be met by all municipalities.

Flexibilities on a case by case basis should be available for extending the 1977 deadline for municipalities. Obviously, the extension should also extend to industrial plants discharging compatible wastes into any municipal system receiving an extension, even though the joint load of the homeowners and the industrial plants

may overload the municipal treatment plant until it can be upgraded.

Further, where contractural agreement has been reached that an industrial plant with or without pretreatment will be connected into a municipal sewer system when it is upgraded, it is not in the financial interest of the industry or the nation to require such a plant to provide some type of interim treatment pending the completion of municipal facilities if an extension of time has been granted to the municipality.

The only exception to this position might be that of an industrial plant discharging incompatible wastes creating critical stream conditions, which had agreed to provide pretreatment prior to connection into the municipal system. If an extension were granted to the municipality during the period when planning and construction of the city project was being moved forward, it would be reasonable to expect the industrial plant to provide the pretreatment facilities agreed upon on a time schedule with the construction time required.

Although the cost of industrial treatment facilities is not generally financed by public funds, case by case extensions of the 1977 deadline should also be granted for industry.

An area by area approach on a sound judgement basis should be used and comparable extensions granted to industrial plants in an area if a municipality, which is a large contributor, has been granted an extension.

Since the points just outlined bear on the fact that citizens of an area and industrial plants discharging compatible wastes will most soundly and equitably be served in the fewest number of professionally operated treatment plants, it is desired to again appeal to EPA to encourage the joint approach.

There appears to be many locations today, as the pollution control program is being moved forward, where the joint approach is not receiving great encouragement. This appears to result from the nation's consulting firms, perhaps somewhat encouraged by EPA, to attempt to connect together such large regions and plan so far into the future that excessively costly usable and expandable treatment facilities are being abandoned and this, along with the excellent new facilities proposed, is increasing costs to the point that, with the EPA cost recovery formula in effect for the industry, which probably deserves some review thought also, the economic burden on the industrial plants is not consistent with the services to be provided.

In light of the basic soundness of handling private citizen and compatible industrial wastes in common plants, one of the key objectives of the present national program should be to continue to make full use of this joint approach concept.

We appreciate your time and patience gentlemen.

MR. AGEE: Thank you.

Mr. Watson, do you find that the industry generally participates with the community in the planning process, during the step one planning process, to really determine the geographic scope of a project.

MR. WATSON: It depends on the community. In some communities, industry is offered the opportunity to do this, and in other communities, there is not that much opportunities present, and I think this depends, somewhat as has been indicated earlier, on how well the community is staffed with people in this field.

MR. TROY: May I address that?

MR. AGEE: Go ahead.

MR. TROY: There are situations where municipalities, in development of their facilities for handling our industrial, both sanitary and industrial waste waters, where the industries are being pushed to go forward with their programs.

In the case of where the municipalities don't have the ability, desire or pressure to do so, we find this to be the case. We are trying to plan for it.

MR. AGEE: Gerry, do you have a question?

MR. HANSLER: No.

MR. AGEE: Jack?

MR. RHETT: No.

MR. AGEE: At this time I call on Judith Barnett.

Judith Barnett is not here?

Bart Lynam, please?

Mr. Lynam will be sharing his time with Mr. Lee White. Mr. Lynam is President of the Association of Metropolitan Sewerage Agencies.

MR. LYNAM: I am here today in my capacity as President of the Association of Metropolitan Sewerage Agencies, an organization representing most of the large sewerage agencies throughout the United States. I am also General Superintendent of the Metropolitan Sanitary District of Greater Chicago. The membership of our organization includes over 50 agencies from the nation's largest cities representing over 60 million people.

Accompanying me today is Mr. Charles B. Kaiser, Jr., the

Director and Legislative Chairman of AMSA, and General Counsel of the St. Louis Metropolitan Sewer District, and Mr. Lee C. White, Washington Counsel for our organization.

We appreciate the opportunity to present our views and to answer these fundamental issues that have been set for public hearing by the EPA.

Since last July, AMSA has been holding a series of regional meetings to assess the attitude of its member organization toward the provisions of PL 92-500, and particularly the manner in which it has been implemented.

Before discussing the specific questions, we would like to comment generally on PL 92-500. I played an active role when the Act was being considered by the Congress and in a large measure we supported the provisions of the Act.

Some seemed then beyond practicalbe achievement and two and a half years of experience have borne that out, becuase of the magnitude, complexity and incredible detail of the statute, it has been frustrating as we have waited for implementing regulations, to see them revised, and yet regulations criteria and interpretations, program guidance memos and virtually every form of control ever devised by government agencies become a part of the painful process.

We, too, are government employees and have an appreciation for the need to carry out statutory directions, monitor, oversee and supervise a program with such nationally important goals and involving billions of dollars of public funds.

And yet, there are times when the frustrations involved have almost led some of our members to consider trying to get along without the Federal share so that they can get on with their jobs and thereby meet local needs.

If there is one major principle that we would urge, for those who would like to amend the law, it is to put some discretion into the law for EPA and its Administrator.

There would be many of our members who would find themselves in disagreement with EPA on a range of issues, but we are prepared to have faith in the Administrator to believe he or she, it may not be a him, may not be hamstrung by a statute which attempts to achieve absolute uniformity for all situations, regardless of the tremendous diversity of circumstances that exist in the thousands of cities and towns in this large country.

I would also agree with what Marty Lang said, we also have to recognize the thing is working and we also are building large treatment plants and we are also accepting very large grants, and we probably have come to the end of the time where all of the rules and

regulations have been promulgated and we seem to be getting on with the job.

Getting back to the five papers that were presented and appeared formally in the Federal Register, I will speak to the first issue, the amount of federal contribution to assist waste treatment facilities.

Although there may well have been a number of different points at which the Federal share could have been fixed when PL 92-500 was working its way through Congress, we believe it would be a mistake at this point to change the Federal share either upward or downward. One of the most frustrating experiences that many of the nation's large metropolitan areas have experiences is the confusion, disappointment, and heavy financial penalties resulting from the frequent changing of the Federal share from 30 percent in 1948 to 75 percent in 1972.

If Congress were to reduce the 75 percent Federal share, undoubtedly hundreds of communities across the country would be penalized not because of any failure on their part to move expeditiously or to file applications on a timely basis.

Those who had not received approvals or an allocation of funds, either because of burdensome EPA regulations implementing the Act, or because of the impoundment of funds by President Nixon, or because adequate funds were not made available in the first place, would find themselves at a considerable disadvantage. This is a serious concern and we would urge that yet another divisive and disruptive factor not be added to solving the water problems of this nation.

States and local communities are not immune from budgetary anemia, and we would urge that the program continue to be a Federal, state, local cooperating arrangement, and that the formula not be changed again.

Undertaking to respond to the questions set forth in the Federal Register notice in connection with these hearing, we would add the following:

A reduced Federal share would undoubtedly inhibit or delay the construction of needed facilities, not only because of the need for the local community to scramble for more funds, but also because of the disruption referred to above.

Our experience with the financial difficulties of the states with whom out members deal leads us to believe that there is mighty little interest and even less ability on their part to pick up any slack occasioned by reduced Federal contributions. Without doubt, most communities throughout the country would experience enormous difficulty in raising additional funds to replace any that would

otherwise come from the Federal Government.

We do not believe that any greater accountability or concern for expenditures would result from a reduced Federal share or from an increased local share; local funds are really very difficult to come by and our experience has been that communities do not undertake foolist projects be-ause the Federal Government is paying 75 percent. A reduced Federal share would certainly delay achieving the goals of PL 92-500.

The comments on the second paper is as follows: It is very nearly impossible to have zero growth and to build on that basis without running the risk of terribly expensive subsequent construction. In general, the large metropolitan agencies that comprise AMSA have had considerable experience in design and are opposed to the establishment of arbitrary time periods for which waste water handling and treatment facilities should be designed.

To the extent that the so-called California 10/20 Plan is offered as a standard, we would have less difficulty with the 10 year growth pattern for waste treatment plants, assuming of course that the design is on a modular basis that will permit the most efficient and cost effective add-ons when required and further assuming, that the 10 year period begins to run at the end of the construction of the facilities.

I think our comments are quite similar regarding sewers in large metropolitan areas. It is obvious we want to design for a long period of time, and a 20 year period is entirely too short, and we will echo, I think, the same comments and I will abbreviate our statement now to save some time.

The question of who should pay for the extra year's requirements built into the system, we believe it would be tantamount to changing rules in the middle of the game, if the local communities were to have to pay for everything above today's population and needs. No major construction program operates on that basis.

The only realistic consequence would be to impose a larger burden on the local communities than was contemplated by PL 92-500. If PL 92-500 is to be scrapped, revised or modified to impose a larger burden on the local communities, Congress ought to do it directly rather than through subterfuge.

Undertaking to respond to the questions set forth in the Federal Register, we would add the following:

Overdesign is basically a subjective judgement and there may well be some instances in which this has been the consequences of somebody else paying 90 percent of the bill. We believe, however, that the major metropolitan areas have not overdesigned, in part because of the heavy funding required for the local share, and in part because

of the political implications of doing so.

As indicated above, more rigid supporting data for projected growth could be required, although it would be sheer folly to make that retroactive and further delay projects that are already well into the pipeline.

Underdesign is, of course, the other horn of the dilemma and must be guarded against. There must be adequate flexibility to meet different growth patterns.

The third paper, restricting the types of projects eligible for grant assistance.

MASA takes a very dim view of attempting to restrict the facilities that can be the subject of Federal grants. What is clear and sensible in Seattle may have no rational basis in Chicago or Miami. In our view, the test ought to be the achievement of water pollution control objectives and there should be flexibility to take into account the diverse character of the country. If our experience under PL 92-500 in the past two and one half years has taught us anything, it is that it is very nearly impossible to legislate in great detail in a national statute without creating specific situations in various areas of the country where unreasonable or even foolish requirements result. We believe that a rigorous case ought to be required of any applicant for Federal grants, but that it would be a mistake to limit the facilities for grants.

The inherent weakness in setting forth a priority list of facilities which do not take into account local situations, conditions and factors is best illustrated by the secondary treatment requirement.

Strong and compelling cases can be made by some municipal systems that are very costly secondary treatment facilities in the conventional sense of that term provide very little or in some cases absolutely no environmental benefits and produce considerable environmental detriments, aside from using up scarce public funds. To require Anchorage, Alaska, for example, to build secondary treatment facilities for Cook Inlet is almost ridiculous. The same is true of other communities, and yet under the rigid interpretations of PL 92-500, this is currently the situation. We would argue strongly for introducing flexibility into the program, not additional rigidity that would result from limiting the type of facilities eligible for grants.

On the subject of the 1977 deadline, it is crystal clear that hundreds, if not thousands of communities are simply not going to be able to meet the July 1977 deadline. The reasons are well known.

Attempting to respond to the formal questions, pre-financing is a very tricky business in light of the great reluctance of the Federal government as shown in the past to redeem its committments.

The question of of industry compliance -- I will be finished in a flash, in a second. The question of industry compliance is really separate and distinct from that of the cities. Industry failures, when not associated with municipalities, to comply are not likely to be the result of the same factors that have impeded municipal agencies.

As to the fairness of disparate requirements for municipal and industrial participants in joint systems, we believe that where a persuasive case for postponement can be made by the industrial participant, it too should be permitted to go along with its municipal partner on any new dealine. The Administrator's discretion to extent the deadline should not be circumscribed, since undoubtedly he would insist that a case be made and that the extension not be longer than warranted by the facts; but who can know in advance what maximum extension those facts might support.

The attitude of ASA members on the point of delegation of greater management of the program to the states is, one, we would urge on an overall basis -- We are concerned about the Federal funds that would be appropriated for that purpose, since one of the rationales for the proposal is to take care of the fact that there is inadequate Federal personnel to perform those functions.

One particular point that a number of metropolitan agencies have found to be troublesome is the manner in which some states have allocated funds to municipalities within the individual state.

It is grossly unfair for the state to receive a large allocation because of the state's heavily populated areas and then find that the state in distributing funds within the state ignores the problems of its major cities.

We urge, therefore, that if the Cleveland Amendment is adopted, there be a required that the states follow through on the formula basis upon which -- Federal funds were allocated to it from the national pool.

Thank you very much.

MR. AGEE: Thank you very much. I have one question.

You represent the largest treatment agency in the country. Does your association generally feel that the use of the state priority list gives us the best control of the use of the dollars, as to say, for example, large systems versus smaller systems?

MR. LYMAN: Yes. I think it would be generally true. I think our concern is in the development of the priority list that the factors are appropriate and that population be a consideration, because I think the magnitude of the pollution caused by the large metropolitan

areas is due just to the size, and I think rather than use these formulas to develop priorities in a state, the population has to be adequately and properly looked to.

So, I think we do not have any argument with the priority system as such. Our only concern is that we not get short-changed when the allocation is made to the metropolitan areas.

This is a concern to us, because in many cases, the formulas are based on the law of arithmetic functions, and if a city of 100,000 gets four points and a city of a million gets five and a city of ten million six, that doesn't seem, really, to be appropriate, in terms of the magnitudes of the pounds of pollution that are being generated. So, I think we really come back to just being fair and equitable in the distribution of the funds from the state.

We are quite concerned that the state would take this, would take the funds that are sent to the state, that they would not be allocated appropriately.

MR. AGEE: I asked the question basically, if we don't change what we have under discussion today, this is not a proposal from our agency, that we eliminate any of the features, or some of them, but something that we did want to discuss with you people.

We are not going to fund the lower priority projects nationally. We will have a priority list with more deserving projects on the top of the list.

I think you answered my question.

Thank you. Jack, do you have any questions?

MR. RHETT: No.

MR. AGEE: Gerry?

MR. HANSLER: No.

MR. AGEE: At this time I would like to call on Mr. Jay Lehr of the National Water Well Association.

Following Mr. Lehr will be Mr. Eugene DeStefano, and following him will be Mr. Eugene Seebold.

MR. LEHR: Mr. Agee, I appreciate the opportunity to speak briefly before this group on public law 92-500.

I am Executive Director of the National Water Well Association which represents more than 100,000 men and women involved in the ground water supply industry in this country. This includes

most of the ground water geologists and hydrologists involved in locating and developing our underground water supplies, the water well drilling contractors who construct our water wells as well as the manufacturers and suppliers of water well construction equipment.

We are primarily an education and research oriented organization which is concerned with the broad hydrologic picture of the nation's water supply problems. Whis includes, of course, both surface and ground water which are inexorably linked in the earth's hydrologic cycle.

While the Water Pollution Control Act, Public Law 92-500 deals primarily with surface waters rather than underground waters, the pollution of either source of water affects the other and thus our science and industry are vitally interested in all aspects of this legislation. We had hoped years ago that the Water Pollution Control Act, when it was being written, would include a strong focus on the protection of ground waters but that was not, and is not the case.

Now, at last in the Safe Drinking Water Act of 1974, PL 93-523, attention is being paid to protection of our ground waters. At this time, however, when the Government is considering amending PL 92-500, we feel that many improvements can be made which will specifically aid in the development of ground water protection programs by the states and generally improve the operation and implementation of the Act with regard to surface water protection which ultimately affects our ground waters.

To begin with, I would like to comment the Congress and EPA for establishing these public hearings and for its desire to consider recommendations for amendments to Public Law 92-500. It took many years of extensive effort to write this law with all its good intentions and now after more than three years of operation it clearly is time to rectify many of the problems which have developed, which had not been previously predicted.

I further wish to commend EPA for the production of the five position papers which focus attention on the more obvious problems in the legislation, the subjects of these papers being: One, potential reduction of the Federal share of grants; Two, possibility of limiting Federal funding of reserve capacity to serve projected growth; Three, consideration of restricting the types of projects eligible for grant assistance; Four, consideration of extending the 1977 date for the publicly owned pre-treatment works to meet water quality standards; and Five, which deals with the delegation of a greater portion of the management of construction grant programs to the states.

I will comment briefly on each of these and then close with a discussion of general problems in the overall implementation of

of this Act with regard to the states.

Reduction of the Federal share of construction grants. We believe that the reduction of the Federal share from 75 percent down to something in the range of 50 or 60 percent would be a wise change in the law. While such a move would not be without negative effects, it would spread limited Federal Funds through more communities and lead to greater accountability on the part of grantees in establishing cost effective designs, management, operation and maintenance.

While such a reduction in the Federal share might slow movement toward the ultimate water quality standards in some areas, it would expedite such movement in other areas. This is particularly true in rural low income areas where studies by the Commission on rural water have proven the problems to be most critical while the priority on the EPA schedule leaves them without any hope of Federal aid.

Limiting Federal funding of reserve capacity to serve projected growth. We are truly pleased with the comprehensive consideration EPA has given toward limiting reserve for future growth. It is said that mathematicians and others can make figures and statistics lie. Thus, large sums of money made available for future potential growth allow also flexibility for shading the facts with figures. A much greater control of this activity should definitely be required. It should also be recognized that the growth of the country is fortunately slowing and we should no longer be promoting growth by overbuilding facilities that effectively attract growth.

Thus, we feel greater limits on grants programs should be implemented.

Restricting the types of projects eligible for grants assistance. In the way of restricting eligibility, we would strongly oppose any restrictions that would reduce the flexibility of the Environmental Protection Agency to help finance a project which would contribute clearly to the well being of our nation's waters.

Here again, such limitations of flexibility would totally eliminate any hope of attention being paid the problems of low density, low income rural areas. If only the squeakiest wheel can get oiled, heaven can only help the poor voiceless minority away from the teaming cities.

Extending 1977 date for the publicly owned pre-treatment works to meet water quality standards.

We feel very strongly that the 1977 date which has been set for meeting water quality standards by publicly owned pre-treatment works is totally unrealistic and must be extended. At the same time, requirements on industrial treatment should, in all fairness, also

be extended.

We believe that compliance deadlines should be open-ended and that the determining factors be that everything within reason is being done to move in the direction of ultimate meeting the standards set out in the law whether in the direction of ultimately meeting the standards set out in the law whether it is an industry or a publicly owned operation. We do not believe that EPA will lose credibility in supporting such across the board extension for both municipal compliance and industrial compliance; rather its credibility will be enhanced when it is recognized that such a move is being made not due to failure to achieve previously set goals, but rather due to a newly found understanding of the problems that inhibit the achievement of these goals in the previously designed time framework.

Even with an open-ended compliance schedule, industrial compliance should still be achieved well in advance of public utility compliance. The tools at the hands of our industrial organization as well as their ability to mobilize their efforts and finances far exceed those of the public sector whose interests, desires and mobility are far more diverse.

Delegating a greater portion of the management of the construction programs to the States.

Here our industry has perhaps the greatest feeling and interest in regard to moving the center of effort from the Federal Government to the state government. The time has past in which the Federal government could afford to look down at the states as a big brother telling them what to do and how to do it as though they did not have the native intelligence to carry on for themselves. The Federal government was never established to usurp any of the power of the states.

It was established to allow a consistent form of government to allow a central authority to rule where diverse seats of power couldn't hope to be as efficient. These concepts have long ago gone astray.

The power has unwisely flowed from the states to the Federal center and this flow must be reversed. This is so even if a temporary loss in efficiency results although it is difficult for one to conceive of any operation less efficient than that of our own Federal government.

I wish now to address my final remarks, and indeed, those which I will receive the most attention, to the problems that Public Law 92-500 has had with regard to relationships between the Federal government, specifically the Environmental Protection Agency, and the state agencies who would have the responsibility of carrying out the requirements of this Federal program.

It is no secret to anyone that this legislation has strained these Federal-State relationships to the point where very real hostility exists. Not only has this hostility impeded progress in carrying out the very good intentions of this law, but additionally it has obstructed other similar programs because of a latent mistrust which has developed on the part of the states toward the Federal government.

Much of this unfortunate situation is the result of a lack of pure and practical understanding on the part of the Federal government with the very real problems that face the states in their attempt to obtain and maintain high quality water within the state boundaries.

It is one thing to order the waters of our land to meet certain quality standards at certain dates. It is another thing to achieve this condition.

Sometimes such achievement within required time frames is much akin to attempting to gain blood from a stone. It simply cannot be done.

The establishment of unreal goals and then the attempt to force compliance where such compliance is virtually impossible, makes folly of the law and loses the respect of those who must get the job done for those who are prompously requiring that it be done.

There is no need to labor this point further, because by now it has been clearly chisled in stone and is well understood by everyone involved. The problem is how can we begin a remedial program.

To my mind, the development of a remedial program could be carried out by heeding the apparent success of the new Safe Drinking Water Act. This Act is being implemented by EPA with a concerted effort to walk hand in hand with state officials in recognizing what needs to be done, what can be done, and when tasks can reasonably be expected to be accomplished.

The National Study Commission developed in the Water Pollution Control Act was an attempt at getting more input into the establishment of standards for our surface waters, but it did not truly integrate all of the feelings of the states. Nor did it go far enough in continuing as an overseer as new evidence and new problems developed in the implementation of the Act.

The Safe Drinking Water Act is doing two things to overcome this. First, EPA through its own desires, has utilized state officials at every turn to study the direction the implementation program should take.

Second, and of equal significance, the Act itself established a National Drinking Water Advisory Council, made up of

15 individuals with close ties to water supply problems. The Council has the continuing task of advising EPA on the implementation of the Safe Drinking Water Act. In a very real sense, the Council having been chosen from all walks of American life, is the representative of the people in the continuing effort to carry out the mandates of the Safe Drinking Water Act.

The reason for the recurring disasters often produced by well intentioned legislation is that once a bill becomes law, the public loses its representation. The Congress goes on to other matters and except for infrequent oversight hearings in the House and Senate, the Federal Administration, made up of career bureaucrats and tenured civil servants, takes over.

Were it possible to write laws with true precisions, there would be little problem as its reading and subsequent implementation would be straight forward requiring little or no question of interpretation of the language of the law or the intent of the Congress.

But, alas, this is earth peopled with fallible men, not heaven inhabited by perfect angels. And, so while advanced mathematic and theoretical physics may achieve precise solutions to problems, man's written language still leaves much to be desired as an exact form of communication.

Herein lies the problem, namely, that while the administrative agencies of the Federal Government were designed to implement the decisions of the people acting through the Congress, these agencies were not designed for, but frequently end up making the most important decisions of all, long after Congress is out of the picture and the people out of a voice in self-government.

But such will likely not be the case with Public Law 93-523, the Safe Drinking Water Act of 1974. The mandate from the Congress states clearly that the 15 member National Drinking Water Advisory Council not be a group of interested citizens merely placing a ceremonial rubber stamp on the activities of our non-elected administration officials, but rather that these 15 knowledgeable and involved representatives of all segments of the public guide the EPA in its interpretation and implementation of a law passed for the benefit not for the detriment of the people.

True, the idea of a citizens' advisory council is not new, but the way in which it is working this time is quite unique. First, the Congress specified that the Council be composed of persons with direct knowledge of the nation's water supply problems and that five be chosen from representatives of state and local government, five from private organizations directly involved in water supply and that five be public citizens with an independent interest in the subject.

Second, the U. S. EPA, after selecting the 15 Council

members according to the wishes of the Congress, pledged its sincerest cooperation in working with and for the Council toward the attainment of an implementation program which would advance the belief of the public in the workability of the American Federalist system.

That is to say, EPA recognized that this time their program for implementation of an environmental law must satisfy the needs and desires of the states, localities and individual citizens if there was to be hope for success.

In the Clear Air Act of 1970 and the Water Pollution Control Act of 1972, the United States EPA tried unwisely to play big brother to the whole country in deciding that by some power vested in it, it knew what was best for the helpless unwitting public whose environment was being fowled by some evil arch enemies. What they never came to grips with was Pogo's early revelation that environmentally speaking, "We have met the enemy and it is us." Thus, in protecting us from ourselves, EPA was manhandling our lives and our ability to govern ourselves at the local and state level.

Admitting to little or no good sense on the part of those lower echelons of government it, U. S. EPA, called all the shots in a dictatorial manner which created hostility, ill will and an unfortunate backlash which prevented the development of the necessary spirit of cooperation required for the ultimate achievement of these environmental improvements.

This time around, the U. S. EPA, from its administrator, Russell Train, on down to each assistant and deputy administrator as well as its division and branch chiefs, and their staffs, has pledged and already partially fulfilled its intention to depend heavily on the feeling of the National Drinking Water Advisory Council as the voice of the people in the experiment of self-determination and self-government.

As Rome was not built in a day, the protection of our waters will not be achieved tomorrow or even next year, but as a journey of a thousand miles begins with the first step, the path of the Water Pollution Control Act can be marked by small but determined steps all in the right direction. Success will come in a time frame determined by the practical ability of the state and local government to achieve necessary change with adequate Federal support in the form of money, research capability and training programs.

Examples of a new look in the operation of EPA are many. At the philosophical level one can cite the comprehensive strategy paper produced by EPA's Office of Planning and Management which describes the intended guidelines to be followed in the implementation of PL 93-523. It says brilliantly perceptive things about Federal-State relationships of which the following four paragraphs stand out

a shining example of a new awareness.

"The importance of involving the states to the maximum extent possible in the development and implementation of the Safe Drinking Water Program cannot be over-emphasized. The successful accomplishment of the majority of the program objectives will, in large part, be dependent on the enthusiastic acceptance of program responsibility by a majority of the states. "

"EPA's past experiences in programs similar to that required by the Safe Drinking Water Act have shown that neither the willingness nor the ability of states to assume their share of responsibilities can be taken for granted. To foster that ability and willingness, EPA must structure a system of both tangible and intangible incentives. These incentives must be directed at reducing obstacles which states will likely face in developing a capacity for implementing the program. Thes obstacles include but are not limited to: "

"Lack of funds; lack of trained personnel; distrust of Federal programs; misunderstanding of the program including the need for a national safe drinking water program, the objectives of the program, and the role states are expected to play. "

"The degree to which EPA is able to overcome these obstacles will in a large part determine the success it achieves in accomplishing the important goal of fostering an effective Federal-State partnership for the implementation of the major programs under the SDWA."

The strategy later concludes with eleven basic principles for implementation of the Safe Drinking Water Act which should become a Federal Bill of Common Sense in implementing all legislation. They too bode well for the future of Federal-State relations:

One, public health considerations deserve highest priority.

Two, the worst problems will be given first attention.

Three, take cost into consideration in all decisions made in the Safe Drinking Water Program.

Four, encourage state and local participation in decision-making.

Five, reduce need for massive changes in current state operations.

Six, place maximum financial burden for implementation of regulations on the ultimate users of drinking water except as provided by State law.

Seven, encourage public participation in all deliberations and decisions.

Eight, require adequate attention to the environmental impact of decisions made under the Act.

Nine, decenteralize decision making and operational responsibility for the Act to the EPA Regional Offices and to the State and local governments to the extent practicable.

Ten, keep paperwork and red tape to the absolute minimum.

Eleven, utilize existing Federal and state resources.

I strongly believe that the people of America whom EPA serves will relate positively to these principles and begin to acquiesce in their latent hostility toward this new Federal program.

Thus, in conclusion, I wish to strongly urge that an amendment be made to the Water Pollution Control Act calling for a similar 15 member advisory council to be established on a continuing basis along the lines of the council in the Safe Drinking Water Act. This body would bridge the gap -etween the Federal implementation of PL 92-500 and the people and the state officials who must comply with that implementation.

In this way, I believe a new and more realistic path will be laid toward the ultimate objective of every one of us in this room, in this city, and in the country; namely, the waters of our great nation be made safe from pollution and degradation so that man will ultimately reap the optimum benefits of nature's greatest of all gifts, our water.

Thank you so much for your time.

MR. AGEE: Thank you. Gerry, do you have any questions?

MR. HANSLER: No.

MR. AGEE: Do you, Mr. Rhett?

MR. AGEE: I would call at this time Eugene DeStefano, representing the Township of Woodbridge, New Jersey. He is apparently not here.

Eugene Seebold, representing the New York State Department of Environmental Conservation.

Following Mr. Seebold will be Lynn Goldthwate and then Morris Wiley.

MR. SEEBOLD: My name is Eugene Seebold. I am the Director of Clearwater in the State of New York, Environmental Conservation Department. I am here today representing Commissioner Ogden Reid, who very much would have liked to attend today, but

because of pending legislation, he could not.

However, the remakrs that have been put together are his sentiments, and reflect the sentiments of the Division of Clearwater, and therefore, lest there be any doubt of our position, I wish to state at the outset that I am convinced that not one of the five topics of the position papers are really essential or necessary.

The first three, reduction of the Federal share limiting Federal financing to existing population, and restricting eligibility for construction grants, will make a mockery of the goals established in the Act through failure to provide the Federal assistance to communities promised by the 92nd Congress.

The motivation behind these three topics is the evident dismay of the Executive Department over the magnitude of the 1974 Needs Survey estimate of 342 billion dollars to meet 1983 goals. This situation was foreseen precisely by the House Committee on Public Works in House Report No. 92-911, dated March 11, 1972, wherein on page 119 it states:

"The Committee received extensive testimony on the cost of the elimination of discharge of pollutants. While there is controversy as to the validity of the estimated costs to both the Federal, state and local governments and to industry that were received, there is no question on the part of the committee that the costs would be enormous. Faced with the wide variation in estimates, the Committee feels that it would be irresponsible at this time to impose this requirement in the Nation without gathering additional facts and without making a detailed and competent review by a multi-disciplined team which can review all facets of the social, seconomic, technological and environmental effects of this requirement."

It was for this reason that the House Bill H. R. 11896 provided a study group, later to become known as the National Commission on Water Quality.

Any pr-posal contemplating amendment of the Act for these three topics is premature until the Commission report is completed and submitted to the Congress as stipulated by the Act. Rather than seek to reduce needs by curtailment of Federal grant participation, the efforts of EPA and OMB should be directed toward reexamination of rules, regulations and procedures that impose ever changing criteria and standards at a cost that far exceeds the resulting benefits in water quality improvement.

I do agree that these topics can be discussed and I am prepared to do so.

In considering Paper number one, reduction of the Federal share, as published in the Federal Register, for May 28, 1975, I find that the background material is grossly understated. The first

paragraph indicates that from 1966 to 1972, the Federal share ranged from 30 to 55 percent. The paper, however, neglects to state that in order to qualify for the 55 percent Federal grant, there had to be a state matching grant of not less than 25 percent.

The maximum grant available to a municipality was the sum of the two, or 80 percent. Therefore, the grant available during that period exceeded the present 75 percent Federal grant.

From 1956 to 1966, the Federal share was 30 percent or a maximum of $250,000. In the case of multi-municipal projects this was increased to $1,200,000 as a maximum, to the full 30 percent. If paper number one is intended to provide comparison with the past, it represents an inaccurate starting base.

The logic to support the assumption that the Federal government must provide 75 percent of $342 billion under the Act is unclear. I find no committment to do so and I again refer to the task assigned the National Commission on Water Quality to determine the economic, social and environmental effects of achieving or not achieving the 1983 goals.

States and local municipal bodies will find it difficult to raise funds to pick up the difference between the guaranteed 75 percent grant and a lesser amount. Over $5 billion in Federal assistance has been obligated at a flat 75 percent of eligible project cost. It is unreasonable to expect that any significant number of states or communities will accept less.

For one intimately involved in the state and local budgetary process, the answers to the questions posed by paper number one are painfully apparent.

One, yes, a reduced Federal share will inhibit construction of needed facilities.

Two, no, the states or a majority of them cannot assume a larger financial burden.

Three, yes, communities will have difficulty raising additional funds, not only in the capital market but from their voting public who must assume the costs of debt service.

Four, accountability is not an issue as this is accomplished by state review and surveillance regardless of the proportion of local funding.

Five, the goals of PL 92-500 may have to be abandoned.

With respect to paper number two, limiting Federal funding of reserve capacity to serve projected growth, is reduction of Federal grant assistance in another guise. The proposition is fundamentally

the same as paper number one.

The Environmental Protection Agency has already determined that reconstructing a sewage treatment plant every ten years and tearing up a city's streets for new sewers every 20 years are not cost effective. They have conceded that plants should be constructed for a 30 year life, but OMB is arbitarily imposing a condition that Federal assistance will be granted only for present population, with the state and municipality responsible for the added costs of planned growth.

OMB infers that constructing for growth results in over design. It should be easy for EPA to refute this from their own records by determining how many plants in existence constructed in accordance with the growth policy under criticism have actually proven to be overdesigned.

There must be few, if any, becuase if threatment plants had been overdesigned in the past, there would have been no need for Public Law 92-500 in the first place.

Had our founding fathers, 200 years ago, established a national no-growth policy such as this, we would today still be 13 original states huddled along tidewater.

What would be the effect of Federal assistance if projects were designed only for present population? Disastrous.

States and cities unable to increase their participation in sewage treatment works costs, would redesign their plants for existing population only. Afer completion the plants would be already overloaded. The condition which PL 92-500 was designed to correct would worsen instead of improving.

I urge the prompt abandonment of the concept of paper number two which seeks to limit Federal funding to serving present populations.

With respect to paper number three, restricting the types of projects eligible for grant assistance, is unacceptable. The United States Congress, after one and one half years of deliberation from May, 1971 to October 1972, decided that the eligibilities for Title II Construction grants were essential for attainment of the goals of the Act. Therefore, they should not be restricted irresponsibly in a misguided effort to reduce needs by sweeping certain categories of requirements under the rug.

The same panic created by the results of the 1974 Needs Survey discussed in the opening of my statement is responsible for this issue. The fear seems to be that States will be presenting blank checks for all of the eligible projects making up the $342 billion of needs.

The Act makes the States responsible for a list of sewage treatment works projects in order of priority according to the severity of pollution. This severity of pollution may require action in any of the categories for which eligibility was established by the Act. It would be control of urban runoff, correction of combined sewer overflows, collection sewers or any of the others.

Therefore, for improvement of water quality, the goal we strive for, a state should be able to exercise the option of choosing a proper means for abatement of each specific pollution problem.

There is a growing need for the construction of new, or the rehabilitation of existing, collection sewer systems. Due to the costs of such works, the pressures of unemployment and inflation, more of our communities have a low tax base to begin with are finding themselves unable to provide the wherewithall to construct or repair such collection systems without the assistance of a Federal grant. The programs of the Farmers Home Administration and the Department of Housing and Urban Development cannot cope with this situation.

The elimination of eligibility for collection sewers would set back the attainment of PL 92-500 goals indefinitely.

As I peruse the elaborate discussion, questions, suggestions and considerations devoted to paper number three, I recall the words of Hamlet in Act III:

> "Thus conscience does make cowards of us all
> And thus the native hue of resolution
> Is sicklied o'er with the pale cast of thought
> And enterprises of great pith and moment
> With this regard their currents turn awry
> And lose the name of action".

With respect to paper number four, extending the 1977 date for a publicly owned pretreatment works to meet water quality standards is not a matter of great moment. With the early impoundment of fiscal 1973 and 1974 allotments, the momentum of the previous Act was lost and has never been recovered. Failure to meet 1977 standards was predestined on December 8, 1972 when the impoundment was ordered.

I do not subscribe to any of the five alternatives discussed in the paper. I do not agree that the decision on publicly owned treatment plants meeting secondary treatment standards by 1977, should influence the attainment of 1977 standards by industry with the sole exception when they discharge into a municipal system.

I do not agree that the 1977 standard should be extended to 1983 as this would give cause to delay on the part of those plants that can comply with 1977 standards.

I do not agree that there should be any enforcement proceedings against municipalities to obtain compliance with 1977 standards except in the most flagrant violation of water quality standards.

My approach is that the Agency should reexamine their secondary treatment standards. An effort has already been accomplished by the proposal to eliminate coliform standards from the definition of secondary treatment. There are many receiving water bodies where maintenance of water quality does not require 85 percent removals. The 1977 date should remain but application of the standards should be reasonable.

As far as paper number five, I am a zealous advocate for delegating a greater portion of the management of the construction grants program to the states. It was intended by the Act and it is the stated policy of the Administrator of EPA. But is H. R. 2175 really necessary?

It is difficult to rationalize the desire of EPA to delegate more responsibility to the States while at the same time a regulation effective during the nine months since October 31, 1974, and which accomplishes even more than H. R. 2175, lies dormant. I refer to Section 35.912 40 CFR Part 35 as published in the Federal Register October 1, 1974. I also find it rather odd that the background in paper number five does not mention the existence of this regulation.

H. R. 2175 as presently worded is defective.

H. R. 2175 provides for state certification of only three elements of the Section 201 facilities plan, whereas the regulation delegates to the state, certification of all the facilities plan including the twelve elements of the plan described in 40 CFR Part 35, Section 35.917-1.

H. R. 2175 authorizes the Administrator of EPA to reserve two percent of the state's allotment, in contravention of the Supreme Court decision that the entire amount authorized should be allotted to the states.

H. R. 2175 provides up to two percent only for those allotments made after the date of enactment of that bill.

As the $18 billion dollars authorized by PL 92-500 have been fully allotted, there may not be further allotments until after September 30, 1977. Consequently, H. R. 2175 cannot be effective until too late for any benefit.

H. R. 2175 provides contract authority as a source of funding, whereas other state costs for administration of PL 92-500 are reimbursed from appropriated funds under Section 106 of the Act.

Delegation of authority to the States should be consumated through the currently effective regulations. New York applied for this delegation on October 31, 1974, and it has not yet been granted.

Funding should come from appropriated funds for liquidation of contract authority provided for Title II construction grants.

As I said in the beginning, I cannot support any of the five proposals for amendments to the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500.

I have given you my reasons in detail with suggestions for alternatives that seem viable to me.

I reiterate, no amendments should be made to the Act at this late date nor until the National Commission on Water Quality report is evaluated by the Congress.

Thank you gentlemen.

MR. AGEE: You mention H. R. 2175, and you have some problems with it. You have provided your testimony, I am sure to the Congress on the deficiencies in that Bill?

MR. SEEBOLD: Yes, we have.

MR. AGEE: Good.

I would like to ask a question. If that Bill passes, how long would it take the State of New York to get to the position where, in your assessment, you feel you would be ready for full delegation to EPA?

MR. SEEBOLD: We are ready right now. Right now we have requested for delegation, and actually, there is an administrative conference scheduled in Region II to work out some details.

Actually, we have increased state purposes programming requesting a supplementary budget which is being enacted today, hopefully. That will further staff us up to be able to accommodate and absorb the construction grants aspect of the delegation.

MR. AGEE: Thank you. Gerry, do you have a question on that?

MR. HANSLER: I was going to ask that question. Do you think it would be a good idea, whether we went under our regulations of last October for delegation or the Cleveland-Wright Bill, to delegate on a function by function basis when the state is able to handle the delegation, rather than all at once, and then possibly suffer the consequences of another delay while they are gearing up?

MR. SEEBOLD: As you know, Gerry, we have delegation of part of the program running now. I believe it is a more sensible and more workmanlike thing to do, is to delegate a piece at a time, commensurate with the staff you have on hand, on board, with the state level and the training required for the proper absorption.

But, I think in two years we have had an opportunity to acquaint ourselves with where we are going and how to handle the program.

MR. AGEE: Jack do you have any questions?

MR. RHETT: Do you have authority, or does the state legally have authority to charge fees that would come under the 31 October?

MR. SEEBOLD: Yes, we do.

MR. AGEE: You have the authority to, Gene, have you done it?

MR. SEEBOLD: No, we have not.

MR. AGEE: For those of you in the audience who are not familiar with what we call -- We have endorsed this concept by regulation, and is a concept whereby the states, if they legally can, may charge a city a certain sum about one percent to review the plans and specifications, and that also becomes a grant eligible feature from the EPA. To my knowledge, only one state, California, is using that now, but it has been quite a success, and it is one way of providing the necessary funds for that state. It could be a substitute for the Cleveland Bill.

We will call on, at this time, Ms. Lynn Goldthwaite, representing the Tourne Valley Coalition.

Next, I will be calling on Morris Wiley representing the American Petroleum Institute, and then James Huffcut, New York State Water Pollution Control Association.

MS. GOLDTHWAITE: I am Lynn Goldthwaite. The objective of this Act, of course, is to clean up American's waters. This goal, unfortunately has been pushed aside by many in the scramble to get a share of $18 billion, not available in the construction grants.

While the ground rules for today's discussion, as has been said this morning, is that none of the proposals would retroactively apply to the $18 billion presently authorized and allotted, we must look at the case histories to understand the need for the change.

I speak for the Tourne Valley Coalition. This is a watershed organization for the upper Rockaway River in Morris County,

New Jersey. We have had practical experience in the confrontation between the objectives of the Act and the harsh realities of the grant program. I am here today because our Coalition hopes our experience will reinforce the need for some of the proposed modifications in Title II, specifically those arease addressed in the second paper.

The upper Rockaway watershed is not at present part of any areawide or basinwide 303 or 208 plan. The watershed has been presented with a regional sewering plan developed by an engineering consulting firm hired by a newly formed regional sewerage authority. The plan proposed is an ambitious one with a first stage construction price tag of $83 million. The plan is based on growth demands to the year 2020.

The growth demands were determined by the engineering consultant -- Originally at the Public Hearing, we were told that growth was provided by the County Planning for Growth, and we found that the County Planning for Growth was actually from the same consulting firm that was building the treatment plant, and they have no relation to the carrying capacity of the land and its function as a portable watershed. The environmental assessment of the project justified the growth demands and the need to meet the growth demands. The plan was approved by the State of New Jersey.

Informed and knowledgeable members of the public became alarmed at the environmental assessment's justification of the taking of parkland, the depletion of ground water resources, the loss of open space, swamps, agricultural lands and historical sites, as being necessary for the greater good. The greater good for whom, we asked?

It was perfectly evident that a great deal of money was to be made by the land speculators and commercial developers who already were appearing before zoning and planning boards in the watershed with proposals based on tying into the proposed new facilities.

The magnitude of this growth was projected as an increase from 90,000 people now to 220,000 in the year 2020. The proposed plant was designed to service 160,000 people. So, that would be 70,000 more people than are there right now.

We had no doubt that the engineer's growth projections would become a reality once the sewering facilities were in. Unfortunately, this was taking place in a county where the reserve water capacity will be depleted within ten years given the current growth rate.

Regional sewering at bargain basement prices is what we have now. The Federal Government pays 75 percent, the state pays 15 percent, the sewer users pay the rest. The more new development that is spurred by the project, the less the average user charges

will be.

In the upper Rockaway, the regional authority has not committment to sewer areas of existing need. This is a function and an option of the local municipalities. Many areas of existing need may not be sewered under the present proposals because the local municipalities may find it far more attractive economically to allow new development to gobble up available capacities.

The public concerned with the environment asked questions at the public hearing, questions that were not answered until months later, leaving no opportunity for rebuttal or further questions on the same points. Some questions were never answered. But, fortunately, the EPA apparently recognized the validity of our concerns and a further environmental assessment of the project has been requested.

Our difficult search for answers and our analysis of the watershed's needs have led us to believe that the Federal Government's subsidy of growth projections has led to inflation of these projections. We know the sewering of undeveloped areas will result in the further decline of our older marketing centers, areas which already have municipal sewers, public water, public transportation, and vacant factories and empty stores as in Dover, New Jersey.

None of us on the Commission come from Dover, but we are very concerned about them.

The proliferation of urban sprawl into the countryside, will result in more pollutants entering surface waters, which are the portable water supply to Jersey City, and will result in other environmental problems of significant magnitude. The environmental assessment of the project recognized these problems too, but proposed engineering solutions for them, such as water treatment plants, pump storage reservoirs, and water importation from the Delaware and other far off places.

In the area of cost comparisons of the alternatives, no attempt was made to consider the cost benefit of the externalities involved, to show the real quantifiable costs, as well as the costs in terms of destruction of non-renewable resources.

Thus, our feeling on paper number two, we favor the limiting of Federal funding of facilities and interceptors to the capacity needed to service existing population in service areas. The grantee should be required to fund 100 percent of reserve capacity desired for future growth.

Communities desirous of new growth and new ratables must be willing to plan for them with both their environment and their pocketbooks in mind. It is certainly wrong for the Federal Government to subsidize new growth for one area which will cause the decline of an adjacent area, as in the case in many areas of New Jersey.

A demerit in limiting Government funding is the difficulty in determination of what portion of the costs are actually applicable to present population. Interceptors that need to go through undeveloped lands offer the opportunity for development of new areas. There must be an equitable method of allocating costs of the interceptors so that the Federal Government does not subsidize growth of these undeveloped lands. There should be a committment on the part of the grantee to service areas of existing need upon which the Federal funding is based. Especially, there should be a committment on the part of a grantee to service areas of existing need, on which Federal funding is based.

I am going to restrict my comments to just two of the other papers, the third one, restricting types of eligible projects.

We believe that the cost efficient proposals will continue to be made in terms of only those alternatives that are eligible for funding. Since the solutions to some problems may be indirect and unsolvable via sewering, eligible projects should not be restricted as they were prior to PL 92-500.

For example, storm water control problems should be alleviated before the fact by land management solutions, such as acquisition of wetlands, and uplands with extreme slope. In some urban areas water quality goals may be met only by infiltration correction or separation of combined sewer overflows.

We must keep a broad range of options available for solutions and funding levels should also be sensitive to the situation. Urban areas should be given preferential Federal priorities for those projects which would best improve and restore water quality such as, tertiary treatment, correction of sewer infiltration inflow and the separation of storm and waste water treatment by major sewer rehabilitation. Communities in water recharge areas should be discouraged via lower Federal priorities from encouraging added growth through projects designed to increase capacity such as collector and interceptor sewers.

We are dealing with extremely complex systems. Simple solutions do not work.

Regarding paper number five, delegating more management to the states, we have some general feelings.

This amendment could allow EPA to foster stronger state environmental agencies. Not all states are ready to accept enlarged responsibilities. A superior amendment could allow EPA to delegate more functions to states which have proven their ability to properly oversee present functions.

And, I know that Mr. Hansel is well aware of the situation

in New Jersey, where our engineers get much less salary than in other states, so that even if more money were put in, unless something can be done to raise the salaries in New Jersey, we will have a difficult problem.

I wanted to say something about the problems that we are having with public participation, and I am very glad that Mr. Lehr so ably told you about that. I have quite a bit of that in my written testimony, and I want to just close by saying that the Tourne Coalition is pleased that you are making this timely and careful review and we would like to commend you for the high quality of the issue papers that you gave to us. We hope that the changes will help focus the entire grants program on the goal of the Federal Water Pollution Act, clean water.

Thank you.

MR. AGEE: Thank you very much.

Jack, Gerry, any questions?

Gerry Hansler?

MR. HANSLER: Do you think the county level of government in New Jersey, or the state level of government should decide the amount and location of increased sewer system capacity?

MS. GOLDTHWAITE: Right now both these levels of government to not have the expertise, I don't feel, to be able to do that. They might be able to be built up somewhat.

MR. HANSLER: On this whole issue of increased capacity, in drilling for the future, it is basically a land use decision. Should we rely upon the 565 home rule political subdivisions in Jersey to make these decisions, or should we rely upon the county government, or should we rely upon the state government?

Often you will have up to 29 in the case of the -- Twenty-fine different communities going in under one system.

MS. GOLDTHWAITE: Offhand, as far as land use goes, we have to have a lot of land use decisions being made at the state level. I don't think at the municipal level, or the county level, you are not going to get the broad kind of solutions that are desperately needed.

MR. HANSLER: So, why should the Federal Government make the decision as to how much increased capacity and where is good or bad, or should it be funded? Logically, this is a state land responsibility.

MS. GOLDTHWAITE: Yes, I would like to see, as was

mentioned this morning, the funds that the Federal Government gives be tied to certain percentages of state money, ten or 15 percent, and slowly build up the state level through the suggestions made in the paper, so that they can assume some of this.

But, right now we need to have the EPA in there helping to make the right decisions.

MR. AGEE: Thank you very much.

I will call at this time Mr. Morris Wiley, representing the American Petroleum Institute.

Following Mr. Wiley, we call upon Mr. James Huffcut.

MR. WILEY: I will try not to take more than ten minutes, but I won't promise.

MR. AGEE: We will help you.

MR. WILEY: Thank you.

My name is Morris A. Wiley of Texaco, Incorporated, where my professional responsibilities involve design of oil and water pollution control systems for petroleum marketing facilities, refineries, and other installations which utilize municipal waste treatment facilities.

I am also a member of the Committee on Water Quality of the American Petroleum Institute, and it is on behalf of API that I am presenting this paper.

We appreciate this opportunity to comment upon the subject currently before the United States Environmental Protection Agency, namely, the need for mid-course amendments to the Federal Water Pollution Control Act Amendments of 1972. In particular, we wish to address the proposals to extend the 1977 date for compliance with water quality standards and EPA policy on pretreatment standards.

The United States petroleum industry operates more than 200,000 service stations, 35,000 terminals and bulk plants, 250 refineries and innumerable other facilities. Many of these installations discharge sanitary or other waste to municipal sewer systems. Consequently, we support the need for amendments which would accelerate the flow of grant monies to municipalities, since to date, there has been inadequate construction of municipal treatment plants under the Act.

As a result of inadequate funding, many municipal treatment plants will not be on line as scheduled. Yet, it simply is not feasible for all residential, commercial, and industrial

dischargers to municipal sewers to provide pretreatment by 1977 which would be equivalent to municipal secondary treatment technology. EPA has proposed to extend the deadline from 1977 to 1983 for municipalities, but not for other sources. Such an extension of the compliance date for one class of dischargers without considering the equally compelling problems facing the remaining classes of point source discharges would be inequitable in the extreme.

Concerning compliance with the treatment technology and water quality standards, many industrial plants which treat their own wastes will be able to install best practicable control technology by July 1, 1977.

But, some will not. Indeed, we understand that EPA has already written some National Pollutant Discharge Elimination systems permit for major industrial dischargers which extend deadlines for implementation of BPCTCA beyond July 1, 1977, where earlier compliance is clearly not possible.

Extensions are, in fact, necessary. American commerce and industry operate numerous other large and small facilities which discharge sanitary and industrial wastes to municipal waste treatment plants. Insufficient time has been allowed by the Act for municipalities to construct the treatment plants required for application of secondary treatment technology for compatible wastes, and it is clearly impracticable for those businesses, commercial establishments, and industries which discharge to municipal sewer systems to provide temporary pretreatment which would be the equivalent of municipal secondary treatment.

Such a program would constitute an unreasonable burden and would result in a waste of natural resources with no appreciable benefit. Indeed, many of these sources are located in urban areas, including building lofts, where neither land areas nor zoning regulations, nor space, would permit installation of sewage treatment works.

Furthermore, the Act does not allow sufficient time for EPA to complete the following tasks which are essential for complete installation of all of the required treatment technologies and for full compliance with the water quality standards by July 1, 1977.

One, processing of municipal waste treatment grants.

Two, Federal funding of municipal waste treatment grants.

Three, promulgation of the information and guidelines required under Section 304 of the Act.

Four, remand contested information and guidelines to the agency for revision in accordance with the administrative procedures

and judicial review provisions of Section 509 of the Act.

Five, Issuance of all individual National Pollutant Discharge Elimination Systems, (NPDES) permits prior to December 31, 1974. Many remain unissued.

Six, revision of contested individual NPDES permits in accordance with the provisions of Section 509.

Seven, promulgation of pretreatment standards for all commercial discharges from all sources to municipal sewer systems.

These seven items remain incomplete at this time.

EPA is currently involved in more than 250 lawsuits, some of them involving very fundamental questions about the law's intent. Hundreds of adjudicatory hearings have been docketed to deal with contested discharge permits. As a consequence, many municipal and industrial discharges do not know what their final effluent limitations will be on July 1, 1977 and are unable to design and install treatment works which would assure compliance by that date.

Since many municipalities and industries cannot comply with the 1977 treatment technology requirements, the compliance dates for installation of both secondary treatment technology and BPCTCA should be extended beyond 1977, perhaps to 1983 as suggested by EPA.

Considerations of environmental equity also support the above recommendations. Protection of the quality of the nation's waters is a commonly shared objective. The ultimate costs for both municipal and industrial sewage collection, treatment and disposal must, however, be borne by the same set of citizens, either as taxpayers or as consumers.

Socio-economic and environmental equity should, therefore, be accorded to all citizens through adoption of equitable effluent limitations for all classes and categories of dischargers to like waters, whether by municipalities, industry, commerce, or small businesses.

Municipal sanitary sewage and petroleum refinery wastewaters are comparable in concentrations of organic pollutants and responses to conventional primary and secondary treatment technology. Many refineries treat both sanitary and process wastewaters in their API-type gravity separators and secondary biological treatment units. Many refineries discharge their wastewaters after separation of excess oil to municipal treatment plants. Many marketing facilities are connected to municipal sewers, principally for sanitary wastes but also for smaller volumes of wash waters and the like.

The 1983 goal for petroleum industry discharges should

be the same as for municipalities for discharge to like quality receiving waters.

Realistically, municipalities can be expected to provide secondary treatment by that date, to improve control of overflows from combined sewers, and to undertake control of urban runoff. Additional treatment technology should be required only for water quality limited segments, as provided by Sections 302 and 303 of the Act.

It is patent that the Act needs to be amended to afford environmental equity to all dischargers. The 1983 goal for major industrial categories should, in fact, be defined as secondary treatment for wastewaters containing organic pollutants which are compatible with municipal secondary treatment technology except where treatment is needed to meet water quality standards. Also there may be certain locations where discharge is made to deep ocean waters and only primary treatment should be required.

Nevertheless, the Environmental Protection Agency has in effect, defined BPCTCA as secondary treatment for the Organic Chemicals Point Source Category and tertiary treatment for the Petroleum Refining Point Source Category. There is no reasonable explanation for this inequity.

A report for the Council on Environmental Quality has taken exception to this type of reasoning in its findings that, "Until the storm water situation is analyzed and efficient corrective measures have been taken, there is little or no sense in seeking higher levels of treatment efficiency in existing secondary treatment plants."

In Roanoke, Virginia, for example, removal was upgraded from 86 percent to 93 percent, yet there was no dramatic reduction in the BOD load, 3.2 million pounds in 1969 compared to 3.06 million pounds in 1972."

Similarly, there is little or no sense in seeking higher levels of treatment by business, commerce and industry in advance of application of comparable levels of treatment technology by municipal sources.

If a municipality is unable to provide secondary treatment for its discharges to a particular receiving water, it would be environmentally inequitable, of questionable value for meeting water quality standards, and ineffective for the commercial and industrial discharges to that sewer system to provide temporary pretreatment equivalent to municipal secondary treatment technology.

In brief, we strongly recommend that the Federal Water Pollution Control Act Amendments of 1972 be amended to extend to July 1, 1983 the July 1, 1977 deadline for mandatory application for

both municipal and industrial treatment technologies and compliance with the interim water quality standards.

If I may have one more minute?

Other relevant amendments to the FWPCA which should be seriously considered, and which are dealt with in detail in the attached API statement to the National Commission on Water Quality, are:

One, it should be the national goal that the discharge of harmful quantities of pollutants into navigable waters be eliminated.

Two, the scope of the definition of pollutants should encompass both natural and anthropogenic sources of potential pollutants and the Act should require control only for discharges of harmful quantities of pollutants generated by the source subject to control.

Three, comparable degrees of control for all municipal, industrial and agricultural sources of pollution in order to distribute costs more equitably.

Four, clarify that effluent limitations shall be derived from effluent guidelines and that guidelines themselves shall not be construed as limitations or absolute standards, which addresses this question that you raised earlier relating to the water quality standards that had to be achieved, Mr. Hansler.

Five, change the compliance with Phase I limits for all discharges from July 1, 1977 to about July 1, 1983, and compliance with Phase II should be deferred at least until July 1, 1986, pending evaluation of the need for meeting standards more stringent than Phase I limits.

Require effluent limitations and other controls beyond Phase I only to the extent necessary to achieve receiving water quality.

Seven, provide the contested NPDES permits shall be subject to simpler, more efficient and more expeditious administrative or judicial reviews with commensurate time tables for compliance.

Eight, provide for the Administrator to exempt small and environmentally insignificant discharges from the NPDES permit program and pretreatment requirements.

Thank you.

MR. AGEE: Mr. Wiley, thank you very much.

Do you gentlemen have any questions?

MR. HANSLER: Yes, I do. Do you think there should be a

minimum level applied nationally, whether it is pretreatment or direct discharge insofar as the category, discharge from oil terminals is concerned? Should it be uniform across the country?

MR. WILEY: We have a 100 page text book draft document which has been prepared in consultation with the EPA permits division in Washington. Although it does not have their comments back to us yet which addresses this question, and what it says is, that we believe that most terminals can achieve a logorithmic annual average of 20 milligrams per liter of oil and grease. We do not know how to sub-categorize these on the basis so that you, the EPA, could sort out those terminals which could possibly achieve better.

The only way you can get that information is by checking their long-term results, because we can't sort them out ourselves.

There may be a few terminals which would be higher than that. In some cases, a permit based on that may be justified. In others, additional treatment technology might be possibly required.

MR. AGEE: Thank you, Mr. Wiley.

I would call James Huffcut, representing the New York State Water Pollution Control Association.

MR. HUFFCUT: I am Jim Huffcut, President-elect of the New York State Water Pollution Control Association, and I am presenting this paper on behalf of Robert MacCrea.

This is a position paper of the Association. The Executive Committee of the New York State Water Pollution Control Association has directed the preparation and presentation of this position statement on the five published papers of proposals to amend the Federal Water Pollution Control Act of 1972.

The statement was developed after careful examination of Notice of the Public Hearings and proposal papers printed in the Federal Register. The statement is predicated on the basic ground rule stated in the notice, that is, "None of the proposals would retroactively apply to the $18 billion presently authorized and allocated."

The New York State Water Pollution Control Association recognizes that the total price tag of $350 billion in municipal facilities construction resulting from the 1974 Need Survey has staggered the imagination of the Administration and the Congress of the United States and raised a question of whether the Federal budget could support or underwrite such a program. Regardless of this staggering estimate program cost developed from the Need Survey, the Association strongly supports Public Law 92-500 and its objectives to obtain a satisfactory water quality throughout this nation.

The monies required for these municipal facilities must come from the taxpayers, whether on a Federal, state or local level. With this in mind, we wish to present the Association's position on the five papers under consideration at this time.

Paper number one, reduction of the Federal share.

Even as Public Law 92-500 has been applied to date, the 75 percent of the eligible costs being borne by the Federal Government, the objectives of the Act have not been fully met. In most of the projects presently funded the grantee must invest more funds, often in excess of the grant monies to achieve the satisfactory water quality.

The Association, therefore, feels that a reduction in the percentage of the grant monies of the eligible portions of a project will not necessarily inhibit construction or slow down the abatement pollution program. In place of the higher percentage of grant monies, legislation which would aid local communities in financing their committments to meet the requirements of the Act might be considered.

Income tax relief to the taxpayers of communities that are moving to achieve the satisfactory water quality would ease the load and might very well expedite lagging projects. A reduced percentage of grant monies if coupled with the reduced involvement of Federal review, might probably advance many projects.

Paper number two, limiting Federal funding to reserve capacity to serve projected growth.

It is the position of this Association that considerations of this proposed legislation is unnecessary, and we, therefore oppose the proposal.

We feel that the proposal would be extremely difficult, if not impossible, to administer, and that the reduction of the Federal share is an adequate restraint. Application of the 201 planning provisions of the Act and the proposed earlier fundings of this portion of the program, the questions of reserve capacities will resolve itself. With the commencing next month of the 208 planning provision of the Act and the legislated requirement to complete this management plan in two year's time, any major changes in reserve capacities should be a result of this planning activity rather than a constraint to it.

The local share of any project must be funded over an extended period of time and the facilities should serve the community at least for the duration of this debt redemption period.

Paper Number three, restricting types of projects eligible for grant assistance.

This Association is opposed to this proposal primarily because there are different problems in different areas. The range of treatment requirements to meet water quality standards in New York State is very broad and is vastly broader across the nation.

The Association feels that proper planning through the 201 and 208 activities and properly considered water quality standards is more important than limiting the eligibilities of projects. The completion of the 208 Planning activities and a resultant needs projection from this activity might better define any required limits of eligibility.

Paper Number Four, extending the 1977 date for the publicly owned pretreatment work to meet water quality standards.

This Association strongly recommends that this proposal for the extension of the date for compliance be approved. A more realistic date should result from the planned funding of known project needs under the 201 provision and the about to begin 208 Planning provision.

Public Law 92-500 necessarily had to run before it walked on many major pollution problems that were existing, but coupling this fast start with total overall compliance without the benefit of indepth study and planning was a weakness of the Act.

Paper Number Five, delegating a greater portion of the management of the construction grants program to the states.

This Association strongly supports this proposal. New York State has for years developed and supported an exceptionally fine regulatory health agency.

We feel the New York State Department of Environmental Conservation has the experience, capabilities and administrative staff to competently and efficiently manage the construction grants program. We are confident that their broad range of activities and their long standing knowledge of the needs of the State will result in the most orderly application of the Construction Grants Program.

If the Federal monies for this program came from a source other than Mr. and Mrs. Taxpayer, then maybe the Federal Agency would necessarily want and need the positive control of the program. Since it is the taxpayer's money being returned in large amounts to the areas that will benefit all the taxpayers, and since each additional review consumes time and money, the delegation of the management to the states should be cost effective.

One other point that we wanted to bring out is to have EPA give strong considerations to the fact that as each project goes through to completion, the locality must undertake not only the strong or the heavy debt reduction cost of the capital improvements,

but a much increased operation and maintenance cost.

Thank you.

MR. AGEE: Mr. Huffcut, thank you very much.

In regard to your last point, is your Association -- Does your Association, have you done any surveys to find out how well these things are being met? Do you have sufficient personnel?

MR. HUFFCUT: We have undertaken some studies. I don't have the total results myself, but we are endeavoring to get better manning of treatment facilities in New York State.

This, we think, might be a point of emphasis.

MR. AGEE: Thank you very much.

Mr. Wesley Gilbertson from Pennsylvania.

MR. GILBERTSON: Thank you very much, Mr. Chairman and Mr. Rhett.

I appreciate the opportunity to be here. I am speaking here, of course, as an environmental administrator at the state level with responsibility for water, air, solid waste and mining regulation and administration grants on behalf of our Department. Also, as a member of a group of ten which advises EPA.

We have been active for two and one half years in trying to get 92-500, to make it a real, workable piece of legislation. Of course, we applaud very much the Administrator's train's move in recent months along with you gentlemen and other members of the staff, to give priority to the construction grant program.

You really make the thing go.

I also want to commend EPA for holding these hearings to obtain public input, and I think you are getting it.

I will just skip over pretty fast some of my main points, but I would like to interpolate a few comments that relate to some of the discussion that has taken place earlier.

First, we are strongly opposed to any changes in the Federal construction grant share at this time. What the municipal construction program needs, I believe, and our staff believes, is funding stability for at least five years, and this, I think, goes for most of the rules and regulations too.

Such stability, I think, will produce economies in the entire range of the program, the consulting, the contracting, the

suppliers, and the administration.

A second point that is important is the status of municipal financing. Our experience is that even with the 75 percent grant in many of the particularly small communities, sewer rates are really excessive and we are running into some real problems here.

Incidentally, to correct some misunderstanding, I don't find, at least in Pennsylvania, that water and sewer revenue funds are being tapped for general revenue purposes. Practically 90 percent of ours are special authorities, and the revenues go right back into the operation.

Because of present economic conditions, I do not believe states are going to be moving, or would be able to move, very rapidly to make up the difference on reduced federal share.

I say this coming from a state that has already put $100 million into the capital grant, and we are putting in $10 million a year into operation and maintenance grants and this is going up about $500,000 a year.

Now, if you don't know we mean business, we are perhaps -- I don't know whether the only state, but one of the few states where there has ever been a Federal enforcement action where a municipal official was brought up in front of a judge. There were six of them. Municipal officials for contempt for not properly proceeding with construction of municipal waste treatment facilities.

Now, the judge gave him a suspended sentence, and they have proceeded -- The only reason I am mentioning this is that I think in the present situation that we would be able to get any judge to do the same thing if a municipality did not proceed to make application for the grant.

But, I do not think you are going to be able to get any judge to sentence a municipal official to a jail sentence or any other kind of penalty, for not building if the Federal funds are not available. I think that is just the way the judicial temperment would run.

As to the cost effectiveness question, I have asked the staff to look at the cost effectiveness section, comparing the present situation under the 75 percentage ratio and the previous 50 and 35 percents difference. We couldn't see any differences in the cost effectiveness situation.

With regard to the funding on reserve capacity, this, I think, we have a tough problem here. But, I doubt that the way to handle this is through changing the Law.

I think in the first place it is a bad thing to try to

legislate this kind of an issue, and secondly, I think there are other things that are going on such as the planning programs which, I think, are a better way to get this kind of a question resolved, and including, of course, the use of modern up-to-date cost analysis techniques.

To show our committment in this field, we are putting $17 million of state funds into our 303-201 type planning programs. It is for 30 months, involving much public participation, and then, of course, the 208 is coming in on top of that in the highly urbanized industrial areas.

So, I see, perhaps, something like $22 or $23 million worth of planning going on, which I think is a way to look at this reserve question, and get a better handle on it.

As to the idea of limiting the present population, being on the firing line, I can testify exactly what this means. We had about, actually, about 45 sewer bans on, that is banning for the connections.

What has this resulted in?

It results not in stopping open sprawl. It actually causes open sprawl, because what happens is the builders leapfrog out and put the pressure on the land further out. So, that is no answer at all in my opinion.

I believe also that changing the eligibility, the types of eligibility would be an unsettling and disruptive step. I concur that with the program, we need to look at the stormwater issues and these are the issues, and I believe that the state priorities systems are designed and operated so that the funds are channelled into the most urgent projects.

I would like to comment on two points made earlier. I think in most of the states, I know it is in ours, population is a factor in priority systems, and secondly, the priority system does not operate with respect to deciding how much money goes into the project. It decides on what priority that project has. If it is a big project, it gets the amount of money it takes to do the project. The priority system, besides whether that project comes ahead of another one or behind it, and I think that some of the earlier testimony indicated some confusion on that point.

On the question of collector sewers, I would like to point out very clearly that in 1972, many of us testified strongly favoring shifting the hard collector sewer program over to EPA. We did it for two basic reasons.

First, we felt it was an environmentally related subject and that this deserved an environmental approach, and secondary in importance, we found that the administration in two different Federal

Agencies caused confusion and conflict.

We saw on the one hand a sewer system being planned, and on the other hand a treatment plant being planned, and the financing of them had to be related and it turned out not to be in terms of Federal administration despite this supposed coordination.

We argued for having this EPA. I would hate to have EPA abandon this program because I think it is part of the water pollution situation.

If we go with this on-lot business, we are just perpetruating more pollution. We held our hearings on February 27th on our priority list. We had 110 witnesses, and I am worrying about you guys with 60 or whatever you got here. We had 110. And, about 75 percent of them, there were people with on-lot systems that came in there and they gave us chapter and verse on how they were polluting the streams and they used some four letter words in describing it. So, you really have to look at this whole picture.

I think that the priority system is a way to get this money channelled into the right place. We obviously would support a mechanism to provide for breaking the 1977 deadline, and I think in most people's minds it has already been broken, but it has to be done in the legislative form, and I think, probably, a case by case basis would be the way to do it.

We, of course, would look forward to a delegation of the program. We have been rather concerned, just as EPA has been concerned, that whatever mechanism is set up has to be done in such a way that there is adequate financing of the staffing. Otherwise, it does not mean anything.

So, I would close by saying I think the number one goal should be to stabilize and facilitate the construction grants program, and I think many good ideas are floating around. Some of them are practical, some not so. But, I do not think any of them is as good as the idea of stabilizing this program for the foreseeable period ahead.

I am closing. I would like to ask whether EPA will accept additional statements and if so, for how long?

MR. AGEE: We will accept testimony, written testimony from anyone up to July 7th. We would be pleased to have it.

I would like to ask you -- You mentioned as you get more particular planning done, I assume Step One Planning also, we would be in a much better position to view this excess capacity. I certainly hope you are right. That is what we are looking forward to. But, at that time, or even now, do you think the states can or should

play a greater role in taking a look, and evaluating the amount of excess capacity rather than the EPA?

MR. GILBERTSON: I do, and we are doing it. Now, we have not always done as well as I think we are doing right now. I would have to say that everyone learns by experience.

We had a couple of bad situations at which we didn't catch it, three or four years ago, but we are taking a hard look at everyone of these now. We are doing it, not only because of the Federal Act, but because we have a constitutional amendment that, in effect, has been interpreted to require us to look at the secondary effects of such things as sewers.

MR. AGEE: Jack?

MR. RHETT: With the Cleveland-Wright Bill, how long do you think it would take Pennsylvania to take over the program, and also, do you have the legal authority to charge fees?

MR. GILBERTSON: On the latter point, the charging of fees, I think there is some question as to whether we do. I guess you could probably do it by a straight contractural arrangement without any particular authority. A contract is as good as a law if everybody agrees to it. But, if you have a municipality that does not agree to it, you are nowhere, of course.

Now, on the other point. I think we could probably do this over a period of say three months or three to six months, perhaps, on a phased in basis with some warning, for example, in the normal legislative process if we see this is going to move and it is going to go through both House and Senate, I suppose we could gear up sort of in advance, perhaps. And, maybe shorten that time. We are very interested in knowing exactly what the groundrules are going to be for administering it to find out whether we really want to do it.

MR. AGEE: Thank you very much. I call at this time Mr. Karl K. Rathermund of the Ohio Contractors Association.

Frank R. Smith, County Executive for Baltimore County.

Peter Gadd, Kings River Water Association, from the State of California.

MR. GADD: Mr. Chairman, members of the Commission, my name is Peter R. Gadd, Chairman representing the Kings River Water Association, whose service area boundaries comprise approximately one million acres in the San Joaquin Valley in central California. This area covers parts of Fresno, Tulare and Kings Counties, three of the most agriculturally productive counties in the United States.

Although my remarks today are being made relative to the

subject matter suggested to be discussed before this hearing group, my statement is especially directed, and will be delivered to the United States Congress.

Public Law 92-500, the Federal Water Quality Control Act Amendments of 1972, should not be amended, it should be rewritten. It is too broad in scope. As it attempts to cover water and water pollution in all of its aspects in the United States, the differences in problems and solutions between municipal, industrial, agricultural, mining, lakes, waste treatment, basin planning, oil pollution as it relates to water, marine sanitation, and ocean discharge are too broad a coverage for any one law even if certain above named problems were identical for different areas in this country. They are not.

In my humble opinion the question before this hearing group today should not take the form of possible amendments to try to alleviate the inadequacy of funding and unfundable law. It should recommend to Congress that the law be rewritten. In light of the experience gained in the last several years concerning the basic problems of the present law this should not be too difficult a job.

It is obvious that when Congress passed this law and the President signed it that the actual costs, impossible time constraints and overbearing monitoring of the local agencies and private citizens were not contemplated.

Now, three years after the signing of this Act into Law, all of these unbearable factors are emerging for public scrutiny. The public, and particularly the taxpayers, do not like what they see. They especially do not approve of the half measures, through amendment, that are offered to remedy the fatal weaknesses of this law. Amendment can only worsen an already impossible situation.

The Office of Management and Budget stated in part, "This requirement is made even more pressing by the results of the most recent EPA State survey which indicates a need under current law to fund eligible projects in excess of $350 billion."

I should say the figure will be in excess of $350 billion. It does not include any of the cost to agriculture. Naturally, nobody knows what this cost will be but it will also be astronomical. For this reason alone, this law when rewritten, should exclude agriculture.

One of the solutions offered by the five papers printed in the Federal Register of May 28, 1975 and being discussed here today proposes as a solution a greater monetary input by states and local agencies and lesser federal funding than called for by the law "without negating the major water quality objectives of the Act."

Does it really matter at what level of taxation the taxpayer's back is broken?

The $250 to $260 billion refers to the 75 percent of the $350 billion. But, the rest of it the state portion, the county portion, it adds up to $350 billion, and the real seat of the situation is that it is not Federal money, it is your money and my money.

I give the Congress and the President that passed and signed this law into effect in 1972, the benefit of any doubt. At the time they passed this law they undoubtedly thought they were doing what was best for the country. Time has proved them wrong.

Give them a chance to rewrite the law in light of the mistakes that were made. One of the mistakes of course was their failure to contemplate that the cost of this law, according to the Office of Management and Budget could come closer, if not exceed the present National Debt.

I trust the Congress will now realize that agriculture is a subject of its own and cannot be incorporated in the rewriting of this law.

Agriculture faces a number of problems to survive that may be present, but to a far lesser extent, in other spheres of enterprise. When a crop is planted the weather factor may produce disaster. When the crop is sold, the price may prove disastrous. When the total cost of 92-500 to the farmer is finally determined, the first two problems mentioned may be found to be of secondary importance.

I recognize the fact that the national debt is now approaching $500 billion. Also the fact that the Office of Budget is objective to a $350 billion expenditure to this program.

However, the $350 billion figure mentioned in the background refers only to the municipal facility construction expenditure as mentioned in the background points of introduction to the five papers.

The actual statement made in this introduction was "These papers discuss possible modification to the present provisions of Title II of the Act which authorizes the construction grants programmed. They were developed after the 1974 survey of State needs indicated that approximately $350 billion in municipal facility construction is needed to meet the requirements of the Act."

If $350 billion is needed to fund only the municipal portion of the Act, how much additional expenditures will be required for the industrial, agricultural, mining, lakes, marine sanitation, oil pollution, and ocean discharge requirements to bring them into compliance with this law. When the cost of this law, administered by an inefficient bureaucracy, it might have been an overlapping bureaucracy that made it inefficient, is contemplated, the prospect of the final cost boggles the imagination.

I do not believe anybody here has a greater interest in the

welfare of this country and a greater desire to clean up the waters of this nation than the people I represent. They are agriculturists, they need good water, they work at it. However, the damage that has been done over a 200 year period cannot be erradicated in a short period of time by any plan that refuses to accept fiscal responsibility.

As I see it, the Congress and the President have one of three options.

One, rewrite this law.

Two, double the tax rate to all taxpayers, or

Three, accept inflation at double its present level.

I thank you folks for your attention.

MR. AGEE: Mr. Gadd, thank you very much.

Do you have any questions?

Thank you, sir.

MR. GADD: Thank you, sir.

MR. AGEE: Mr. William Markus, representing the McCandless Township Pennsylvania Sanitary Authority.

Following that, we will call on Larry Snowhite, from the New Jersey Governor's Office.

MR. MARKUS: I represent the McCandless Township Sanitary Authority. There is also with me today, Chairman Philip A. Bretton, Jr., of that Authority, also John T. Kane of Chester Engineers, consulting engineers, to the Authority, in the event you have any technical questions you want to put to us.

You will notice, I said this is an Authority. It is not a municipality. I bring this question to your attention, because it is one of some over 600 authorities in the Commonwealth of Pennsylvania, which was mentioned by Wes Gilbertson in his testimony, as installing approximately 90 percent of the current sewer projects. They are being taken care of at this time in the Commonwealth.

This is an unusual situation. We have over some 1900 authorities in the state. They are unusual because they have no power to pledge the taxing credit of the Commonwealth or the municipality or municipalities which create them, and this ability to finance any project, it is economically sound and they have the greatest person looking over their shoulder to determine this that we ever could have thought of, and that is a hard-nosed banker and a bond buyer.

If they do not meet the rating requirements, if they cannot assure the ability to repay the bonds, they have no way of getting the monies to handle the projects.

Now, this, of course, is true of McCandless Township Sanitary Authority. It operates in the northern area of Allegany County which is in the Western section of Pennsylvania. I would like to just give you a few details of that operation as a prelude so that you will understand the position that they take with reference to some of these position papers number one through five that you so kindly printed.

First, they have been in existence for 20 years. They have purchased the system, they have built systems, they have operated systems, they have had grants prior to this project, and prior to 92-500. And, they are presently engaged in building a project designated as the Pine Creek project under a grant of $7,235,000 under this present grant they have.

Now, this project is an interesting one because it meets the requirements or the designated goals that Congress has in the Act, when Congress set forth in there that we should try to make these on an areawide basis.

This study was made at the Pine Creek Drainage Basin and ordered in 1963 and received in 1964. Five municipalities are in the 28 square miles of drainage area. The Pine Creek enters into the Allegany River, the Allegany into the Ohio and the Ohio into the Mississippi. So this is part, eventually of a large inter-state wide network of roads.

There is a critical condition in the Pine Creek area. It would have been of no purpose in the opinion of this Authority to clean up, let's say, McCandless Township and leave open the other four municipalities which could be serviced; by the grant which became possible and which we knew in advance was being considered by Congress, we had negotiations made and conducted with all the five municipalities, and in 1971 entered into agreements with each of these municipalities. But, watch, and this now leads on to the reason why I say stability and assurance of financial assistance is necessary.

Everyone of those agreements require that if construction had not started within five years, then the agreement was null and void. Now, that becomes important when we consider what actually happened after that time.

We expect to finish this first phase of the project for which we have the $7,235,000 grant in the latter part of this year, 1975. We havepending an application for Phase II, the collector system for $5 and one half million.

Now, with this background, let's get on and see how that

fixed the thinking of this Authority with reference to these various position papers.

First, a possible reduction of the 75 percent to something not less than 55 percent. In the opinion of the McCandless Township Sanitary Authority, this would wreak havoc with the program. It would have been absolutely impossible to accomplish the purpose of the Act with reference to the Pine Creek Project if there had not been a 75 percent grant.

As a matter of fact, even with the 75 percent grant, it was not economically feasible for two purposes. One, the rates would have had to be raised to a point where the people were not in the economic position that they could have afforded them because the rates now are going to be 100 to 150 dollars on an average household consumer area.

Secondly, we couldn't have sold sufficient bonds to fund the project, because we could not have shown the income.

How did we breach the difference, even with the 72-35 which we got from EPA? That difference was breached by a loan of a $1,700,000 by the County of Allegany, which saw such an interest, that for the first time I knew them to do this in this project, because it took out a large area of the county and made sewage possible, sewage treatment possible, on a local basis, that they put sufficient funds by way of a loan repayable by capping fees, special assessments and so forth which we hope will be realized from this.

So, we say, as to reduce rate, we think it will defeat the purposes of the Act because here is a very critical case going down as far as Mississippi, and there must be hundreds of those and I happen to be counsel and have been for over 25 years in the county, so I am on a daily basis answering questions for them and am somewhat familiar with similar problems as this in the Commonwealth of Pennsylvania.

Let's get on to number two. Whether we should be allowed to plan for excess capacity? If so, on what basis? And, thirdly, to what extent and to what amount?

I stated in the beginning that McCandless had acquired systems by purchase. A fairly large system by purchase, also, they had built systems of their own. Even in the 15 years that they have been actively operating their sewer systems, they have had cases where the lines have become inadequate. Nothing will tell you more strongly than to sit in a meeting and have the property owners come in where sewage is backed up in their homes because of inadequacy of lines and various other factors, and you know there must be some way of taking care of this.

I want to point out one other thing. I said when I

started on the municipal authorities, that the bonds we issued were non-revenue bonds, and I have to take exception to the comment my colleague from New Jersey, who wants the Federal Government to guarantee those bonds. In Pennsylvania this has not been a problem to us to my knowledge, and I am certainly a local government man looking for everything we can get from a national source and so forth to help us locally.

But, I see two objections to that because I see an unliquidated obligation for X number of years and we can issue bonds up to 40 years as authorities, and I wonder if the American taxpayer should be subjected to an unliquidated debt, an amount unknown, due date not certain. When will default occur?

I don't think this is adequate and I think also that a well-planned, well-thought out system will not make this necessary.

I want to address myself to one other comment in regard to this overbuilding. Let's take this in two phases.

Let's take it in the phase of the treatment plant and the interceptors and let's take it on the basis of the laterals and the collecting system. The way McCandless solved the problem on the sewage treatment plant is to build a modular system which I heard an engineer describe today, which I think will take care of it for an indefinite number of years in the future.

But, you always have something that is different from somebody else, and that is the reason you cannot a talk ten or 20 years or anything else. Let me tell you what McCandless had.

They have to go through North Park their lines. Now North Park is a county park with some 3300 acres. There is a huge lake in it. The idea of the size would be to show you that we haveput ten thousand feet of sub-aquatic line under that lake in order to install them, and that is just being finished now. The whole lake had to be drained. Can you imagine what all the sportsmen did when they saw thousands of fish come tumbling out over the end of the reservoir and they all had to be collected or disposed of, transplanted to other places?

Can you imagine what would happen if ten years from now or five years, we had to say, let's drain that lake again and let's put another line up alongside that?

We would never be able to have the public with us. As a result, what we did in connection with that, we put in a 42 inch line when maybe 30 would have been able to handle it.

Insofar as three is concerned, we think the proper planning will probably move, and new systems demanding proper quality of installation will delete the requirements for improvement of the

system at a later date.

With regard to five, we are very much in favor of state taking it over. We say it from the standpoint of the knowledge which the local state men have of the particular area. We think it will be cheaper and we think it will be beneficial to all of the taxpayers.

Thank you very much.

MR. AGEE: Thank you, Mr. Markus.

MR. RHETT: Let me ask you a question. Two questions here. They are both tied together.

Do you get a grant from the state too?

MR. MARKUS. No, we do not.

MR. RHETT: In other words, it is 25 percent that you have?

MR. MARKUS: We have to handle. Except in this one project we got assistance from the county.

MR. RHETT: How much did you get in combination from the state?

MR. MARKUS: We got a combination of about sixty, sixty-two or sixty-six. Somewhere in that neighborhood. I don't want to be pinned down about it.

MR. RHETT: So you got around 65 percent from the Federal Government?

MR. MARKUS: Plus an additional amount, yes.

MR. AGEE: We are going to take a brief recess now.

(Short recess taken)

MR. AGEE: We will next hear from Larry Snowhite, from the New Jersey Governor's Office.

MR. SNOWHITE: My name is Larry Snowhite and I am here to deliver a statement on behalf of Governor Brendan T. Byrne of New Jersey, and I am in the State of New Jersey, Washington Office.

New Jersey has taken significant steps over the past year to assume its proper role in administering the provisions of the Federal Water Pollution Control Act Amendments of 1972. We are beginning to see the fruits of our efforts in an accelerated rate of approval of waste treatment facilities. These projects are significant

job creators today and will soon begin to improve water quality.

The potential changes in the program outlined in the May 28, 1975 Federal Register could once again disrupt the orderly development of projects in our State. We cannot afford such disruption to our water pollution control program.

We urge a comprehensive and positive program over the next ten years, fiscal years 1977 through 1986, for municipal waste water. The most significant features of our proposal include:

One, a five year national program for fiscal years 1977 through 1981, should be established including:

A, firm committment of Federal construction grant money for each fiscal year.

B, fixed allotment formula for distribution of funds to the states.

C, seventy-five percent federal grants.

D, continued eligibility of collection systems and of projects for the correction of the combined wastes overflow problem.

E, reimbursement to municipalities which proceed with construction even if money is not immediately available from the current year's allotment to the state. Reimbursement should be possible from the remaining funds of the five year program.

Two, greater delegation to the states of the management of the grants program should be accomplished. We support the provisions of the proposed legislation to compensate the states for this added responsibility.

Three, the rigid 1977 deadline for achievement of secondary treatment by municipal type plants, or higher, if required by water quality standards, should be modified. Schedules of compliance should be established to reflect the availability of funding under the five year program, realistic project development and construction periods, and construction of the advanced waste treatment phase where required after the first five year program.

Four, the first five year program should include the planning of projects to correct the combined waste overflow problem, selective construction of combined waste corrective projects and the planning of the advanced waste treatment phases where required to comply with water quality standards.

Finally, a second five year program, for fiscal years 1982 through 1986 should provide for the implementation of the plans to correct the combined sewage problem and to construct the advanced

waste treatment phases where needed.

We urge your careful consideration of our proposal and of its detailed presentation in the attached letter, submitted for the record, from the Commissioner of Environmental Protection David J. Bardin, since it provides for the orderly and expeditious development and construction of the required waste treatment facilities.

We appreciate the opportunity to present this statement of Governor Byrne, and attempt to answer any questions you have.

MR. AGEE: Does the state of New Jersey have a grant program?

MR. SNOWHITE: Yes, it does.

MR. AGEE: What percentage is that, do you recall?

MR. SNOWHITE: My understanding is, we are basically providing the full amount of the non-Federal share.

MR. AGEE: The full non-Federal share?

MR. SNOWHITE: At this time.

MR. AGEE: The locals do not have to come up with any money?

MR. SNOWHITE: At this time.

MR. AGEE: At this time?

MR. SNOWHITE: At this time.

MR. AGEE: We heard some testimony today that in some states they might not be able to accept the delegation because of manpower restrictions. The inability to recruit staff. Do you feel that New Jersey would be in a position within a year or two to assume the program, that is, recruit a staff and get them trained?

MR. SNOWHITE: I am not sure, specifically, how long it would take. I think that the state has geared up and substantially accelerated its program, the Department of Environmental Protection's water program was given a significant increase in staffing at a time when the state has a virtual zero growth budget, and in fact, has a deficit in its budget.

The state is supportive of this delegation and would be about to gear up.

MR. AGEE: Thank you.

MR. RHETT: There was earlier testimony, I believe it was Ms. Goldthwaite, who mentioned that the engineer's salary level in New Jersey; that you are having difficulties hiring engineers.

MR. SNOWHITE: I personally am not familiar with that. I could, if you desire, supply it for the record.

MR. RHETT: It just came in an earlier part of the testimony that you may have difficulty in picking up the program.

MR. AGEE: Do you feel the State of New Jersey pays more attention, because they have a grant program, than they would if they did not have a grant program?

MR. SNOWHITE: Certainly. One, because of New Jersey's limited financial resources, the fact that it is making the substantial committment to water pollution control, shows the priority that it has within its total state program, and also part of the Department of Environmental Protection -- because of its limited land and natural resources, water and open spaces, has been using the water program as a means of implementing general land use programs, so that in the current priority list, the state is giving priority to those projects that are in open areas, rather than to projects that would facilitate continued sprawl.

MR. AGEE: Do you feel that whether or not a state has a grant program should be a consideration to EPA in delegating part or all to the state?

MR. SNOWHITE: I would think that it would not be the determining factor, basically because of the financial situations between states and between states and local governments will vary from state to state.

It would be very, very difficult to generalize along those lines.

MR. AGEE: Very good, thank you very much.

MR. SNOWHITE: Thank you.

MR. AGEE: Is there anyone else that would like to testify today?

Very good, I would like to thank you all for staying to the bitter end.

This is the fourth and last hearing that we have ehld and we have had some expert testimony in all four hearings. We will be summarizing the hearings and evaluating them. We will see the fruits of our labors at some future time.

Thank you all very much.

(Whereupon, at 5:00 o'clock p.m. the hearing was concluded)

STATEMENT SUBMITTED FOR RECORD

The Erie County Department of Environmental Quality, (DEQ), speaking on behalf of itself, Mr. Edward V. Regan, County Executive and the various communities within the County, wish to go on record regarding the proposed amendments to the Federal Water Pollution Control Amendment Act of 1972. Our comments are subdivided in accordance with the five papers prepared by the Environmental Protection Agency as published in the Federal Register on May 28, 1975.

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE ERIE COUNTY POSITION.

The county does not support reduction of the Federal share for construction grants from the current level of 75 percent to any lower amount. State of New York Department of Environmental Conservation policies have caused Erie County residents, and others around the State, to in effect, receive less than 75 percent funding under the Federal Water Pollution Control Act.

DISCUSSION

A reduction in the Federal share of funding wastewater handling facilities will, in effect, cause an increase in the local tax burden. This will likely be paid out of a static property tax base. These local taxes are too high already, and reimbursement should be based on an elastic income tax such as is formulated through Federal revenue sharing.

In the State of New York, Federal funds have been utilized for the construction of treatment plants, outfalls, major interceptors, major pumping stations and facilities related to the treatment of non-excessive infiltration/inflow. No Erie County project, however, has yet been certified by the state for the full Federal share of 75 percent; because of State policy, Erie County has received grants of only 52 and 65 percent of eligible costs.

The apparent reason for this unwillingness to certify certain necessary portions of treatment works, such as collector sewers, for example, is the state's recognition of the fact that the $18 billion provided under PL 92-500 is insufficient to pay for 75 percent of all sewerage projects needed in the State. If the administration proposals are adopted, the projects in the State of New York may well receive far less than the proposed 55 percent reimbursement.

In all likelihood, New York State will be unable to assume the increased non-Federal burden which would result from a decrease in the Federal share. Moreover, even in states which can afford such an increased burden, certain communities will find themselves unable to meet the increased local cost. It appears that in either case, a reduction in the Federal share of these costs could prevent the

more urgent water pollution control needs from being met. Any reduction in assistance is considered catastrophic.

It is our opinion that a reduction of the Federal share would not, as is supposed, lead to an increased probability of cost effective designs being presented. A better way of ensuring accountability for cost effective design is to fund operation and maintenance costs at the same effective level as construction costs.

New York State, for example, up to 87 and one half percent of certain portions of construction costs are eligible for funding, but portions of operation and maintenance costs are funded only up to 33 and one third percent. This practice has been known to cause an emphasis during the design stage on plants which have low maintenance costs, with less attention given to the monitoring of construction costs. We feel that an overall reduction in the Federal share of total project cost would not remedy this situation. It could be remedied only by funding operation and maintenance at the same effective level as construction.

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH.

ERIE COUNTY POSITION

Reserve capacity in plants should be limited to that which will serve ten years of estimated growth, with funding limited to this level. Reserve capacity, in interceptors should reflect current engineering practice; namely, that which will serve 50 years of projected growth, including reasonable estimates of future industrial flow. Funding of interceptors should occur at this level.

DISCUSSION

It is our opinion that funding of reserve capacity in sewage treatment plants could be limited to a ten year design period. Limitations on reserve capacity to serve a ten year estimated population increment would not hinder future capacity of wastewater -andling facilities. Treatment plants are modular in construction, and can therefore be easily expanded. We do not recommend less than a ten year design period, however, as many projects would then be under almost perpetual redesign and/or construction.

Our expressed position with respect to funding of reserve capacity is based on the assumption that Federal assistance will likely be forthcoming whenever projected population growth figures show the need for providing additional capacity.

With respect to the funding of interceptor sewers, the County agrees with the Environmental Protection Agency analysis, which indicates that the incremental cost of providing reserve capacity

is relatively small in comparison to the cost of providing capacity for the population existing at the time of construction. The County, therefore, feels that interceptor sewers as well as collection systems, force mains and trunk sewers should be funded in such size as will serve 50 years of estimated growth.

We feel that elimination of funding of reserve capacity would not pose a serious financial hardship to a community's ability to finance needed projects. We do not, however, see how the elimination of reserve capacity funding will materially aid the nation's efforts in funding a greater number of projects. The monies which would be made available by this mechanism would probably not approach the amounts necessary to abate pollution as required by Public Law 92-500.

PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

ERIE COUNTY POSITION

Sewerage treatment plants, interceptors, pumping stations, collection systems, new construction and rehabilitation, and treatment of combined overflows and non-excessive infiltration/inflow should continue to be eligible for assistance.

The costs associated with the separation of combined sewers, massive reconstruction of separate systems, and treatment or control of storm waters should not be considered eligible at the present time.

Funding priorities should reflect benefits expected. That is, money should be placed in areas where the maximum benefit will be achieved. Treatment plants and interceptors should receive first consideration; new collection systems, second; treatment of combined overflows, third, rehabilitation, last.

DISCUSSION

We attach to this statement a paper presented by the Erie County Department of Environmental Quality to the New York State Department of Environmental Conservation in March of this year which indicates quite clearly that the financial burden of providing collection systems in some areas ranges between 200 percent and 1,000 percent of the cost of providing the necessary treatment plants and interceptors, and of operation and maintaining these facilities.

The paper goes on the predict that pollution will not be abated in areas which presently require collection systems because the formation of new sewer districts necessary to the construction of wuch systems is subject to referenda; we feel that such referenda will usually have a negative result due to the extremely high initial burden of providing collection systems.

We strongly object to the elimination of collection systems from eligibility. To do so would not only increase the taxpayer's burden, but would seriously weaken current enforcement and corrective programs aimed at pollution abatement.

The County would support the elimination of the eligibility of the treatment of storm waters or separation of combined systems from funding, provided that the law was amended to delete and statutory requirements for such treatment facilities or separation of systems.

We feel that this is the only practical approach. There is not enough money available to provide the necessary treatment plants, interceptor sewers, collection systems and major sewer rehabilitation. Treatment of storm flows and separation of combined sewers is even of lesser priority. Storm flows and combined sewer overflows occur infrequently, and usually at times when the streams and rivers are best able to assimilate such loading. Moreover, primary treatment and disinfection is a potentially better solution to combined overflows than is separation of combined systems.

It is our feeling that combined sewer overflows should take a secondary position to the elimination of the more frequent sources of sanitary wastes. When the construction of treatment plants, interceptor sewers, collection systems, the treatment of combined sewer overflows, and the rehabilitation of existing collection systems has been fully accomplished, the nation might justifiably consider embarking upon the more lofty goals of treating storm water or separating combined sewers.

PAPER NO. 4 - EXTENDING THE 1977 DATE FOR PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS

ERIE COUNTY POSITION

The compliance date should be extended to 1983 for municipalities and should be contingent on Federal funding availability.

Industry should work to the same schedule as municipalities even though their budgetary constraints are different.

DISCUSSION

We feel that the target dates for compliance as presently contained in Public Law 92-500 are unrealistic. Since it is our further opinion that pollution abatement efforts cannot be financed by states and local communities alone, it appears to us that a modified combination of alternatives four and five listed in the Federal Register would present a reasonable answer to this question.

A combination of alternatives four and five would extend

the compliance date to 1983 and would allow the Administrator of the Environmental Protection Agency to grant compliance schedule extensions based upon the availability of Federal funds. We do not feel that any of the other three alternatives or alternatives four and five independently present realistic choices to the communities, states or Federal Government whether from funding or enforcement points of view.

Industry's cost of eliminating water pollution is financed totally out of the private sector and it is not dependent upon the Federal, state or local budgets. Therefore, it is our opinion that industry could meet a compliance schedule differing from that required of municipalities. However, despite industry's relatively independent economic base, we feel that other factors should be taken into consideration.

It seems to us unjust that industry should be required to comply with abatement schedules considerably more restrictive than those required of the municipalities into which they discharge.

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAMS TO THE STATES.

ERIE COUNTY POSITION

Environmental Protection Agency should terminate duplicate reviews of work already done by individual states. Environmental Protection should review and approve plans of study, environmental impact and facilities plans. Each state administer its own construction programs.

DISCUSSION

We feel that the Environmental Protection Agency should be involved in the technical review and approval of plans of study, facility plants, infiltration/inflow studies and sewer system evaluation surveys. However, once such plans are approved, the state agencies should assume complete control of these projects. We do not feel that it is necessary or desirable for the Environmental Protection Agency to perform a double review of construction plans or for the Environmental Protection Agency to approve payments except as a final audit process.

Since the State of New York presently reviews all reports, plans of study, construction plans and certifies as to their acceptability, and since the State of New York presently approves payments of the state portion of the project cost, it would seem that there would be advantages if the Environmental Protection Agency divested itself of these functions. If the Environmental Protection Agency

were not providing these duplicate services, we would expect that many more projects could be reviewed and approved in a given year.

GENERAL COMMENTS:

While the five papers specifically address various areas of concern, we would like to point out to the Environmental Protection Agency that there are other significant areas of concern to the residents of Erie County.

NEW STATUTORY REQUIREMENTS:

Many provisions of Public Law 92-500 are now becoming effective. Some of these provisions require Federal approval of Step 1 and Step 2 grants. This presents an unnecessary delay to some communities which may not need or desire Step 1 or Step 2 assistance, and this should be modified.

DELETION OF INDUSTRIAL COST RECOVERY

Industrial cost recovery provisions should be deleted entirely from the Federal Water Pollution Control Act. If these regulations remain unchanged, they will stimulate the construction of many industrial treatment plants. Some of these will further degrade the nation's watercourses and some will undoubtedly be maintained improperly.

Many industries which are marginal at the present will be unable to afford either to construct their own treatment facilities or to repay a significant portion of the proposed federal grants. Therefore, many may be forced to cease operations. In this day of an unstable economy, we do not feel it is reasonable to place industries in a position where they may have to cease or restrict operations.

ALLOW ADVALOREM TAXATION FOR USER CHARGES

Advalorem taxation should be allowed, when justified as a means of collecting equitable user charges.

This completes the presentation of the Department of Environmental Quality and the Erie County Executive.

If there are any questions pertaining to this material please feel free to contact us.

PRESENTED BY

ROBERT A. FLUEGGE, P. E., Acting Commissioner of the Department of Environmental Quality.

Contents

WRITTEN TESTIMONY

By: Municipal and Utility Contractors of Mississippi. A chapter of Associated General Contractors of America, Inc.

Re: Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act (Federal Register, May 2, and May 28, (1975).

I am Farris C. Gibbs, President and part owner of Associated Constructors, Inc., a construction firm in Jackson, Mississippi and director and two time past president of our Mississippi chapter of Associated General Contractors of America, Inc.

We appreciate the opportunity to submit this written testimony on the various proposals outlined in the Federal Register and discussed at the hearing. We make specific comments on these propositions in the same numerical sequence as they appeared in the Federal Register and as Item VI offer our Summary and Recommendations.

I. REDUCTION OF FEDERAL SHARE:

1. This proposal is absolutely ridiculous at this time.
2. Federal funding now far exceeds implementation.
3. Cities and States have their own financial troubles and limitations. Many small cities and towns in Mississippi are obligated for virtually their total bonded capacity and many are so obligated with thirty to forty year pay-outs on sewer facilities from three to ten years old. President Ford has just recognized the inability of the states to match funds by establishing a federal loan program for the 10% matching highway funds. Are we less serious about pollution?
4. This program is of federal origin and one of the other items for discussion and amendment is extension of compliance dates. If these dates are not being met with 75% funding then more federal funding, not less, will have to come or the requirements under the act must be seriously modified. This program should be on a 90% federal, 10% state and local share with present requirements.
5. It is our firm opinion that if the federal share is reduced the water quality goals of P.L. 92-500 will not be met in this century.

II. LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

1. Zero Federal growth funding will make the projects obsolete before they begin and should not be considered. Municipalities and communities cannot fund sufficient growth. The inevitable consequence will be ever increasing future problems.
2. Current design practice is sound. However, reasonable limitation on growth funding based on 10 years of growth for treatment plants after completion and 25 years of growth for sewers after completion could prove helpful both in reducing costs and meeting the need, but only if the federal share is maintained or increased and only if federal funds can reasonably be expected to be available for additions in high growth areas.
3. The Council on Environmental Quality notwithstanding, it is a most dangerous policy to try to prevent growth of communities unless there is no population growth. In addition, this tampers with property rights and history proved conclusively that when property rights are lost individual and human rights quickly follow.
4. EPA needs to be removed from the field of "land use" entirely by legislative action.

III. RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

1. 235 billion of a total of 356 billion in needs is estimated for storm water facilities. In other words 58% of the total need shown is for storm water and it is our firm opinion that storm water should not be considered in this program. We already have major agencies handling flood control. In that this one action eliminates such a major part of funds needed, it should be possible to retain most of the rest of the program without bankrupting the federal budget.
2. Secondary Treatment should be defined in a more conventional manner so that an oxidation pond with post chlorination becomes adequate for domestic sewage and "dry ditch" discharge standards should be eliminated until such redefined secondary treatment is in use nationwide.
3. Tertiary plants should be eliminated until (2) above is accomplished.
4. Plant costs are impossible without correction of sewer infiltration and major sewer rehabilitation.

5. None of these serve any purpose without collector sewer. Therefore, collector sewers should be funded especially where none now exist.

IV. EXTENDING 1977 DATE FOR PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

1. It is obvious that some modification and extension of requirement is necessary.
2. A solution similar to alternate (2) or (4) as proposed by EPA position papers appears the most viable and most practical with eligibility redefined to prevent the Federal share from being used for any facility more sophisticated than secondary treatment as defined in response No. 2 to paper No. III or than necessary to meet original 1977 requirements, whichever is least costly. This move together with the elimination of storm water from the program should make Federal Budgeting possible and realistic.

V. DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

1. AGC has long publicly supported HR 2175 to accomplish this purpose.
2. AGC's primary reasons for supporting this delegation of authority are:
    1. The federal agency is not getting the job done and cites as a major reason shortage of personnel. Also, if EPA is relieved of a lot of detail work, they should then be able to apply some management to the construction grants program.
    2. A matter which should receive highest priority and a task force approach immediately is the consolidation and condensation of regulations into a practical and usable form without changing them. We recommend a 5 year moratorium on regulation changes.

VI. SUMMARY

Neither OMB or EPA have demonstrated the will or the ability to manage the implementation of this law. We certainly hope the situation is not as dismal as it appears for it would be very easy to believe that rather than implementing the law, the agencies charged with implementation are engaged in a deliberate slowdown at

the highest levels with the blessing of or possibly at the direction of the executive branch. With unemployment in the construction industry, which is the nation's largest industry, already in the excess of 20% and in consideration of the resultant loss of tax revenue to our staggering economy; this makes very little sense to our industry. The proper and expeditious implementation of this one program which is already passed and funded and therefore less inflationary than any program not yet funded, will provide more jobs than all the "service job" legislation in congress and these jobs will produce taxes and requirements for service at an approximate ratio of 7 to 1 according to U.S. Chamber of Commerce figures.

RECOMMENDATIONS

We therefore recommend that the following legislative amendments be made at the earliest possible date.

1. That all reference or inference concerning land use be removed from PL 92-500 and that EPA be prohibited from such area of acitvity entirely.
2. Storm Sewer and flood control should be specifically removed from PL 92-500 and EPA should be prohibited from my consideration of this area of work.
3. That objectives be redefined to obtain a minimum of such treatment for sanitary waste as is provided by an oxidation pond with post chlorination nation wide before vast sums are spent on more exotic and in some cases impractical treatment facilities.
4. That HR 2175 or similar legislation be passed providing funds for state agencies and that only those states with fully responsible state agencies receive funds. States which will not get qualified would lose funds in any given fiscal year to states which do get qualified.
5. Engineering procurement as outlined by EPA in the Federal Register should not be initiated as this will only result in slowing down the program. Engineers can and will perform if EPA will stop changing the regulations. Engineers can give firm prices if the scope of their work can be adequately defined. An excess of confusion exists at present. If (3) above can be made law it should include a five year moratorium on regulation writing. We elect the congress to write our laws and this writer can find little or no constitutional basis for government by bureaucratic edict.

I, for one, refuse to believe that a nation which has conquered

space cannot conquer sewage. We must get on with it and DO IT NOW!
Thank you.

Signed F.C. Gibbs

July 3, 1975

Mr. Paul DeFalco
Regional Director
Environmental Protection Agency
100 California Street
San Francisco, California 94111

Dear Mr. DeFaloo:

Re: Public Law 92-500

The purpose of this letter is to offer comments of the Association of California Water Agencies on potential amendments to Public Law 92-500. Basically, this Association believes that the goals of P.L. 92-500 are both unrealistic and economically impractical.

One of the fundamental problems of P.L. 92-500 is that it attempts to set goals on a nationwide basis without considering the vagaries of regions and subregions. Requirements are being established without taking into consideration local conditions, such as the quality of the basic water supply and without considering what quality of water is necessary to protect all beneficial uses. As an example, here in California approximately $1 billion in public funds will be expended to upgrade to secondary treatment ocean discharges to comply with P.L. 92-500. This will be accomplished even though virtually all experts agree that secondary treatment is not necessary for ocean discharges and that primary treatment is in fact beneficial to our ocean resources. Such expenditures are not only illogical and unnecessary but, more importantly are wasteful of the public's money.

We would now like to specifically comment upon the issues which were the subject of your hearing in San Francisco on June 19, 1975.

1. The progress in the area of achieving better treatment of waste discharges and thus improving the quality of our surface waters has probably been due more to the financial assistance being provided by the United States Government and the State of California than to any mandate from state or federal regulatory agencies. The existing funding program has enabled the construction of many essential projects which, very simply, would not and could not have been built without the present assistance to local agencies. This Association is very much opposed to any reduction in the present level of federal funding for waste treatment facilities.

2. The question of reserve capacity is one with which it is quite

difficult to deal. We do not believe that artificial limits without a comprehensive land-use planning process can or should be established even though we do recognize the necessity of reducing over-design in order to attain the most efficient use of available funds. It appears to us that a single standard could pose a severe hardship in certain instances while at the same time being too liberal in others. Basically, we believe that this judgement should be left to the state administrative agency acting in concert with the regional Environmental Protection Agency office. This would provide necessary flexibility which would allow these agencies to take into consideration local conditions in making their determinations.

3. This Association would also be opposed to federal restrictions on the type of project that is eligible for federal assistance under P.L. 92-500. Basically, we believe that both federal and state laws are directed at obtaining the correction of existing water quality problems at the earliest possible time including the separation of combined sewage-storm water systems. To restrict eligibility for grant funds would simply serve to frustrate the achievement of this goal. Again, we believe that it is essential that flexibility be maintained in the program and that any restrictions should be developed through coordinated state-federal activity with input by affected agencies and individuals. Any regulation in this area must necessarily recognize that there is a need that must be met and that certain improvements will require aid if they are to be accomplished.

4. Lastly, we believe that the 1977 data for achievement of best practicable technology and 1983 for best available technology are impractical, wasteful, unrealistic, and unnecessary. The level of treatment in any given instance should be that level which is necessary to protect <u>all</u> beneficial uses of the receiving waters. To arbitrarily require the highest degree of treatment when such treatment is not necessary to protect beneficial uses simply wastes money which could be better expended on projects which are necessary to correct water quality degradation problems and detracts from our ability to attain necessary solutions to those problems. Additionally, we would point out that it is simply impossible to meet the 1977 and 1983 requirements of P.L. 92-500 because of the large expenditures that are required.

While we recognize that the National Commission on Water Quality is charged with responsibility for a comprehensive review of P.L. 92-500 we believe that the Environmental Protection Agency must also take an in-depth look at the myriad of problems contained in this legislation.

We are particularly concerned with potential impacts upon irrigated agriculture and feel that sufficient attention is simply not being given to problems in this area. Today we are sure, in the Lake Tahoe instance at least, that more local control would only make the T-TSA system worse; as it is, the facility will, in all likelihood, contribute measurably to the environmental decay of the lake and its air basin.

In conclusion, the Sierra Club is alarmed by the strange fact that suddenly labor and industry have joined conservationists and EPA in our quest for a cleaner, healthier environment but we weren't prepared for the four of us in one frail canoe. Maybe our Christmas wish to EPA will be for a sturdier one plus two additional paddles, if you please.

In enacting P.L. 92-500, Congress has attempted to treat agricultural return flows on the same basis as municipal and industrial discharges. This is simply impractical as the problems, if indeed there are any, are not the same and therefore, the solutions, if needed, must be different.

In conclusion, it is our judgement that P.L. 92-500 needs to be completely rewritten so as to take a more realistic and practical approach to resolving our water quality problems.

Sincerely,

Louis B. Allen, Jr.
Assistant Executive Director

LBA/rs

June 6, 1975

Mr. James L. Agee
Assistant Administrator
Office of Water and Hazardous Materials
U.S. Environmental Protection Agency
Washington, D. C. 20460

Dear Jim:

Proposed Amendments to the
Federal Water Pollution Control Act

Thank you for providing us with a notice of the public hearings to be held on the proposed Amendments to the Federal Water Pollution Control Act. The Alaska Department of Environmental Conservation welcomes this opportunity to submit written comments regarding these important proposed revisions. Our comments, in the order presented, are as follows:

1. We are strongly opposed to a reduction in the Federal share of project costs. It has been our experience that the present local share based on 75 percent Federal participation is often difficult to acquire. There is also the possibility that State grant program would be called upon to provide the difference between any Federal percentage cutbacks and the 75 percent level of funding. This would remove any incentive for states (like Alaska) to continue their grant programs knowing that states without grant programs would still received the full 75 percent.

2. We have serious questions regarding the advisability of limiting Federal financing to serving the needs of the existing population. This could develop into a "no growth policy" for the entire United States or it may well result in strong pressures being brought at the local level to provide development with inadequate sewage collection/treatment, thus creating an "existing need" at twice the cost to public health and the environment.

We do agree that the present design periods for sewage treatment plants (20 years) and sewer systems (50 years) leave a lot to be desired and should be revised downward considerably. Our suggested approach is to make it incumbent upon the state and local project personnel to require complete substantiation of engineering design criteria and provide critical reviews to assume, to the maximum extent possible, that systems are not overbuilt.

3. We support any effort to limit eligibility for types of projects by eliminating storm water control and combined sewers unless there is a demonstrable water quality problem. Until the Federal funding level is such that proper treatment of sanitary wastewater is achieved before it enters the nation's waterways, it would be prudent and advisable to encourage local and state funds for expansion of collector sewer systems. State aid and other Federal programs, such as HUD, EDA, and FHA, presently can provide assistance when it is needed without having to depend upon EPA funds.

4. The Department concurs with the proposal to extend the 1977 date for meeting water quality standards. With the present dependency upon Federal funding, this deadline cannot be met realistically by many communities.

5. We also concur with the proposal to delegate a greater portion of the management of the construction grants program to the states. The states are generally in the best position to be most responsive to the needs of their communities. When the regulatory agency has demonstrated competency in an area of grants administration, they should be delegated that authority. Funding for an expanded state role must be assumed. We suggest that this be accomplished through the Section 106 program grants rather than the construction grants program.

Your favorable consideration of our comments would be appreciated very much.

Sincerely,

Ernst W. Mueller
Commissioner

cc: Dr. Clifford V. Smith, Jr.
Dr. O.E. Dickason

July 1, 1975

U.S. Environmental Protection Agency
Office of Water and Hazardous Materials (WH-556)
Room 1033 - West Tower
Waterside Mall
401 M Street, S.W.
Washington, D. C. 20460

Gentlemen:

Re: Proposed Amendments to the Federal Water Pollution Control Act, Contained in Federal Register of May 2, 1975

These comments are submitted by the Associated General Contractors (AGC) of Massachusetts. Member firms of AGC of Massachusetts have been doing EPA-funded construction projects for the past several years, and AGC representatives have participated in various regional seminars held by EPA to develop recommendations for facilitating the construction grants program.

We assume that the purpose of the proposed amendments is to facilitate the construction grants program so as to achieve in the most feasible manner the major objective of the Federal Water Pollution Control Act (PL 92-500), namely, to clean up America's water. We further assume that the primary purpose of the construction grants program is the construction of waste water treatment facilities.

Our primary comment is not directed at the five proposals in the Federal Registers of May 2, 1975 and May 28, 1975; rather, it is directed at the memorandum, PGM #50, "Consideration of Secondary Environmental Effects in the Construction Grants Process." This memorandum authorizes the stopping of construction because of alleged adverse secondary effects; this is incredible, since the secondary effects have already been thoroughly considered in Step I Facility Planning and Step II Design.[1] The EPA construction process in the past has been stalled by the complexity of the regulations and pro-

1. See pamphlet, "The Federal Waste Water Treatment Facilities Construction Grant Process from A(bilene) to Z(anesville)" by John T. Rhett, Office of Water Program Operation, Deputy Assistant Administrator, U.S. Environmental Protection Agency, March, 1975, U.S. Government Printing Office: 1975, 628-113/150 1-3; pp. 7-8.

cedures; now it is to be stopped. We submit that the continuing proliferation of guidelines and regulations will not clean up America's water.

To comment on the five proposed amendments:

Amendment No. 1 - Reduction of the federal share. We are totally opposed. The states do not have the additional funds that would be required. Massachusetts is facing a deficit of $687 million in the coming fiscal year and is incapable of taking on an increased share of the funding of waste water treatment facilities.

Amendment No. 2 - Limiting Federal funding of reserve capacity to serve projected growth: We are opposed. A "no growth" policy is too absolute. The decision on need and reserve capacity should be left to each state and each state's priority list.

Amendment No. 3 - Restricting the type of projects eligible for grant assistance: We are opposed. The decision on the type project to receive grant assistance should be left to the state's priority list. That pollution source should be corrected which give the most benefits for the dollar spent without regard to the type of project involved.

Amendment No. 4 - Extending 1977 date for the publicly owned treatment works: Since the 1977 deadline will not be met - because of delay in getting the construction grants program operational - a realistic deadline should be set. However, this must not be an excuse for further delays and foot-dragging - either through further federal regulations and instructions or by inaction on the part of local government or private industry. Extension of deadline must be fair and reasonable for both local government and for private industry.

Amendment No. 5 - Delegating a greater portion of the management of the construction grants program to the states: We strongly favor. The Cleveland-Wright bill (HR 2175) should be passed. It is essential to eliminate the grossly wasteful state-EPA duplication of reviews and approvals, from the conception of planning through the bidding process.

In conclusion, we would stress that the multiplication of instructions, regulations, plannings, reviews and approvals will not

clean up America's water. Only the construction of waste water treatment plants and related facilities will accomplish this goal. Accordingly, EPA's focus should be on speeding up and implementing the construction grants process.

We thank you for the opportunity to comment on the proposed regulations.

Respectfully submitted,

WILLIAM D. KANE
Executive Assistant

wdk/hh

June 26, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(W.H. 556) Room 1033 West Tower,
Waterside Mall
491 "M" Street, S.W.
Washington, D. C. 20460

Gentlemen:

We concur with the testimony of John L. Maloney given at the public hearing, San Francisco, California, June 19, 1975. Copy of his address attached.

Very truly yours,

JAMES R. ANDERSON
Certified Public Accountant

HRA/vlb

Enclosure

CC: Mr. John L. Maloney, President
Industrial Assn. San Fernando Valley
P.O. Box 3563
Van Nuys, CA. 91407

June 17, 1975

Industrial Association of the San Fernando Valley
P.L. Box 3563
Van Nuys, California 91407

E.P.A. Public Hearing. S.F. Cal.
Re: Proposed congressional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

Gentlemen:

Our remarks are addressed to parenthesis four (4) as one of the proposed amendments setforth, namely extending the 1977 date of meeting water quality control standards.

We believe this is the only proposition that should be enacted, and it should provide for indefinite extension of the date to meet water quality control standards.

E.P.A. has developed an embryo body of knowledge and experience in this water quality control field during its brief existence. It does not appear that it has as yet learned of the economic impact of its program on the communities affected when said program is too hastely applied.

Herewith is our assessment of the adverse economic impact in the San Fernando Valley community.

Jobs

Our 13 high schools, 3 colleges, and 1 university have enrollment of over 100,000. Almost all these students are preparing to enter the labor market. The workers now in the Valley labor market (approx) 300,000 will not be retiring when these students seek jobs. What do we do without growth?

Housing

The students, now seeking work, will nevertheless be forming family units. Where do we house them without growth?

Capital Investment

Our Valley industrial plant investment is $3 billion and the figure for commercial business is much more. What do we do if these sources of jobs, taxes and general properties are atrophied by "no growth?"

In our opinion this is pretty much the predicament of established communities throughout the nation.

Give us time to adjust economically while a workable clean water program is soundly developed. By 1985 we should be able to embrace such a program.

Respectfully,

John L. Maloney
President

JLM/bm

June 23, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(W.H. 556)Room 1033, West Tower
Waterside Mall
401 "M" Street, S.W.
Washington, D. C. 20460

Reference: Proposed congressional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

Gentlemen:

On behalf of the Warner Center, I wish to express concern regarding the referenced proposed legislation. I completely concur with the testimony of John L. Maloney, president of the Industrial Association of the San Fernando Valley, at the public hearing in San Francisco June 19, 1975. A copy of his remarks are attached herewith.

The economic impact of any proposed new regulations must be carefully weighed. Legislation to enact new requirements should only be undertaken when there exists a strong body of technical data to support the objectives of such legislation.

Sincerely,

Robert A. Allison

RAA:am
Attachment
cc: John L. Maloney, President
Industrial Association of the
San Fernando Valley

June 17, 1975

Industrial Association of the San Fernando Valley
P.L. Box 3563
Van Nuys, Calif. 91407

E.P.A. Public Hearing. S.F. Cal.
Re: Proposed congressional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

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Respectfully,
John L. Maloney
President

JLM/bm

STATEMENT OF ASSOCIATION OF METROPOLITAN SEWERAGE AGENCIES
AT PUBLIC HEARINGS BY THE ENVIRONMENTAL PROTECTION AGENCY
ON POTENTIAL AMENDMENTS TO PL 92-500
Washington, D. C.
June 25, 1975

Mr. Chairman:

My name is Bart T. Lynam, and I am here today in my capacity as President of the Association of Metropolitan Sewerage Agencies, an organization representing most of the large sewerage agencies throughout the United States. I am also General Superintendent of the Metropolitan Sanitary District of Greater Chicago. The membership of our organization includes over 50 agencies from the nation's largest cities representing over 60 million people. (Appendix A is a list of our members.) Accompanying me is Mr. Charles B. Kaiser, Jr., Director and Legislative Chairman of AMSA, and General Counsel of the St. Louis Metropolitan Sewer District, and Mr. Lee C. White, Washington Counsel for our organization.

We appreciate the opportunity to present the views of AMSA on these fundamental issues that have been set for public hearing by the Environmental Protection Agency. Since last July, AMSA has held a series of regional meetings to assess the attitude of its member organizations toward the various provisions of PL 92-500, and particularly the manner in which it has been implemented. In a sense, AMSA members are in the front line trenches of the battle against water pollution, and we believe that the views, attitudes, and recommendations of our members should be of considerable interest to policy-makers in both the Executive Branch of the Federal Government and the Congress. There are some specific items that in our judgment require immediate Congressional attention and action, but at the same time we are pleased to be able to focus on some of the more long-range items that are included in the list of questions that are to be the subject of this particular hearing and the companion hearings held elsewhere in the country.

Before discussing the specific questions, we would like to comment generally on PL 92-500. AMSA played an active role when the Act was being considered by Congress and in large measure we supported the goals of the Act, although some seemed then beyond practical achievement, and 2-1/2 years of experience has borne this out. Because of the magnitude, the complexity and the incredible detail in the statute, it has been frustrating as we have waited for implementing regulations and seen them revised and yet new regulations, criteria interpretations, program guidance memos and virtually every form of control ever devised by government agencies become a part

of the painful process. We, too, are government employees and have an appreciation for the need to carry out statutory directions, monitor, oversee and supervise a program with such nationally important goals and involving billions of dollars of public funds. And yet, there are times when the frustrations involved have almost led some of our members to consider trying to get along without the Federal share so that they can get on with their jobs and thereby meet local needs.

Nobody can be opposed to review, revision and adjustment of a program, but a moratorium on fine-tuning changes might provide the most effective stimulus to getting on with what we though PL 92-500 was all about: constructing the facilities required to meet water pollution control objectives.

We understand, appreciate and accept the purposes of the nearly incredible detail that was incorporated into PL 92-500. But the rigidity created by this approach has been one of the major reasons for the delays and frustrations that have characterized the program for nearly three years. If there is one major principle we urge upon those who would amend PL 92-500, it is to build in some discretion and flexibility for EPA and its Administrator. Undoubtedly there would be many of our members who would find themselves in disagreement with EPA on a range of issues, but we are prepared to have faith in the Administrator and to believe he or she must not be hamstrung by a statute which attempts to achieve absolute uniformity for all situations, regardless of the tremendous diversity of circumstances that exist in the thousands of cities and towns in this large country.

I would like now to discuss briefly each of the potential questions in the order in which they appear in the formal Federal Register notice.

The Amount of Federal Contribution to Assist Waste Treatment Facilities

Although there may well have been a number of different points at which the Federal share could have been fixed when PL 92-500 was working its way through the Congress, we believe it would be a mistake at this point to change the Federal share either upward or downward. One of the most frustrating experiences that many of the nation's large metropolitan areas have experienced is the confusion, disappointment, and heavy financial penalties resulting from the frequent changing of the Federal share from 30% in 1948 to 75% in 1972. In the 1972 Act (PL 92-500), the Congress in Section 206 (b) undertook to reimburse those communities which used their bonding authority to get on with cleaning up the nation's rivers and streams, but through

no fault of their own did not receive the full 30% Federal contribution which was then national policy. Thus far, no funds have been appropriated for this purpose, although we are hopeful that in the EPA budget for fiscal 1976 such funds will be included. In fact, the failure to make this money available has penalized those cities which went forward in response to Congressional urging; conversely, those communities which did not respond have been rewarded.

If the Congress were to reduce the 75% Federal share, undoubtedly hundreds of communities across the country would be penalized, not because of any failure on their part to move expeditiously or to file applications on a timely basis. Those who had not received approvals or an allocation of funds, either because of burdensome EPA regulations implementing the Act, or because of the impoundment of funds by President Nixon, or because adequate funds were not made available in the first place, would find themselves at a considerable disadvantage. This is a serious concern and we would urge that yet another divisive and disruptive factor not be added to solving the water problems of this nation. To the extent that the notion of reducing the Federal share rests on the premise that there will never be adequate funds from Congress to do all the work required, we oppose changing the rules in mid-stream. If the work is to be accomplished to meet the criteria and standards set forth in PL 92-500, that money is going to have to come from somewhere. States and local communities are not immune from budgetary anemia, and we would recommend that the program continue to be a Federal, state, local cooperating arrangement, and that the formula not be changed again.

One very real and practical obstacle to such a change would be the manner of implementation. Would the new percentage be applied to applications made after a certain date, or to those already in the process but which had not been completed? Would appearance before a certain date on priority lists developed by state agencies qualify a project for a 75 percent grant? And if not, would there be a fraction of such listed projects that would get the 75% amount, and what criteria would be used for making the cut? In short, there were great problems of unfairness as the Federal percentage increased, but there would be even greater inequities and difficulties if the Federal share were decreased.

Undertaking to respond to the questions set forth in the Federal Register notice in connection with these hearings, we would add the following: A reduced Federal share would undoubtedly inhibit or delay the construction of needed facilities, not only because of the need for the local community to scramble for more funds, but also because of the disruption referred to above. Our experience with the financial difficulties of the states with whom our members must deal leads us to believe that there is mightly little

interest and even less ability on their part to pick up any slack occasioned by reduced Federal contributions. Without doubt, most communities throughout the country would experience enormous difficulty in raising additional funds to replace any that would otherwise come from the Federal government. We do not believe that any greater accountability or concern for expenditures would result from a reduced Federal share or from an increased local share; local funds are really very difficult to come by and our experience has been that communities do not undertake foolish projects because the Federal government is paying 75%. A reduced Federal share would certainly delay achieving the goals of PL 92-500.

Limiting the Federal Contribution to Facilities Needed to Serve Existing Population

It is very nearly impossible to have zero growth and to build on that basis without running the risk of terribly expensive subsequent construction. In general, the large metropolitan agencies that comprise AMSA have had considerable experience in design and are opposed to the establishment of arbitrary time periods for which waste water handling and treatment facilities should be designed. To the extent that the so-called California 10/20 Plan is offered as a standard, we would have less difficulty with the 10-year growth pattern for waste treatment plants, assuming of course that the deisgn is on a modular basis that will permit the most efficient and cost effective add-ons when required, and further assuming that the 10-year period begins to run at the end of the construction of the facilities. When, however, we come to the question of sewer interceptors, 20 years seems to be entirely too short a period for most of the metropolitan situations with which we are familiar. The trememdous expense in tearing up city streets, together with the inconvenience and the environmental prices that have to be paid for such efforts, argue strongly for a period of time that will avoid these disadvantages of underdesigning of sewer facilities. Unlike waste treatment facilities, they cannot be easily stretched.

The only logical basis of design is a cost-effective analysis using present worth. Overdesign will occur only if a design other than the most cost-effective is selected. EPA should fund on this basis.

On the question of who should pay for the extra year's requirements built into the system, we believe it would be tantamount to "changing rules in the middle of the game" if the local communities were to have to pay for everything above today's population and needs. No major construction program operates on that basis, and the only realistic consequence would be to impose a greater burden on the local communities than was contemplated by PL 92-500. If PL 92-500

is to be scrapped, revised, or modified to impose a larger burden on the local communities, Congress ought to do it directly rather than through an indirect subterfuge.

Undertaking to respond to the questions set forth in the Federal Register, we would add the following: "Overdesign" is basically a subjective judgment and there may well be some instancesin which this has been the consequence of somebody else paying 90% of the bill. We believe, however, that the major metropolitan areas have not overdesigned, in part because of the heavy funding required for the local share, and in part because of the political implications of doing so. As indicated above, more rigid supporting data for projected growth could be required, although it would be sheer folly to make that retroactive and further delay projects that are already well into the pipeline. "Underdesign" is, of course, the other horn of the dilemma and must be guarded against. There must be adequate flexibility to meet different growth patterns.

Restricting the Types of Projects Eligible for Grant Assistance

Representing as it does a wide range of cities across the country, AMSA takes a very dim view of attempting to restrict the facilities that can be the subject of Federal grants. What is clear and sensible in Seattle may have no rational basis in Chicago or Miami. In our view, the test ought to be the achievement of water pollution control objectives, and there should be flexibility to take into account the diverse character of the country. If our experience under PL 92-500, in the past 2-1/2 years, has taught us anything, it is that it is very nearly impossible to legislate in great detail in a national statute without creating specific situations in various areas of the country where unreasonable or even foolish requirements result. We believe that a rigorous case ought to be required of any applicant for Federal grants, but that it would be a mistake to limit the facilities for grants.

The inherent weakness in setting forth a priority list of facilities which do not take into account local situations, conditions, and factors is best illustrated by the secondary treatment requirement. Strong and compelling cases can be made by some municipal systems that very costly secondary treatment facilities in the conventional sense of that term provide very little or in some cases absolutely no environmental benefits and produce considerable environmental detriments, aside from using up scarce public funds. To require Anchorage, Alaska, for example, to build secondary treatment facilities for Cook Inlet is almost ridiculous. The same is true of other communities, and yet under the rigid interpretation of PL 92-500, this is currently the situation. We would argue strongly for introducing flexibility into the program, not additional rigidity that would result from limiting the type of facilities eligible for grants.

Extending 1977 Deadline for Secondary Treatment

It is crystal clear that hundreds, if not thousands, of communities are simply not going to be able to meet the July 1977 deadline. The reasons for this are well known: impoundment of PL 92-500 funds, gross under-estimation of the magnitude of the job, the enormous difficulties EPA has had in promulgating regulations, and the slowdown those regulations have had on the program. Inasmuch as criminal penalties are involved in failure to meet the statutory deadlines, the need is even greater to extend the deadlines, or at a minimum provide discretion in the Administrator of EPA to do so upon application by municipalities.

Attempting to respond to the formal questions, pre-financing is a very tricky business in light of the great reluctance the Federal government has shown in the past to redeem its commitments. The question if industry compliance is really separate and distinct from that of the cities; industry failures (when not associated with municipalities to comply are not likely to be the result of the same factors that have impeded municipal agencies. As to the fairness of disparate requirements for municipal and industrial participants in joint systems, we believe that where a persuasive case for postponement can be made by the industrial participant, it too should be permitted to go along with its municipal partner on any new deadline. The Administrator's discretion to extend the deadline should not be circumscribed, since undoubtedly he would insist that a case be made and that the extension not be longer than warranted by the facts; but who can know in advance what maximum extension those facts might support. EPA's credibility is difficult for us to assess and, in any event, does not seem like a proper factor to take into account in considering whether to extend the deadline or to adhere to it. As suggested in the preceding section, there should be flexibility in determining how objectives of secondary treatment facilities can be accomplished. A two-year extension, once again, seems to make less sense than whatever the individual community can convince EPA is appropriate. It may be desirable, however, to establish a standard delay that would be more readily granted, with those seeking a greater period having the burden of making the case. We would hope that this problem of deadlines could be resolved before either the short-term permits or "letters of authorization" alternatives had to be adopted.

In our view, this is not a matter that can be put off until a review of the entire program can be completed; Congress should act on this before the end of this year.

Delegating Greater Management of the Program to the States

The attitude of AMSA members on this point is, for obvious

reasons, keyed to the relationships between the metropolitan areas and their state capitals. By and large, the approach makes sense, but we do not support the principle of using grant funds for the transfer of administration to the states. We urge that the funding come from Federal funds appropriated especially for that purpose, since on of the rationales for the proposal is to take care of the fact that there is inadequate Federal personnel to perform these functions.

One particular point that a number of metropolitan agencies have found to be troublesome is the manner in which some states have allocated funds to municipalities within the individual state. Where the total Federal funds allocated to a state is keyed to a formula based on 50% on a population basis and 50% on a needs basis, there should be a requirement that states allocate to communities within the state on a similar basis. It is grossly unfair for the state to receive a large allocation because of the state's heavily populated areas and then find that the state in distributing funds within the state ignores the problems of its major cities. We urge, therefore, that if the Cleveland Amendment is adopted, there be a requirement that the states follow through on the formula basis upon which Federal funds were allocated to it from the national pool.

We appreciate the opportunity to present the views of the Association of Metropolitan Sewerage Agencies on these basic issues and will be pleased to try to answer any questions or to provide any data that may be desired.

Thank you.

APPENDIX A

ASSOCIATION OF METROPOLITAN SEWERAGE AGENCIES
Member Agencies, May 1975

Greater Anchorage Area Borough Ak.
City of Phoenix, Az.
City of Tucson, Az.
City of Los Angeles, Ca.
County Sanitation Districts of Los Angeles County, Ca.
East Bay Municipal Utility District Oakland, Ca.
County Sanitation Districts of Orange County, Ca.
City of Sacramento, Ca.
County of Sacramento, Ca.
City of San Diego, Ca.
Metropolitan District Commission (Boston), Ma.
Detroit Metro Water Dept., Mi.
County of Wayne, Mi.
Metropolitan Sewer Board Minneapolis-St. Paul), Mn.
City of Kansas City, Mo.
Metropolitan St. Louis Sewer District, Mo.
City of Omaha, NE
Bergen County Sewer Authority NJ
Middlesex County Sewerage Authority, NJ

City and County of San Francisco, Ca.
City of San Jose, Ca.
Metropolitan Denver Sewage Disposal District No. 1, Co.
The Metropolitan District (Hartford County), Ct.
Miami-Dade Water and Sewer Authority, Fl.
City of Atlanta, Ga.
City and County of Honolulu, Hi.
Metropolitan Sanitary District of Greater Chicago, Il.
City of Indianapolis, In.
City of Wichita, Ks.
Louisville and Jefferson County Metropolitan Sewer District, Ky.
City of Baltimore, Md.
Washington (D.C.) Suburban Sanitary Commission, Md.
City of Forth Worth, Tx.
City of Houston, Tx.
Hampton Roads Sanitation District, Va.
Municipality of Metropolitan Seattle, Wa.
Passaic Valley Sewerage Commissioners, NJ
City of New York, NY
City of Greensboro, NC
Metropolitan Sewer District of Greater Cincinnati, Oh.
Cleveland Regional Sewer Dist., Oh.
City of Columbus, Oh.
City of Dayton, Oh.
City of Portland, Or.
Allegheny County Sanitary Authority, Pa.
City of Philadelphia, Pa.
City of Providence, RI
City of Memphis, Tn.
Metropolitan Government of Nashville & Davidson Cnty., Tn.
City of Dallas Tx.
City of Charleston, WV
Metropolitan Sewer District of the County of Milwaukee, Wi.

STATEMENT
PRESENTED BY MORRIS A. WILEY
ON BEHALF OF THE
AMERICAN PETROLEUM INSTITUTE
BEFORE THE
U.S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.
JUNE 25, 1975

My name is Morris A. Wiley of Texaco, Inc., where my professional responsibilities involve design of oil and water pollution control systems for petroleum marketing facilities, refineries, and other installations which utilize municipal waste treatment facilities. I am also a member of the Committee on Water Quality of the American Petroleum Institute, and it is on behalf of API that I am presenting this paper.

We appreciate this opportunity to comment upon the subject currently before the U.S. Environmental Protection Agency -- namely, the need for mid-course amendments to the Federal Water Pollution Control Act Amendments of 1972. In particular, we wish to address the proposals to extend the 1977 date for compliance with water quality standards and EPA policy on pretreatment standards.

The U.S. petroleum industry operates more than two hundred thousand service stations, thirty-five thousand terminals and bulk plants, two hundred and fifty refineries, and innumerable other facilities. Many of these installations discharge sanitary or other waste to municipal sewer systems. Consequently, we support the need for amendments which would accelerate the flow of grant monies to municipalities, since to date there has been inadequate construction of municipal treatment plants under the Act.

As a result of inadequate funding many municipal treatment plants will not be on line as scheduled. Yet, it simply is not feasible for all residential, commercial, and industrial dischargers to municipal sewers to provide pretreatment by 1977 which would be equivalent to municipal secondary treatment technology. EPA has proposed to extend the deadline from 1977 to 1983 for municipalities, but not for other sources. Such an extension of the compliance date for one class of dischargers without considering the equally compelling problems facing the remaining classes of point source discharges would be inequitable in the extreme.

Concerning compliance with the treatment technology and water quality standards, many industrial plants which treat their own wastes will be able to install Best Practicable Control Technology Currently Available (BPCTCA) by July 1, 1977. But, some will not. Indeed, we understand that EPA has already written some National Pollutant

Discharge Elimination Systems permits for major industrial dischargers which extend deadlines for implementation of BPCTCA beyond July 1, 1977, where earlier compliance is clearly not possible.

Extensions are, in fact, necessary. American commerce and industry operate numerous other large and small facilities which discharge sanitary and industrial wastes to municipal waste treatment plants. Insufficient time has been allowed by the Act for municipalities to construct the treatment plants required for application of secondary treatment technology for compatible wastes, and it is clearly impracticable for those businesses, commercial establishments, and industries which discharge to municipal sewer systems to provide temporary pretreatment which would be the equivalent of municipal secondary treatment. Such a program would constitute an unreasonable burden and would result in a waste of natural resources with no appreciable benefit. Indeed, many of these sources are located in urban areas, including building lofts, where neither land areas nor zoning regulations would permit installation of sewage treatment works.

Furthermore, the Act does not allow sufficient time for EPA to complete the following tasks which are essential for complete installation of all of the required treatment technologies and for full compliance with the water quality standards by July 1, 1977:

1. Processing of municipal waste treatment grants.
2. Federal funding of municipal waste treatment grants.
3. Promulgation of the Information and Guidelines required under Section 304.
4. Remand contested information and Guidelines to the Agency for revision in accordance with the administrative procedures and judicial review provisions of Section 509 of the Act.
5. Issuance of all individual National Pollutant Discharge Elimination Systems (NPDES) permits prior to December 31, 1974. Many remain unissued.
6. Revision of contested individual NPDES permits in accordance with the provisions of Section 509.
7. Promulgation of pretreatment standards for all commercial discharges from all sources to municipal sewer systems.

EPA is currently involved in more than 250 lawsuits, some of them involving very fundamental questions about the law's intent. Hundreds of adjudicatory hearings have been docketed to deal with contested discharge permits. As a consequence, many municipal and industrial dischargers do not know what their final effluent limitations will be on July 1, 1977 and are unable to design and install treatment works which would assure compliance by that date.

Since many municipalities and industries cannot comply with the 1977 treatment technology requirements, the compliance dates for installation of both secondary treatment technology and BPCTCA should be extended beyond 1977, perhaps to 1983 as suggested by EPA.

Considerations of environmental equity also support the above recommendations. Protection of the quality of the nation's waters is a commonly shared objective. The ultimate costs for both municipal and industrial sewage collection, treatment, and disposal must, hoever, be borne by the same set if citizens, either as taxpayers or as consumers. Socio-economic and environmental equity should, therefore, be accorded to all citizens through adoption of equitable effluent limitations for all classes and categories of discharges to like waters, whether by municipalities, industry, commerce, or small businesses.

Municipal sanitary sewage and petroleum refinery wastewaters are comparable in concentrations of organic pollutants and responses to conventional primary and secondary treatment technology. Many refineries treat both sanitary and process wastewaters in their API-type gravity separators and secondary biological treatment units. Many refineries discharge process wastewaters after separation of excess oil to municipal treatment plants. Many marketing facilities are connected to municipal sewers, princiaplly for sanitary wastes but also for smaller volumes of wash-waters and the like.

The 1983 goal for petroleum industry discharges should thus be the same as for municipalities for discharge to liek receiving waters. Realistically, municipalities can be expected to provide secondary treatment by that date, to improve control of overflows from combined sewers, and to undertake control of urban runoff. Additional treatment technology should be required only for water quality limited segments, as provided by Sections 302 and 303 of the Act.

It is patent that the Act needs to be amended to afford environmental equity to all dischargers. The 1983 goal for major industrial categories should, in fact, be defined as secondary treatment for wastewaters containing organic pollutants which are compatible with municipal secondary treatment technology except where additional control is needed to meet water quality standards.

Nevertheless, the Environmental Protection Agency has, in effect, defined BPCTCA as secondary treatment for the Organic Chemicals Point Source Category and tertiary treatment for the Petroleum Refining Point Source Category. There is not reasonable explanation for this inequity.

A report for the Council on Environmental Quality has taken exception to this type of reasoning in its finding that, "Until the storm water situation is analyzed and efficient corrective measures taken, there is little or no sense in seeking higher levels of treatment efficiency in existing secondary treatment plants. In Roanoke,

for example, removal was upgraded from 86 percent to 93 percent, yet there was no dramatic reduction in the BOD load (3.2 million pounds in 1969 compared to 3.06 million pounds in 1972)."

Similarly, there is little or no sense in seeking higher levels of treatment by business, commerce, and industry in advance of application of comparable levels of technology by municipal sources.

If a municipality is unable to provide secondary treatment for its discharges to a particular receiving water, it would be environmentally inequitable, of questionable value for meeting water quality standards, and ineffective for the commercial and industrial dischargers to that sewer system to provide temporary pretreatment equivalent to municipal secondary treatment technology.

In brief, we strongly recommend that the Federal Water Pollution Control Act Amendments of 1972 be amended to extend to July 1, 1983 the July 1, 1977 deadline for mandatory application for both municipal and industrial treatment technologies and compliance with the interim water quality standards.

Other relevant amendments to the FWPCA which should be seriously considered -- and which are dealt with in detail in the attached API statement to the National Commission on Water Quality -- are:

1. It should be the national goal that the discharge of harmful quantities of pollutants into the navigable waters be eliminated.
2. The scope of the definition of pollutants should encompass both natural and anthropogenic sources of potential pollutants and the Act should require control only for discharges of harmful quantities of pollutants generated by the source subject to control.
3. Require comparable degrees of control for all municipal, industrial, and agricultural sources of pollution in order to distribute costs more equitably.
4. Clarify that effluent limitations shall be derived from effluent guidelines and that guidelines themselves shall not be construed as limitations or absolute standards.
5. Change the compliance with Phase I limits for all discharges from July 1, 1977 to about July 1, 1984, and compliance with Phase II should be deferred at least until July 1, 1986, pending evaluation of the need for meeting standards more stringent than Phase I limits.
6. Require effluent limitations and other controls beyond Phase I only to the extent necessary to achieve receiving water quality.
7. Provide that contested NPDES permits shall be subject to simpler, more efficient, and more expeditious administrative or judicial reviews with commensurate time-tables for compliance.

8. Provide for the Administrator to exempt small and enrivonmentally insignificant discharges from the HPDES permit program and pretreatment requirements.

ATTACHMENT

STATEMENT
PRESENTED BY MORRIS A. WILEY
FOR THE
AMERICAN PETROLEUM INSTITUTE
BEFORE THE
NATIONAL COMMISSION ON WATER QUALITY
NEW ORLEANS, LOUISIANA
APRIL 25, 1975

My name is Morris A. Wiley and I am employed by Texaco Inc., where my professional responsibilities involve design of oil and water pollution control facilities for refineries and petro-chemical plants, including refineries at Convent, Louisiana and Port Arthur, Texas on the Gulf Coast. I am also a member of the Committee on Water Quality of the American Petroleum Institute, and it is on behalf of the API that I am submitting this paper.

I would like to express appreciation for this opportunity to comment on the subject currently before the National Water Quality Commission -- namely, the technological aspects of achieving the effluent limitation goals set forth for 1983 in Section 301 (b) (2) of the Federal Water Pollution Control Act Amendments of 1972. There has been much commendable progress under the Act, but there have been problems as well.

In this paper, I will be dealing only with problems which confront refinery operations. It should be noted, however, that other phases of the petroleum industry, too, fall under the scope of the Federal Water Pollution Control Act.

Among the areas of concern in regard to the nation's ability to comply with Section 304(b) (2) of the Act are:

1. Feasibility of the national goal of elimination of discharge of pollutants (Section 101).
2. Definition of a pollutant (Section 502).
3. Effluent guidelines for Best Practicable Control Technology Currently Available and for Best Control Measures and Practices Achievable as published pursuant to Section 304.
4. Issuance of NPDES permits under Section 402.
5. Effluent limitations to implement Best Practicable Control Technology Currently Available by July 1, 1977, and Best

Available Technology Economically Achievable by July 1, 1983, for those discharges permitted under Section 301.

6. Technology based vs water quality based effluent limitations.
7. Application of technology to small or insignificant discharges of pollutants.

The F.W.P.C.A. sets as a national goal the elimination by 1985 of pollutant discharges into navigable waters. Despite this nation's affluence and advanced technology, we remain -- and will remain -- unable to eliminate all discharges of pollutants into navigable waters. Minimum discharges of pollutants have always been the norm for primitive, developing, and developed societies. For these reasons, the goal of the Act would be far more achievable if amended to read, "It is the national goal that the discharge of harmful quantities of pollutants into navigable waters be eliminated ...."

A second major area of concern is the Act's definition of "pollutant" in Section 502(b). This definition ignores natural pollutants such as salinity in arid regions. Natural pollutants can be chemically, physically, and biologically as objectionable under some circumstances as the same pollutants when discharged by man.

Moreover, the Act's definition implies that insignificant discharges of pollutants should be controlled simply because practicable control technology is available. Instead, it would be far more cost-effective to direct control measures only at harmful pollutant discharges.

For example, the Mississippi River annually carries about 600,000,000 tons of sediment into the Gulf of Mexico. If this sediment is typical of surficial materials in the United States, it should contain one million tons of iron and twenty thousand tons of chromium as heavy metals. Despite this natural discharge, the Mississippi delta is known for its great biological productivity because of the nutrients transported to the sea by land runoff.

Many petroleum refiners and other industries along the Mississippi withdraw water from the river and then return the solids to the river. Under the F.W.P.C.A., the U.S. Environmental Protection Agency is attempting to categorize such return of natural materials to the river as a pollutant discharge and also to compel disposal of these materials on land. Storage of this material would require use of land needed for industrial, agricultural, and other purposes. The issue has become a subject for adjudicatory hearings for individual NPDES permits.

To avoid such problems, Section 502 of the Act should be amended to encompass both natural and anthropogenic sources of potential pollutants and to require control only for discharges of harmful quantities of pollutants.

Another set of problems in regard to the Act arises with its implementation. The intent of Congress, as expressed in the legislative history of the Act, is that Information and Guidelines published under Section 304 should be used as guidelines to establish individual effluent limitations in NPDES permits issued under Section 402 for those discharges which are permitted under Section 301. The U.S. Environmental Protection Agency sought to simplify administration of the Act by contending that guidelines published under Section 304 are also effluent limitations under Section 301 to be incorporated in permits issued under Section 402. Numerous industrial point source categories are litigating this issue, but there is no present indication as to when industry can obtain a decision from EPA and the courts.

Industry has been impeded in implementing the Act because of delays by EPA in publishing effluent guidelines, issuance of NPDES permits, holding of adjudicatory hearings in accordance with Section 509, and resolution of petitions for judicial review of guidelines. At this late date some refiners may be unable to complete the facilities required to comply with NPDES permit limitations by July 1, 1977. Furthermore, it is doubtful that municipalities will be able to complete installation of secondary treatment for all sanitary wastes by July 1, 1977.

Delays arise also in that the terms "Best Practicable Control Technology Currently Available" and "Best Control Measures and Practices Achievable," which arise from Section 304, and "Best Available Technology Economically Achievable", which arises in Section 301, are new philosophical regulatory concepts without accepted definitions. The processes for definition of these terms are delaying implementation of the Act, and means are needed to avoid such delays.

Several amendments to the Act are needed to resolve these problems:

1. Provide that effluent limitations shall be derived from effluent guidelines and that guidelines themselves shall not be construed as limitations or absolute standards. (Sec. 301, 304, 306, 402)
2. Change the compliance with Phase I limits for all dischargers from July 1, 1977, to July 1, 1980, and compliance with Phase II should be deferred at least until July 1, 1986, pending evaluation of the need for meeting guidelines more stringent than Phase I limits (Sec. 101, 201, 301, 302, 304, 306, 307, 402).
3. Provide that every NPDES permit or guideline issued pursuant to this Act shall be subject to an administrative and judicial process whereby a permit holder or discharger affected by a federal or state action can promptly and fully adjudicate all permit or guideline conditions and limitations in a single hearing and have adequate

court appeal. (Sec 509).

4. Provide that where a permit has been appealed, compliance dates shall be extended a reasonable length of time after final adjudication. (Sec. 301, 304, 509)
5. Provide that the Administrator may grant an application from a discharger to extend the date of achieving final compliance with Phase I and Phase II as may be justified where causes beyond the discharger's control are shown to make it unreasonable to require earlier completion. (Sec. 301, 304, 402)

Still another point is that the ultimate costs of municipal and industrial sewage collection, treatment, and disposal are borne by citizens, consumers, and taxpayers. Therefore, social, economic, and environmental equity should be accorded to all citizens by equitable effluent limitations for all classes and categories of dischargers, whether by municipalities, industry, commerce, or small businesses for comparable discharges.

It must be recognized in this regard that defining Best Practicable Control Technology Currently Available and Best Control Measures and Practices Achievable for petroleum refining under Section 304(b) (1) and 304(b)(2) should be technically easier than for certain other industries because municipal and refinery wastewaters possess similar concentrations of organic pollutants and response curves to conventional treatment technology. The established primary and secondary wastewater treatment processes generally achieve results fully comparable to those same technologies when applied to municipal sewage. In other words, sanitary sewage can be readily handled in refinery wastewater treatment systems installed to meet the 1977 and 1983 goals of the Act. Further, many refineries discharge wastewaters after separation of any free oil to municipal treatment plants.

The 1983 goal for petroleum refinery discharges should be the same as for municipalities. Municipalities can be expected to install and upgrade primary and secondary treatment by that date, and to provide some controls for overflows from combined sanitary and storm water sewers, and undertake control of urban runoff. Additional treatment technology will be required for some water quality limited segments where more stringent effluent limitations are required under Sections 302 and 303 of the Act.

Furthermore, effluent limitations should not be applied universally to all sources within a point source category. Instead, specific effluent limitations for a given source should be developed only after careful review of that source.

The concept of basing municipal water pollution control strategy upon application of secondary treatment technology as identified pursuant to Section 304(d)(1) has merit because primary treatment is inadequate for significant discharges of sanitary wastes to many inland and estuarine waters and secondary treatment represents the next logical step forward.

The fundamental problem with the treatment technology concept in Sections 304(b)(1) and 304(b)(2) is that mere practicality or availability of technology is not sufficient justification for application, even though such technology might be economically achievable by commensurate sacrifices of other economic goals.

The Act already provides that more stringent effluent limitations shall be applied where water quality considerations so require. Further administrative means for implementation are already provided in the Act. Consequently, it would make sense to not go beyond conventional primary and secondary treatment technologies for municipalities and appropriate industries, such as petroleum refineries, unless required to restore and maintain the integrity of the nation's waters.

Accordingly, it is recommended that the National Water Quality Commission and Congress consider the need to amend the Act along the following lines:

1. Require limitations and other controls imposed by the Act in Phase II only to the extent necessary to achieve receiving water quality, thereby eliminating Phase II BATEA technology based on limitations irrespective of water quality needs. (Sec. 301, 302, 306, 402)
2. Require equivalent controls for all pollution sources (municipal, industrial, and feedlot)during Phase II, which should be deferred at least until July 1, 1986, pending evaluation of the need for meeting guidelines more stringently than Phase I limits, so as to distribute the national economic costs of pollutant removal more equitably. (Sec. 300, 302, 304, 306, 402)

It also should be noted that the largest and most costly unresolved water pollution control problem facing the nation is control of discharge of pollutants in urban storm water runoff. As a national water pollution control strategy it would not make sense to overexpend in the industrial sector by going further beyond Best Practicable Control Technology Currently Available than is required to meet water quality objectives while underexpending in regard to needed urban water pollution control.

Finally, the NPDES permit program and effluent standards which are based upon application of sophisticated technology are not appropriate for certain categories of small businesses which are small

or insignificant sources of pollutants. If the term "point source discharge of pollutants" is broadly defined, there are literally hundreds of thousands if not millions of discharges, yet only tens of thousands of permit applications have been received. The number of NPDES permit applications filed nationally suggests that many point sources of discharges of pollutants will not have permits. Small businesses, which are important to the nation, have limited capabilities for comprehending the complex requirements of the Act. Despite good intentions, they lack the technological and economic resources required for application of sophisticated and costly treatment technology, either for direct discharge or for pretreatment and connection to a municipal sewer.

It is recommended that the Act be amended to provide that the Administrator may exempt small and environmentally insignificant discharges from the NPDES permit program and pretreatment requirements and to require the Administrator to identify such sources within one year. (Sec. 101, 301, 304, 306, 307, 402)

In conclusion, we believe that the Act is fundamentally sound, but it needs mid-course correction to implement the intent of Congress in Section 304 (b)(2). Our experience supports the following recommended amendments;

1. It should be the national goal that the discharge of harmful quantities of pollutants into the navigable waters be eliminated.
2. The scope of the definition of pollutants should encompass both natural and anthropogenic sources of potential pollutants and the Act should require control only for discharges of harmful quantities of pollutants generated by the source subject to control.
3. Require comparable degrees of control for all municipal, industrial, and agricultural sources of pollution, so as to distribute costs more equitably.
4. It should be clarified that effluent limitations shall be derived from effluent guidelines and that guidelines themselves shall not be construed as limitations or absolute standards.
5. Change the compliance with Phase I limits for all discharges from July 1, 1977 to July 1, 1980, and compliance with Phase II should be deferred at least until July 1, 1986, pending evaluation of the need for meeting standards more stringent than Phase I limits.
6. Require effluent limitations and other controls beyond Phase I only to the extent necessary to achieve receiving water quality.
7. Provide that contested NPDES permits shall be subject to simpler, more efficient, and more expeditious administra-

tive or judicial reviews with commensurate time-tables for compliance.

8. Provide for the Administrator to exempt small and environmentally insignificant discharges from the NPDES permit program and pretreatment requirements.

We thank the National Water Quality Commission for this opportunity to present our views.

June 16, 1975

Environmental Protection Agency
Washington, .D.C.

Attention: Mr. Edwin L. Johnson,
Acting Assistant Administrator
Water and Hazardous Materials Section

Gentlemen:

This letter is to convey our statements on Potential Legislative Amendment to the Federal Water Pollution Control Act. Our firm provides consulting engineering services to communities and cities of small to moderate size with a population generally of less than 50,000 people.

Our comments are presented as follows:

REDUCTION OF THE FEDERAL SHARE

Acceptance of any proposed reduction would depend in part on the percentage contributed by the State involved. In Missouri where the State adds fifteen percent to the Federal share, the proposed fifty-five percent would certainly be more acceptable than in Kansas or Oklahoma where there is no state contribution. Whether or not the states will be financially able to continue participating is another major consideration. Generally, small cities which receive at best very small grants from other Federal programs such as the Community Development Block Grant would not be able to provide forty-five percent of the funds from bonds or loans. Low assessed valuation and statutory limitations on bonded indebtedness would, along with establishment of reasonable user charges, prohibit the small city from proceeding with construction of required and needed facilities.

Legislation reducing the percentage of grants offered should also be considered in light of proposed elimination of consideration of grants for collections systems. The cost of the collection systems already exceeds the cost of treatment and pumping facilities in many cases. The total grantee share including all of the collection construction costs and either forty-five or thirty percent of the pumping and treatment cost plus the additional operating and maintenance expenses incurred will virtually eliminate the possibility of constructing sewage systems in small towns with no existing systems.

LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

Review of plans and specifications by the State review agencies and by the Environmental Protection Agency should eliminate any tendency to "over design" facilities. Apparently according to the two studies cited in Paper No. 2 the "occasionally" over design does occur.

The present 10/20 or "California System" would in our opinion be partially acceptable to the grantees. A ten year growth projection would appear reasonable if all treatment facilities were designed with future expansion in mind. It would seem logical to assume that additional units or items of equipment might be added to expand the facilities as needed to accomodate actual growth.

The use of twenty years as a design period for sewers appears to be totally illogical and ridiculous. The realization of large economies-of-scale alone should be sufficient to deter any attempt to reduce the design period below fifty years. The added cost of duplicating or replacing sewers which become inadequate because of sizing while still useful and adequate in other regards should also be a deciding factor. Along with the actual cost of materials and labor to construct the line, the cost of replacing pavement (many trunk sewers are built in streets), borings for new or additional stream crossings and railroad crossings must be considered.

Although the grantees would be encouraged to provide cost effective reserve capacity, he would be required to provide all funds necessary, the citys' already unsurmountable share increases once again.

A policy of limiting the design period for sewers to twenty years with regard to funding seems to be totally inconsistent with the Environmental Protection Agency's loudly proclaimed "Cost Effective" appraoch to pollution control.

RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

Is it obvious that the financial burden on the Federal Government is beyond reason under the existing legislation. The logical approach is to eliminate from grant eligibility some of the types of projects presently authorized. Again, logically, it would seem that secondary treatment, tertiary treatment, trunk sewer construction and rehabilitation will accomplish more in the direction of the stated purpose of Public Law 92-500 than will construction of collection systems and storm water control facilities. Again, the recognized financial

burden will be transferred to the cities. Again, the small cities do not have the financial prowess to absorb this burden. The result then is obviously, no sewage systems for small towns. If the Environmental Protection Agency and the Congress of the United States is prepared to accept this fact then by all means collection systems and storm water control systems should be removed from the list of authorized projects. Because of the cost factors, however, a review of the definition of "interceptor sewers" is suggested. Trunk sewers or interceptor sewers serving several collector sewers and generally constructed along natural drainage ways should be defined as "interceptors" and such should be eligible for construction grants. This alternative would transfer to the grantees the considerable cost of constructing collection lines and yet allow financial assistance for those lines considered by many cities to be public sewers and constructed with general funds. Due to intermittent effect on the quality of natural surface waters perhaps storm water control measures may be deferred at this time.

EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

The facts seem quite clear in this proposal. The 1977 deadline is obviously not within reach of a sizeable portion of the cities of our nation, regardless of funds available. This coupled with the limitation of available funds virtually neutralizes the existing deadline structure.

Of the five alternatives proposed by Paper No. 4, the last or fifth proposal would seem to be most satisfactory and logical. This proposal involves seeking a statutory extension of the 1977 deadline to 1983 and would require compliance regardless of Federal funding. This proposal would be clear in that cities could not wait for funds but must seize the initiative themselves. The success of this proposal would depend almost entirely on the attitude of the Environmental Protection Agency and the State regulatory agencies toward enforcement. Penalties for lack of compliance must be set forth and preferably be made a part of the statutes.

Along with this provision, the concept of "zero discharge" should be reviewed and hopefully abandoned. The cost of "zero discharge" when related to the benefits received would appear to eliminate the concept from further consideration by any responsible observer.

DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

It is obvious that elimination of one or more agencies currently reviewing applications, plans and specifications, contracts, cost effectiveness, cost recovery plans and etc., would in fact speed up the total process. In the case of Missouri duplication of efforts is rampant and the efforts are often inconsistent. Assuming the State regulatory agency is adequately staffed and capable, there is not question as to their being more able to identify local problems and more able to review proposed solutions. The State's grasp of the financial capability of the grantee would also lend itself to solving the problems given priority. The only deterring factor in making H.R. 2175 more successful than the present method would be an unwillingness on the part of the Environmental Protection Agency to relinquish a part of its power and authority. Along with the return of authority to the states must come control of the funds. It would appear to be obvious that this particular function of the Federal government can be more economically and more effectively administered on the State level. This concept includes, however, the basic assumption that the State agencies are well staffed with competent people receptive to all the needs of the State and aware of their responsibility. Over views and audits of specific projects and certification of the State agency should properly rest with the Environmental Protection Agency. Through certification Federal control would still exist yet duplication and delays would be at least partially eliminated. The present system or procedure seems to infer that only the Environmental Protection Agency is aware of the environmental needs and is supremely aware of the appropriate solution. With the exception of establishment of priorities this attitude seems to prevail in the State of Missouri.

Very truly yours,

ALLGEIER, MARTIN & ASSOCIATES

By E.M. ALLGEIER

EMA/MCT/J

STATEMENT BY
BILLY T. SUMNER
President
AMERICAN CONSULTING ENGINEERS COUNCIL
regarding
POTENTIAL LEGISLATIVE AMENDMENTS
to
FEDERAL WATER POLLUTION CONTROL ACT
June 25, 1975
Washington, D.C.

The American Consulting Engineers Council appreciates the opportunity to join with other professionals, and with our own state associations of consulting engineers, in expressing to you our views which we believe are representative of the approximately 3000 private practice engineering firms which comprise our membership. A large segment of these firms, ranging in size from one to one thousand employees, are responsible for the planning, design, and construction inspection for a wide range of public works facilities, including waste water treatment plants, interceptors and collections systems.

Many consulting engineers have become intimately acquainted with the contents of Public Law 92-500 as they have sought to provide services to municipalities desperately in need of waste treatment facilities. They regard this law as an ambitious and commendable attempt to solve our nation's pollution problems. They also have found it to be exrremely complex, particularly when viewed in contest with the hundreds of pages of EPA rules, regulations, guidelines, manuals, and court orders which it has spawned.

Like the municipal officials whom they serve, consulting engineers have been frustrated by delays in publishing these directives and by subsequent changes thereto. Regulations going back to November, 1971, (which predates PL 92-500) are only now being revised and updated; it took three months to publish, and another six months to begin implementing, the Title II construction grant regulations; guidance explaining the extent to which facility planning is to be carried out on Step 1 projects was made available just last month, at a time when nearly 2000 such projects were already in progress; and only a couple weeks ago EPA issued a program guidance memo advising its Regional Offices of what was desired in the way of evaluating "secondary environmental impacts" on funded projects (a subject which may not, apparently, require legislation though it is one of the five slated for discussion at this hearing). Despite all this, there have been strong indications in recent months that projects are finally beginning to be processed at a pace which is necessary for successful accomplishment of EPA programs.

Our purpose in mentioning the volume of regulations, legal decisions, guidelines, etc. which have been promulgated in an unsuccessful effort to simplify and expedite the program, is to point out that there exists a natural reluctance by consulting engineers to advocate any changes in PL 92-500 at a time when this important program is finally beginning to gain some momentum.

In our opinion, the building of wastewater treatment facilities is a goal which cannot wait. The importance of cleaning our nation's waterways is clearly spelled out by the 1974 "Needs Survey" which identified the fact that we face an obligation of approximately $342 billion in planning, designing and building collection and treatment systems required for our citizenry (two-thirds of this cost is for treatment and/or control of stormwaters).

The magnitude of the job before us, as identified by the "Needs Study", appears to us to dictate that time not be wasted in getting on with the program. While this in no way is intended to suggest that EPA, or the Congress, should not initiate changes in goals or procedures when same are essential, we strongly urge opposition to changes made out of fear of problems which are of a minor or preventative nature, or as a means of avoiding problems which may never arise.

1. REDUCTION OF FEDERAL SHARE:

It is our widespread concern over potential additional delays resulting from virtually any change in either the law or the regulations that prompts our opposition to the suggested reduction of the 75 percent share of federal funding for construction grants. This is directly opposite of the position taken by our organization in testimony presented to the House when this legislation was going through Congress. At that time it was (and still is) our feeling that maintenance of the PL-660 assistance levels of 50-55 percent would result in more projects being initiated and a more equitable distribution of funds to state and local governments. Obviously, Congress did not agree.

While we have not changed our basic opinion, we now believe that any revision in the federal share of treatment facility assistance would create more problems that it would solve. The construction grants program must be stabilized. Many projects--perhaps as many as 2500--are already in progress on the 75% assistance basis. Obviously, these would continue even if the percentage of federal aid were to be reduced on subsequent projects, but the complication of administering a program of 55% assistance (with payback) on certain project elements, 75% assistance on almost all project elements, and a still-to-be-named percentage on something else, would add unnecessary confusion and unconscionable delays, protests and costs.

For the local communities, cities and counties, such a change would be regarded as a breach of faith. Virtually all face major fiscal problems. Many have banked on the 75 percent assistance and included it as a part of their long range public works' planning. To reduce the grant amount and still require compliance with the goals of the Act would throw some communities into a financial abyss.

Perhaps, part of the problem on "spreading the funds" could be resolved by modification of the allocation formula based on the needs study. A formula based 50 percent on population and 50 percent on a combination of Categories I, II and IVB of the "Needs Survey", has been suggested for allocation of future funds. This particular approach is supported by several state water pollution control authorities and has already been suggested in legislation submitted to Congress.

One other approach, suggested by EPA's "Committee of Ten," might be to make Steps I and II (facility planning and preparation of designs and specifications) on project grants ineligible. This would offer several potential benefits: (1) it would vastly reduce the pages of EPA regulations, guidelines, and program memos issued to date relative to those initial steps in the constructions process; (2) it would reduce manpower demands on EPA staff by permitting reassignment of personnel to construction aspects of the program, and (3) it would reduce the amount of federal share in projects, thereby accomplishing one of the goals which prompted the suggested revision--wider disbursement of funds to more projects.

However, we are not advocating the above approach. As stated earlier, we oppose any change in the federal share, the initiation of which, might tend to slow the program. We only offer this as a preferable alternative for your consideration if our concern over delays is disregarded.

We should also like to add that we disagree with the suggestions--in EPA Paper #1--that reduction of federal share would encourage greater accountability for cost effective design and project management on the part of grantees by virtue of their increased financial involvement. This is an insult to dedicated municipal officials and their agents for whom the 25% share of a project represents a far greater percentage of their budget than it does EPA's. Such broad statements impugn the integrity of other members of the construction grants' team and tend to add to the feeling of alienation which has been growing between local communities and EPA.

2. LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

Just as EPA has suggested, in Item L, that communities are not

cost conscious because of their having only a 25 percent commitment to a project, this proposal appears to contend that engineers and local public officials tend to unnecessarily overdesign treatment works. We reject completely the suggestion that the 75 percent federal grant rate introduces an incentive for overdesign. Further, we view legislation dealing with secondary environmental impacts, related to future population and industrial and commercial growth, as having great potential for disrupting design, construction and bonding of sewage treatment facilities.

In its paper #2 on this subject, EPA makes reference to two reports on this issue. One has been widely challenged and the other is, as yet, unpublished. It is difficult in the extreme to respond to excerpts from an unpublished report and we will not attempt to do so. Nor will we add to the arguments and rebuttal which have been presented in response to the CEQ report on "Interceptor Sewers and Suburban Sprawl". That document has been strongly criticized by a number of experts and particularly by the Water Pollution Control Federation in its letter of January 2, 1975 to EPA Administrator Russell Train. In general, the American Consulting Engineers Council supports the views of WPCF on this matter.

If it is EPA's goal to seek cost effectiveness on projects which it funds, we find it hard to rationalize the arbitrary establishment of a specific limitation on reserve capacity. The cost of adding additional capacity in ten, twenty or thirty years could be 4 to 5 times what such facilities might cost today. The major expenses in an interceptor project, as an example, are labor, land, equipment and administrative costs in breaking ground. The price of the pipe is but a fraction of the total project cost. While six-foot diameter pipe may cost only 18 to 20 percent more than four-foot diameter pipe, the construction cost involved in laying that pipe may be 400 percent higher if delayed 10 to 15 years. The land costs, design costs (particularly if they involve rerouting of expensive electric, gas and water lines), and environmental disruption once an area is built up, are not even estimable on a percentage basis.

There is little to indicate that municipalities will be any stronger financially in 20 years than they are today, hence the major cost of added capacity will, in all likelihood, continue to be borne by the federal government. Thus the savings reflected in this proposal may cost EPA several times that figure when the work must be redone or additional capacity is needed.

It should not be inferred from the preceding that consulting engineers are unconcerned or "looking for a free ticket" relative to the matter of design life of projects. Our members are well aware of treatment plants or communities where the emphasis has been on

attracting people and industry. A number of our members have strongly opposed efforts by their municipal clients to plan and build systems capable of handling two to three times present load when the intent of such capacity is primarily speculative. By the same token, engineers have had to push for plants and collection systems two or three times existing size when population and industrial growth figures have mandated predictable need for such facilities.

It was the impression of our members that the 201 facility plans and 208 areawide plans were intended, among other things, to take a very careful look at possibly secondary environmental impacts and monetary inefficiencies. These both encompass elements of what is, or is not, appropriate plant size and projected future load. If these studies don't develop such data, certainly Mr. Train's recent Program Guidance Memo #50 will assure that proper attention is given to this element.

It is interesting to note that even EPA's comments on this subject in the May 28 Federal Register, acknowledged that one result of California's implementing its so-called "10/20" program was "an increase in the administrative task of determining the eligible portion of the total project cost." Our Council respectfully suggests that the administrative task faced by EPA, if legislative mandates are enacted on this subject, will be enormous. Establishment of an arbitrary "useful life" (a term used in the CEQ report) raises problems of definition. Certainly EPA does not envision "planned obsolescence," but what kind of a "life span" would be as applicable to Fairbanks, Alaska, as it is to Mobile, Alabama? And when does the "clock on a 10 or 20-year life span start ticking; at the time of the grant, or upon completion of construction? And even if these and dozens of other questions are answered, will this approach be successful in effectively limiting growth? Even the CEQ report admits that "absence of federally financed interceptors is unlikely to prevent low-density housing construction."

In our opinion, this problem, if it is a problem, is interrelated with the present goals of PL 92-500 regarding the 1977 water quality standards and the proposed (in Item #5) delegation of greater administrative responsibilities to the states. Our recommendation is that no legislation be enacted on this subject pending further public study by a joint committee including representatives of local public officials, manufacturers, engineer, environmentalists, realtors, etc.

For the present, we believe that a certain amount of flexibility is required to permit proper sizing of pollution control systems. Further, EPA has to delegate some degree of responsibility and place some faith in consulting engineers and their clients (and state water pollution control agencies) to determine what is, or is not, a proper future growth capacity. This will not prevent a few grantees

and their engineers from submitting an occasional oversized system, but the safeguards of state and EPA review will, hopefully catch most.

As for alternatives, it may be possible to tighten up the economic analyses of projects to include the ability of local governments to provide their 25 percent financing; support operation and maintenance requirements of an elaborate system; and show evidence of being able to meet future effluent goals when the system is working to projected capacity. In making this statement, we are not suggesting additional regulations; only added vigilence.

3. RESTRICTING TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

For the same reasons as those set forth in Item I--further delays in the program resulting from revisions in the law designed to reduce the federal share--we see few material benefits to be gained by EPA through elimination of certain types of grant eligibilities. As pointed out in EPA's own statement on this item, a principal reason for the government expending financial assistance for planning, infiltration/in-flow, collection systems, combined system overflows, etc. was to "increase the incentive for local governments to develop projects economically efficient with respect to all construction-oriented approaches." This makes good sense if funds sufficient to cover all these demandsare available.

Frankly, reasonable arguments can be made for EPA not funding planning, preparation of drawings, cost of collection systems or combined stormwater overflows, even though all these are essential parts of a wastewater treatment system. The problem is funding and it can only be answered by Congress and the President. If additional money is not available then EPA will need to cut something. Our Council does not regard itself as qualified to make a specific recommendation on this point.

We do, however, feel that the types of projects currently being funded by grants are proper. If EPA foresees no increase in appropriations to cover this type of work then EPA will either need to restrict what is or is not eligible, or find other approaches for cutting costs and thereby allowaing money to continue to cover all project elements.

One possibility advanced by some consultants is redefinition of "secondary treatment" to reflect a more conventional secondary treatment concept. This approach would ostensibly permit establishment of reasonable funding goals to meet a more flexible and realistic secondary treatment definition. Individual cases may require higher degrees of treatment and hence higher funding, but these could be handled through an exceptions procedure.

Another approach might be to delay (rather than abandon) enforcement of requirements dealing with collection systems or treatment and control of stormwaters. The separation of combined systems and handling of stormwater runoff represents a massive portion of the 1974 "Needs Study". Arguments could be made for temporarily delaying such projects while treatment of sewage gets primary attention. This may not be possible, of course, in all cases, but even delaying half the projects could be helpful.

Finally, while it may be inappropriate for this hearing it occurs to us that there are other ways in which EPA might generate some savings through relaxation of certain requirements. Some consulting engineers, for example, complain that they are being forced to design facilities which consume inordinate amounts of chemicals, energy and/or manpower. Others advise that they are required to design mechanical plants where oxidation ponds would do. Requirements for year-round chlorination, phosphorus removal and other treatment are reported as having created excessive demands on materials and supplies. If these statements are correct, some savings may be realized by relaxing standards to permit lagoons or, at least, seasonal adjustment on treatment.

By the same token we have long held that substantial savings could be realized on infiltration/inflow projects, if a system could be developed to permit repairs and corrections at the time an I and I study is being made. We strongly believe that infiltration/inflow correction should continue to be grant eligible, subject to cost effectiveness, but we would like to see a system developed for immediate repairs. Perhaps, there are other savings which could be made if EPA would be willing to modify its regulations and/or procedures. If implemented, these might very well reduce the federal burden in financing construction grants.

4. EXTEND 1977 DATE FOR COMPLIANCE WITH STATUTORY STANDARDS

There seems to be little doubt that Congress, with its present funding levels, has set what now appears to be an impossible goal in directing that publicly owned treatment works must, by 1977, achieve effluent limitations based upon secondary, or more stringent, levels of treatment in order to meet prescribed water quality standards. EPA has not helped the problem by repeatedly issuing regulations and/or guidance memos which have sought to interpret or clarify this goal.

The American Consulting Engineers Council believe it would be inequitable for the government to arbitrarily extend the deadline for compliance from 1977 to 1983. After all, many communities have sought, in good faith, to comply with this date. By the same token, we recognize that delays in getting the program started have tended to make achievement of the 1977 goal a virtual impossibility for other communities whose projects have not yet been funded. Accord-

ingly, we favor alternative number 4 from EPA's May 28 Federal Register statement.

Alternative 4 provides authority for the Administrator to grant compliance schedule extensions on an ad hoc basis, based upon the availability of grant funds. This can be done while retaining some firm goals and attainable objectives.

A small part of the problem, under the current system is that many communities expect to be exempted and lack incentive to get their projects under construction and on line. We see a relationship with EPA's administration and enforcement of discharge requirements under the permit system. Communities low on a state priority list are given exceptions from the law; while others, with new plants and operations, are directed to comply. Numerous industries on the other hand, have been sued, fined or closed down for lack of compliance with effluent standards, though similar violations by communities, subject to the same Act, have been apparently, overlooked. We regard this as an inequity. We also believe that there is a lesson to be learned.

Many industries, realizing the EPA is serious, have moved to correct discharge quality problems. This is indicative of the value of having a fixed deadline for compliance. Perhaps a similar stance in pushing for municipal adherence to the discharge requirements would stimulate faster action in carrying out local responsibilities attendent to wastewater treatment projects.

The 1977 deadline is, and has been, such a stimulus. If it is to be changed, we would suggest that some system be estalished whereby the new deadline would both reflect and encourage continued progress. In other words, instead of establishing a new goal for everyone, set July 1, 1977, as a target for those well along in their project; July 1, 1978 for those who are close, but probably can't make 1977; July 1, 1979 for those who need a little more time; and July 1, 1980 for all others.

Admittedly, this would be difficult to administer, but it offers an achievable goal, particularly if the Congress authorizes additional funds at the time it approves the extension. As it now stands, there is serious doubt whether a significant percentage of communities can meet any deadlines, unless additional federal assistance is forthcoming.

While we are on the subject of deadlines, we might also add that we regard the Congressional goal of zero discharge by 1985 as patently unachievable and this totally unrealistic statutory requirement should be eliminated.

5. DELEGATING ADMINISTRATIVE AUTHORITY TO THE STATES

The American Consulting Engineers Council has long supported

decentralization of federal administrative authority in the conduct of grants assistance programs. Accordingly, we are on record as favoring the maximum delegation, by EPA, of review and approval responsibility to state and local public officials. We believe such delegation will help expedite processing of construction grants applications. Certainly states which qualify for, and accept, this delegated authority should also be assigned legal responsibility for the proper conduct of projects under this program. The EPA Administrator should not be held liable for performance by states.

Further, we agree with the philosophy that states should be compensated for their additional responsibility. The 2 percent, proposed by Congressmen Cleveland and Wright in their bill, appears to be an equitable amount.

In voicing support of HR 2175, we would be remiss if we did not also express some reservations relative to 100% staterun programs. Based upon conversations with consultatnts from a large number of states, it is our impression that as many as 25 states may presently be unable either qualitatively or quantitatively to assume responsibility for carrying out all the reviews and certifications required by the Congress and EPA. Hopefully, these states can upgrade their staffs to assume this responsibility. This should begin as soon as possible so as to avoid any "blip" in overall program progress or continuity.

Furthermore, consulting engineers from several of our member associations have suggested that the red tape they have encountered in dealing with EPA offices at the regional and Washington levels is miniscule compared to what they might expect to fact if their state water pollution control agency should assume direction of this program under present administrators and staffs.

Nevertheless, it is ACEC's believe that many states are well qualified to assume this function and, as such, should be given the opportunity. EPA, at both the regional and federal levels, is badly understaffed and assignment of certain time-consuming reviews and approvals to even a few states will free some federal employees for other equally important tasks. This presumes, of course, that state agencies, so designated by EPA, will not have the federal agency "looking over their shoulder" at everything that's being done; nor does it presume that the delegated states will be expanding their technical staffs at the expense of EPA or consulting profession employees.

Basically, our members believe that those handling a program should be as close to the people and projects being administered as possible. It is in this light, and with the firm conviction that this will not involve time-consuming, new or complex regulations to slow down or delay the program, that we indicate our endorsement. Frankly, we envision increased involvement by states as a means of

speeding the construction grant process through elimination of duplicative reviews.

CONCLUSION

The Water Pollution Control Act was passed in 1972. It is not yet three years old. The impact of this Act upon the nation and the construction industry has been formidable. It is currently one of the biggest public works programs being conducted by the federal government.

Like officials of the Environmental Protection agency, American consulting engineers are anxious to "assure design and construction of the most cost-effective alternatives for meeting applicable water quality goals while appropriately reflecting environmental, social and economic considerations". In short, we would hope that the products of our labors are the best designed plants that existing technology allows.

To permit us to do this requires not so much amendment of existing Public Law 92-500, as it does stabilization of rules and regulations under which this program is being administered. We feel a reduction in the proliferation of EPA-generated rules, regulations and program guidance memos may well accomplish more in the way of cost reduction, improved quality, and achievement of 1977 effluent standards than all the legislative amendments discussed here today.

Regardless of our biases on this point, we do appreciate the opportunity of appearing at this hearing and expressing to you the views of the American Consulting Engineers Council regarding the five issues under consideration by EPA. As always, our profession stands ready to work with the Environmental Protection Agency on matters of mutual concern and interest.

Thank you.

REMARKS OF FRED A. HARPER, VICE PRESIDENT
ASSOCIATION OF METROPOLITAN SEWERAGE AGENCIES (AMSA)

Re: EPA Municipal Waste Treatment Grants, Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act, June 19, 1975, San Francisco, Ca.

The Association of Metropolitan Sewerage Agencies (AMSA), was formed about five years ago, for the purpose of bringing together wastewater treatment entities serving populations exceeding 250,000, to jointly work for the reduction and elimination of water pollution in the United States and to do everything reasonably necessary to achieve such purpose, as follows:

(1) Consideration of administrative and legislative reform in the determination and disbursement of water pollution control grant funds.

(2) The advancement of management of metropolitan sewerage agencies through the exchange of scientific and technical information.

(3) To promote better understanding on the part of the public the need for the responsibilities of sewer utilities management, and

(4) The coordination of the activities of other individuals, groups, and associations which tend to further and implement the policies and purposes of this association.

Earlier this year, AMSA conducted meetings for their 53 member agencies, in each of the EPA regions, for the purpose of discussing and determining possible desired amendments to the Federal Water Pollution Control Act. We were fortunate in Region IX to have a two-day meeting, in which the regional administrator, Paul DeFalco, his immediate staff, and state representatives discussed at length with us the current status of PL 92-500, with reference to construction grants, state programs, areawide planning, effluent standards, and other matters of local agency concern.

Without making direct reference to the subjects listed for today's hearing, I would like to briefly cite the results of our February meeting, relative to proposed legislative amendments.

Secondary Treatment - We urge that the Act be amended to introduce administrative flexibility and to specifically allow for standards other than "secondary treatment" where the character of receiving waters does not require a disproportionate expenditure of public funds.

Compliance Dates - The inadequacy of construction financing, coupled with delays in the construction grant program, have made the nationwide compliance dates impossible. We recommend that the Act be amended to harmonize the compliance deadlines with the flow of State and Federal funds.

Funding - With regard to funding, we recommend that Congress authorize appropriations through fiscal year 1983 to meet documented needs for upgrading treatment to meet State and Federal effluent requirements.

Ad Valorem Taxes - The Act should be revised to permit local agencies to use any combination of revenue sources available to them provided that (1) the goal of proportionality among classes of recipients will be substantially achieved and that (2) additional surcharges will assure that each industrial user will pay its proportionate share on the basis of volume, strength, and other factors.

Industrial Cost Recovery - Revise the Act to delete the industrial cost-recovery requirement as being too complex to administer.

Treatment Plant Sites - That the grant provisions be amended to provide Federal funding of treatment plant site acquisition.

Research - That the Congress insist that the EPA Administrator dramatically increase the demonstration grant funds available for construction of innovative treatment works using new technology.

Carryover Paper Work - Either change the law or EPA regulations to restrict additional requirements, reports, studies, etc., as of the date a project has received concept approval.

Federal Delegation to States - Amendments to authorize EPA to delegate major portions of its administrative responsibility under the construction grants program to states and to reimburse them out of construction grant allotments.

Our members represent the final administrative level for the implementation of PL 92-500 by constructing and operating the major municipal treatment facilities through out the country, as in the past, we will continue to offer our assistance and advice to expedite all efforts to convert the Act and EPA regulations in regulations into hardware.

On behalf of the AMSA's Board of Directors and membership, I wish to thank you for this opportunity to comment.

June 30, 1975

United States Environmental Protection Agency
Washington, D. C. 20460

Attention: Mr. David Sabock

Re: Potential legislative amendments to Federal Water Pollution Control Act.

Dear Sir;

The Bethlehem Township Municipal Authority has been reviewing a copy of the Federal Register, Volume 40, No. 103, dated Wednesday, May 28, 1975. In that issue, potential legislative amendments to the Federal Water Pollution Control Act (PL 92-500) are discussed in the form of five papers.

After discussing these papers with our technical and legal advisors, we feel compelled to respond to the wide variation from and utter disregard for the Law (PL 92-500) as originally intended. We will restrict out comments to the first three (3) papers, since these are the ones which could have the most significant effect on our Township.

We shall deal with Paper No. 1, Reduction of the Federal Share and Paper No. 3, Restricting Projects Eligible collectively, since it is the combination of these two proposals which would cripple our project. In fact, reduction of the grant share to 55% and the elimination of collection sewers as an eligible cost item will effectively triple the total cost to the sewer users, thereby sending the project out of the range of feasibility.

The statement that "none of the proposals would retroactively apply to the $18 billion presently authorized and allotted" may be acceptable for those projects which have received high state priorities and are assured of funding with current monies; however, we, with a lower priority, have been told by the State that money is not currently available, but that a very minimum of delay is expected in funding our Step 3 application when adequate additional Federal funds are allocated to Pennsylvania. It is our understanding that these "additional Federal funds" would be subject to the proposed amendments. The Bethlehem Township Authority cannot see the equity in allowing projects submitted at the same time as ours or, in many cases, a year

later than ours, to receive a 75% grant while we will be restricted to a 55% grant. We strongly feel that projects prepared and submitted under a certain set of regulations should all be treated equally. We therefore suggest that if these amendments must be introduced, their applicability be limited to those projects submitted to the respective State agency after a certain date (e.g. date on which amendments are passed).

Paper No. 2, Limiting Federal Funding of Reserve Capacity, is a complete contradiction to what our State agency has been advocating over the last several years. During the implementation of our design, the regional State office and our bi-county planning commission required that our interceptor lines be sized to accommodate future flows from municipalities to our north. We cannot see the monetary advantage of designing pipelines for a 20-year useful period when the actual life, if installed properly, is at least 40-50 years. It should also be considered that the time lag between initial facilities planning (Step 1 work) and completion of construction could easily be 6-7 years.

This time "lost" during the design period would bring the effective useful life down to 13 years for sewers and 3 years for treatment plants.

We believe that this particular legislative amendment is a short-sighted attempt to conserve current funds with complete disregard for the obvious future problems which will result.

Very truly yours,

BETHLEHEM TOWNSHIP MUNICIPAL AUTHORITY

RONALD GORI
Chairman

RG/j

BETHELEHEM TOWNSHIP BOARD OF COMMISSIONERS
Constance H. Schubert, President

cc: Senator Scott
Senator Schweiker
Congressman Rooney
Department of Environmental Resources
Mr. Keiser, Joint Planning Commission

July 1, 1975

The Administrator
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Sir:

Pursuant to the notice in the Federal Register of May 28, 1975, we hereby submit comments on the five issues contained in the Register. These written comments are being forwarded inasmuch as it was not possible to attend the meeting held June 17, 1975 in Kansas City, Missouri. Our comments are as follows:

Paper No. 1 - Reduction of the Federal Share

1. "Would a reduced Federal share inhibit or delay the construction of these facilities?"

Reducing the Federal share to that authorized under the old Public Law P.L. 660 would definitely delay and inhibit the construction of these facilities. Under the old law funds were available to cities to build wastewater treatment facilities as an inducement to clean up streams and were not forced to do so by Federal requirements. Relatively speaking, plants built under the old law were cheap in comparison with those being built today. The becomes quite apparent when the EPA cost index for sewage treatment plant construction for 1965 is compared with that for 1975. Of course, some of this cost increase can be attributed to inflation; however, EPA, through the new law (P.L. 92-500), has added the requirements of the Facilities Plan, Infiltration/Inflow Studies, User Service Charge Analysis, Industrial Cost Recovery System, Operation and Maintenance Manuals, Staffing Plans, Cost Effective Analysis, Reliability Studies, Alternate Sources of Power, and similar matters that affect both the cost of design and the cost of construction of the facility.

Thus, reduction of the funding level to the old percentage would place a burden of the cost of all the new EPA requirements, plus the burden of inflation directly upon the cities. In our judgment, this would slow projects down appreciably from the three to five-year period that is now required under the present Step I, II and II procedures now in effect.

Also, the amounts of man power, money and efforts to be expended

toward enforcement proceedings would dramatically increase as the State or the EPA would have to prove to the various cities that new facilities would have to be constructed.

2. "Would the States have the interest and the capacity to assume, through State grant or loan programs, a larger portion of the financial burden of the program?"

The States may have the interest, but we seriously doubt if any of them have the capacity to assume a larger portion of the financial burden of the program. Inflation has hurt everybody, especially the State Governments.

3. "Will communities have difficulty in raising additional funds and capital markets for a larger portion of the program?"

With increased borrowing by Federal and State Governments, small communities are having a difficult time of selling revenue and general obligation bonds for all projects. The reduction of the Federal share of the treatment plant would cause a large influx of municipal, general obligation and revenue bonds on the bond market that is already overloaded with tax exempt bonds.

4. "Would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management, and post construction operations and maintenance?"

Under the reduced percentage as funded by the old law, the local effort towards cost effective design, project management and post construction operation and maintenance was minimal; reduction of the share from the present 75 percent to the 50-55 percent could not be expected to improve anything.

5. "What impact would a reduced Federal share have on water quality and on meeting the goals of Public Law 92-500?"

Reduction of the Federal share would guarantee more delay in meeting the Federal secondary level of the treatment requirement by 1977 and would guarantee the fact that best practical wastewater technology would not be met by 1983. Our estimate is that these target dates will each have to be moved back probably 10 years.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

1. "This current practice leads to overdeisgn of treatment works?"

The current practice of using 20-year design period attempts to create a workable balance between (1) available bonding capacity, (2) expected inflationary pressures, (3) population projections as provided by the local regional planning agencies, (4) the actual service life of mechanical equipment, (5) the service life of concrete and steel structures, and (6) the wishes of the local population and City Councils to be served by the proposed sewage treatment plant works. We do not feel that this leads to overdesign but reflects the best possible compromise among the above listed six considerations.

2. "What can be done to eliminate problems with the current program short of a legislative change?"

The basis for treatment plant design is largely based upon projected population growth within an area. As these population projections are frequently determined by regional planning agencies, probably the best place to attempt to control overdesign would be to control the amount of population projected by a regional agency. There have been some indications that where metropolitan areas are divided between two different regional planning agencies, the regional agency that can show the greatest population growth winds up with the lion's share of the Federal funding. Therefore, it would appear that if the Federal Government changed some of its methods of allotting planning and staffing monies to regional agencies, the competition between regional agencies to show large population growth might be eliminated, thereby removing a possible cause of overdesign in a sewage treatment plant.

3. "What are the merits and demerits of prohibiting eligibility of growth related reserve capacity?"

If the Federal Government should decide to fund treatment plants only for the existing population or for a 10-year growth, that is all that will be built. Most communities cannot afford to 100 percent fund a large expected population increase. This would effectively destroy any attempts at regionalization, whereas several small communities would go together to build one large plant. Each community would be tempted to take care of exactly its own needs. Therefore, as time went on, you would have more and more plants being overhauled and expanded, thereby increasing the workload at State and EPA levels while increasing the workload at State and EPA levels while increasing greatly the amount of money tied up in engineering design and paper shuffling, thereby tending to cancel any economic benefits the reduced plant size may have achieved. In short, this would lead to the proliferation of small underdesigned plants and create a horrendous backlog of plant expansions required for the future.

4. "What are the merits and demerits of limiting eligibility for growth related reserve capacity to 10 years for a treatment plant and 20-30 for sewers?"

With regard to this, we would note the difficulties associated with it as follows: First, it does not account for a design-fund-construct period of approximately five years. Second, it does not provide for normal growth as the design period is too short. Third, it forfeits any advantages of obtaining economy of scale by building a larger plant to meet expected growth conditions. Fourth, it doubles or triples voter resistance to bond issues for funding. Fifth, it provides no reserve for economic development inasmuch as there is no reserve designed into the plant. Sixth, the service lift of materials far exceed the design period. Seventh, the usual bonding period of 20 years far exceeds the design period.

A 20-year growth period, on the other hand, can eliminate many of these difficulties. First, it does provide for a design-fund-construct period of five plus years with some time still left over for usable life. It does normally account for the best foreseeable growth projections of approximately 20 years. Second, it does achieve some economy of scale; third, it reduces voter resistance by providing for one bond issue to provide a facility large enough to serve both immediate needs and reasonably foreseeable growth; fourth, it provides some reserve for economic development; fifth, the service life more closely approximates that of the design period; and sixth, the bonding period approximates the design period. We believe the above items are sufficient justification to continue to use a 20-year growth period.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

Paper No. 3 on Page 23109 of the Federal Register of May 28, 1975 notes six categories of possible funding. These are: (1) secondary treatment plants, (2) tertiary treatment plants, if needed, (3a) correction of sewer infiltration/inflow, (3b) major sewer rehabilitation, (4a) collector sewers, (4b) interceptor sewers, (5) correction of combined sewer overflows, and (6) treatment of control of storm waters.

Present EPA regulations which apply not only to treatment but to improvement of conditions in the collection systems, i.e., infiltration/inflow, user service charges, industrial cost recovery, and so forth, make is almost mandatory that they participate

in funding items that they are seeking to control, i.e., or at least affect. This then appears to indicate that Categories 1, 2, 3a, 3b, 4a, 4b, and 5 should, at the very minimum, be included in funding eligibility. With regard to Item 6, Treatment or Control of Storm Waters, there is some possibility of excluding this if the storm water did not have any direct affect on the treatment facilities, i.e., a separate storm system discharging to a stream. If, on the other hand, there is some interconnection however that affects the treatment facility, then it would be appropriate to include that in the correction of sewer system infiltration/inflow.

Paper No. 4 - Extending 1977 Date for the Public Owned Pretreatment Works to Meet Water Quality Standards

Public Law 92-500 which was enacted in 1972, was not realistic in its provisions of time to provide for going through Step I, II and III procedures. If the public law could have been implemented immediately, it is questionable as to whether communities could have gone through the I, II and III procedure in as short a period of time as five years, even if funding was available to meet the 1977 deadline. Quite obviously a great number of communities are not going to meet the '77 deadline and it should be moved forward. At this time, it appears that 1983 would be a reasonable target date if conditions and requirements remain as they are now. If, on the other hand, new laws or new requirements are instituted, namely going back to the start of the application-design procedure, then the 1983 deadline may not be sufficient.

1. "Should Public Law 92-500 be amended to permit prefinancing of public-owned treatment works subject to Federal reimbursement?"

The Public law should probably be so amended to cover the rare case of a town deciding to build a treatment works with their own funds and later being reimbursed by Federal funding.

2. "Is it fair to require industry to meet the '77 deadline while extending it for municipalities?"

It is fair as industries and municipalities are two separate entities. In addition, if industries are required to meet the '77 deadline, there are many publicly-owned treatment plants in the United States that would, upon reduction of the industrial load, meet the secondary treatment requirements, thereby eliminating the need for immediate expansion and consequently decreasing the urgency of Federal funding.

3. "Is it fair to make industrial requirements more stringent

pending municipal compliance, as in the case of joint systems?"

It is not a question of being fair. The nature of industrial discharges are such that they have a much greater impact on the environment due to volume and strength than strictly domestic sewage and, therefore, the requirements for industrial effluents have to be more stringent than municipalities.

4. "Should an outside limit be provided to the administrator granting extensions for example five years from date of amendment, or should the possible compliance deadlines be open ended?"

If the compliance dates as written in the law would take into account the time problems of the submission-review procedure meeting these compliance dates, then they probably should not have an outside limit for granting extensions.

5. "Will EPA lose credibility supporting an across the board extension for municipal compliance, especially in cases where it is necessary. Or are the current economic priorities such that an extension is only reasonable?"

a. EPA will lose no more credibility than they have already lost with the unrealistic compliance dates in P.L. 92-500.

b. Due to the current economic situation, holding to ironclad compliance dates indicates that EPA is not in touch with the realities of the time to apply-design-fund and construct a wastewater treatment-facility.

6. "How big a difference would these alternatives make on local funding for State financing?"
a. Prefinancing would probably help.

b. Changes in the industrial requirement would probably hurt.

c. Lessening industrial treatment would probably hurt.

d. The time extension would help by spreading the time period.

7. "Should EPA consider changing the definition of secondary treatment to allow for classifications according to size, age, equipment, and process employed?"

Extensions to the 1977 deadline might therefore be unnecessary since

the amended secondary treatment requirements could be responsive to many of the construction problems causing current compliance delays.

a. Construction problems are not in themselves causing the compliance delays. The delays in compliance are caused in the extreme difficulty involved in getting through the Step I-Step II procedures of P.L. 92-500. The delays occurring in Step III, the construction phase, are due strictly to the availability of material necessary to construct a plant and other problems due to the economy over which EPA has absolutely no control.

b. Changing the secondary treatment requirements to allow for classifications according to size, age, equipment and process employed will effectively limit the engineer to the design of a plant utilizing the process that has the easiest effluent requirements applied to it. In our experience the problems of meeting an effluent requirement, as defined by secondary, are minor. The requirement of the 30-30 discharge from the engineer's design standpoint is attainable. We would question secondary standards for some streams, such as the Mississippi River at St. Louis, that have so much natural pollution and sediment that the effects of moving from primary to secondary cannot be measured in the stream.

8. "Would a two-year extension for compliance be preferable to the six-year extension promoted under Alternative 5? Is this alternative unnecessarily lenient?"

A two-year extension would probably only affect a few cities. Most will still need the six-year extension which is more practical.

9. "Until such a time when a solution to current compliance delays is adopted, should EPA issue letters of authorization to those public-owned treatment works that cannot achieve compliance with the 1977 deadline instead of issue the short-term permits?"

Whichever is the simplest and most efficient to administer.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grant Program to the State

At the present time, at least in Missouri, Step I, II and III procedures are administered wholly or in part by one or both agencies. This is particularly true in Steps I and III. Such dual reviews and management in Steps I and III adds appreciable workloads for the two agencies and the consultants, and materially slows the approval

process. It's quite common to obtain approval of a Step I submittal from one agency and be delayed waiting for a Step I approval from the second agency. Most consultants feel that either one or the other, but not both, should manage the program.

We appreciate the opportunity to comment on the proposed changes. We would suggest that EPA quit making major changes and instead confine its activities to minor changes within the present law rather than trying to change the present law.

Yours very truly.

HARLAND BARTHOLOMEW AND ASSOCIATES

Stanley Dolecki, P.E.
Associate Partner

SD/kw

cc: Jerome Svore, Region VII

June 19, 1975

Mr. Jerome Svore, Regional Administrator
Region VII
U.S. Environmental Protection Agency
Kansas City, Missouri

Dear Sir:

I would like to comment on the five papers presented by the E.P.A. to the public on June 17, 1975 at Kansas City, Missouri.

The papers were excellent. I have never before seen as an intelligent and comprehensive discussion of matters relating to the state and federal water pollution control program.

It is apparent that the funding provisions of the federal regulations are the root of most of the discussions in the five papers. Changes in legislation relating to funding and priorities will not change this basic root problem, but will only change the character of the problems. With the federal mandate, and its already committed funding provisions, I would be very reluctant to make changes. Communities are only now getting a feeling for the implications of the present law. Great changes can only create another time lag in the aims of the legislation. I would favor, because of funding problems due to under-assessment of needs, the depressed economy, and inflation, an across-the-board reduction in funding, which of course would set projects back a period of time. This position would be consistent with what should be the national effort to reduce federal budget deficits.

The federal legislation is here. Its aims are good, but the time schedules imposed are not possible to meet, and not necessary to meet.

The following comments are based upon a philosophical approach and thus baised - which have to do with what the federal government should and should not do.

If moves can be made to get the responsible administration of laws and funding back to the states, the entire climate would change. This, in due course, would involve more political implications and probably a slow down in meeting current federal deadlines. But all in all, this result is better than the results currently being sought.

There is no valid reason why states cannot achieve federally-mandated

water quality standards, as long as federally-mandated standards are not tied to federal funding. Federal funding is the dilemma. I am talking about federal funding on a project basis. The best solution, in my opinion, is to have federally-mandated water quality standards without federal funding. States and cities have resources to accomplish the job, but such capability may need reinforcement with changes in taxing laws.

What is currently lacking is a clear-cut priority estalishment by Congress. Perhaps this is too much to expect in a Republic such as ours. But the difficulty should not deter efforts to perform such a task.

With all due respect, the E.P.A. has a monster on its hands, as evidenced by the five papers. There is no escape unless the philosophical approach is changed.

There is neither morally, technically, or otherwise, any reason why states rights and politics should be eliminated from the problem of administration and funding of water pollution control. Involved are the environment, the economy, jobs, competition for funds, and a whole range of ideas and wishes of the American people.

The legislative approach to control of industrial water pollution is a reflection of the times. But the current approach is shortsightedand self-defeating.

Different standards for enforcement and funding is not warranted on any rational basis.

Realistically, I don't expect changes in the law except as they might relate to the level of funding. The character of Congress is such that the political process, with all its faults, and the economic system, with all its faults, are not regarded with favor and this attitude will not be changed until the new Congress matures in judgment and until the federal process and the economic system are again appreciated.

I appreciate the opportunity to be able to comment on the five papers. Again, it was a good job.

Very truly yours,

Lawrence J. Brennan

June 24, 1975

U.S. Environmental Protection Agency
James L. Agee, Assistant Administrator
for Water and Hazardous Materials
WH 556
4th and M Street Southwest
Washington, D.C. 20460

Dear Mr. Agee:

I am enclosing a short comment for your June 25, 1975 hearing on the proposed amendments to PL 92-500, the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1251 et seq.

These comments are directed to you to point out how these proposed amendments would affect this operating Authority at this time.

Thank you for listening.

Very truly yours,

BUTLER AREA SEWER AUTHORITY

David A. Kirk, Manager

DAK/jd
Enclosure

June 24, 1975

"MUNICIPAL WASTE TREATMENT GRANTS"

FEDERAL REGISTER VOL. 40, NO. 103-WEDNESDAY MAY 28, 1975

The Butler Area Sewer Authority has formed a "Water Quality Management Plan" with ten local Municipal Bodies to provide an enlarged sewage treatment plant (now 5 M.G.D. with secondary treatment to 10 M.G.D. with advanced wastewater treatment) and an expanded sewerage system interconnected to serve all ten Municipal Bodies.

This was formed after Pennsylvania Department of Environmental Resources orders and NPDES Permit No. Pa0026697 criteria requiring advanced wastewater treatment by July 1, 1977.

Engineers were hired, plans formulated, and submitted to the State DER on March 1, 1974.

Since that time, this Authority and its Engineers have been faithfully traveling the paperwork maze of the Regulations and Requirements of Public Law 92-500.

We are now nearly completed and are included in Fiscal 1976 Grant Allocations as number seven on Pennsylvania's Grant list.

This project shows a total of $38,031,100 in costs of which $34,897,024 are considered Eligible for Grant Participation or $26,172,768 in Federal Funding.

Now addressing the specific papers as listed in the Federal Register:

1. Would a reduced Federal share inhibit or delay the construction of needed facilities? Answer: Any reduction of Federal Share will inhibit and delay our construction. In fact, it may stop the project completely and place this Authority in violation of State and NPDES Standards.

With 75% Grant Participation of Eligible cost, average single family home unit costs:

Sewer Assessment	- $ 15.20	per month/38 years
Debt Service	- 2.85	per month/38 years
Operation and Maintenance	- 4.07	per month/38 years
Average Total per Month	$ 22.12	
Average Total per Year	$265.44	

Should Grant Participation of Eligible costs be reduced to 55%:

Sewer Assessment	- $ 23.42	per month/38 years
Debt Service	- 4.76	per month/38 years
Operation and Maintenance	- 4.07	per month/38 years
Average Total per Month	$ 32.25	
Average Total per Year	$387.00	

The figures show that a 20% reduction in Federal Grant Participation will increase the monthly charges by 46%.

In this area, with nearly 10% unemployed, the project will not be fundable locally.

We have been informed by our Investment Bankers that a reduction in Grant Participation will increase the Bond Percentage by 0.5% and probably make them unsalable. Some sewer bonds issues are unsold at this time and being held, due to economic considerations.

At the present time, there are no State Grants available in Pennsylvania; therefore, all funding must be local.

Paper No. 2 - "Limiting Federal Funding of Reserve Capacity"

This Authority is opposed to a reduction or a limit on Reserve Capacity. Our Sewers and Sewage Plants are designed by State Standards which Pennsylvania has experienced as the proper standard for growth and economics of design within the period of financial pay out.

Any limiting of this will increase the local share which has reached its limit.

Paper No. 3 - "Restricting the Types of Projects Eligible for Grant Assistance"

Public Law 92-500 was enacted to provide the goal of zero discharge. Any reductions in the types of projects from which Municipal discharges occur will only increase the local burden and extend the period before zero discharge can be achieved.

As it is written now, there appears to be administrative flexibility for the Local Regulatory people and, as a result, better cooperation with Municipal Government.

Paper No. 4 - "Extending the 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards"

This Authority would advise an extension of the 1977 deadline to 1983. There is no way this Authority and many others will meet that deadline, even with 75% Federal Funding. Therefore, we and many other Municipal Groups will be in non-compliance and I don't see any way you can improve upon it.

Monetary fines will only prolong the issue, not meet the goal. It's very unrealistic.

Paper No. 5 - "Delegate a Greater Portion of the Management of the Construction Grants Program to the States"

We are highly in favor of this. They are in closer touch with us and know our needs and can help us meet the goals of Public Law 92-500.

June 6, 1975

Mr. Russell E. Train, Administrator
Environmental Protection Agency
Washington, D.C.

Re: Water Pollution Control
Act Amendments of 1972
Proposed Changes

Dear Mr. Train:

We have reviewed the proposed amendments to P.L. 92-500 and offer the following comments:

I. Reduction of Federal Share -
Public Law 92-500 has been the basis for the National water pollution control and abatement program. In the passage of this legislation, Congress recognized that most municipalities and special service sewer districts would be hard pressed to finance the necessary improvements to comply with the Law and therefore authorized 75 percent assistance for certain phases of the compliance activities. There has been a considerable amount of planning -- both the 201 facilities planning program and long range municipal fiscal programs -- developed on the basis of 75 percent EPA assistance in wastewater treatment works projects. A reduction of the Federal share could significantly delay or possibly cancel other planned municipal projects which have a higher local priority. Even in view of NPDES compliance requirements, wastewater treatment works projects may be delayed.

II. Limiting Federal Funding of Reserve Capacity -
Proper planning for future pollution control facilities requires that adequate consideration be given to reserve capacity. The amount of reserve capacity should not be based on some arbitrary time period but, instead, should be determined by cost effectiveness analysis which takes into account useful life, long term growth (both population and indsutrial growth), and replacement costs. Limiting of reserve capacity to that sufficient to serve some arbitrary time period may only transfer a present problem to a future date.

If there is no Federal funding of reserve capacity, most treatment works projects could not be constructed in as much as it is ridiculous to construct such a project to serve only the present

need (provided that there is a projected increase in needed capacity). If local governments are required to finance 100 percent of any reserve capacity, substantial underdesign would be likely to result.

III. Restricting Types of Projects Eligible for Grants -
At a minimum, wastewater treatment plants and interceptor sewer lines should remain eligible for EPA funding. Also, in view of other amendments proposed in P.L. 92-500, such as reduction of the Federal share and only limited funding of reserve capacity, the correction of infiltration/inflow should remain grant eligible. In many instances, the cost of infiltration/inflow correction is very high and may reduce the capability of the grantee to finance other phases of the treatment works project. The construction of collector sewers to eliminate a proven health hazard should be grant eligible.

IV. Extension of 1977 Deadline for Compliance -
The 1977 deadline for compliance with required treatment levels called for in P.L. 92-500 should definitely be extended. The extension should be of sufficient length to allow for Federal assistance. Once again, the financial strain placed on most municipal budgets by forced construction of wastewater treatment works would not be compatible with overall community needs.

V. Administration of Construction Grants Program by States -
Under the present system of administering P.L. 92-500, there are significant duplications of effort at the State and Federal level -- for example, dual review of 201 facilities plans, and dual review of NPDES monitoring reports. By transferring to the States the authority to administer the construction grants program, a considerable amount of time, manpower and money could be saved.

We appreciate the opportunity to present our views of the proposed amendments of P.L. 92-500.

Very truly yours.

B.P. BARBER ASSOCIATES, INC.

James M. Longshore

JML:lm

June 4, 1975

Mr. Russell E. Train, Administrator
Environmental Protection Agency
Washington, D.C. 20460

Re: Proposed Amendments to P.L. 92-500

Dear Mr. Train:

We have reviewed the proposed amendments to P.L. 92-500 and offer the following comments:

I. Reducing the Federal share of construction grants would make it difficult if not impossible for many communities, especially those which are small or those that are near their bonding limit, to raise the additional funds to finance the local share. If the grant eligible percentage of the construction costs were reduced and at the same time the grant eligible reserve capacity was reduced, this would lead to undersized treatment works and to future problems. In essence, the present "crisis" would only be postponed, not solved.

II. Limiting of Federal funding of reserve capacity would encourage underdesign of treatment works - especially where financial capabilities of the grantee were limited. In many cases it is more cost effective to provide capacity in interceptor sewers for time periods in excess of 20 years when such things as replacing or paralleling the line and incremented costs of additional capacity are considered.

III. It has been EPA policy for some time not to fund collector sewers unless a health hazard from the use of existing septic tanks can be documented. Funding under these conditions should be maintained. Inasmuch as the correction of infiltration/inflow and sewer system rehabilitation may represent substantial capital investments by the grantee in addition to the financial requirements resulting from construction of treatment works, it is felt that these two items should remain as grant eligible.

IV. The requirement of best practicable treatment by July 1, 1977, should not be enforced on dischargers which cannot reasonably meet the deadline due to financial limitations, grant availability, or planning status.

V. The present system of grants administration is extremely awkward and time consuming in that all paperwork, approvals, and correspondence must pass through both State and EPA regional offices. Transfer of final approval authority to State agencies would greatly expedite all phases of the construction grants program.

IV. In the discussion of the five proposed amendments presented in the Federal Register, there was no consideration given to the interrelated effects of the changes. For example, decreasing the Federal share, restricting the type of projects eligible for grant assistance and requiring that publicly owned treatment works meet secondary treatment requirements regardless of the availability of funds, would place a tremendous financial burden on many municipalities. The proposed changes, in some cases, would prohibit many municipalities from complying with the law due to unrealistic per capita cost.

We appreciate the opportunity to present our comments concerning the proposed amendments to P.L. 92-500.

Yours very truly,

A.P. Black
City Administrator

B:pm

BLACK & VEATCH RESPONSE[a]
TO POTENTIAL LEGISLATIVE AMENDMENTS
TO THE FEDERAL WATER POLLUTION CONTROL ACT[b]

EPA Hearing - June 17, 1975
Muehlebach Hotel, Kansas City, Mo.

Paper No. 1 - Reduction of the Federal Share

1.[c] A reduced Federal share would further delay the construction of needed facilities that have already been delayed by the administrative inflexibility of the act and the procedures adopted by the EPA.

2. While it may be possible for some states to assume a larger portion of the financing of the program, any change in the financing structure should rely more heavily on local financing rather than either Federal or State grants or loans. Any shift to increased State or local financing will have to be accompanied by extended time schedules to gain public acceptance of the change.

3. We have not researched the availability of capital funds, but we would not anticipate any difficulty in raising funds by municipalities provided there was a sound source of funds to retire the bonds, such as increased ad valoren taxes or sewer service charges. The volatility of interest rates during the past few years has placed a cloud over financing methods which have been traditionally available to local authorities; but barring a return to very high interest rates, local financing of a greater portion may be possible. The availability of additional capital to states, on the other hand, is highly variable and will depend upon other demands for State funds as well as sources of tax revenues. We are not optimistic about increased municipal or State financing.

4. A reduced Federal share might lead to better cost control and management in the water pollution control program. Local leaders are in a better position to evaluate local priorities than are Federal officials in Washington. Our basis for this is as follows:

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a Presented by Paul D. Haney, Partner, Black & Veatch, Consulting Engineers, P.O. Box 8405, Kansas City, Mo. 64114.
b Federal Register, Vol. 40, No. 103, (May 28, 1975), page 23107.
c Numbers refer to "issues to be discussed" as set forth in the various papers.

Throughout the development of the program, local governments have accepted standards and criteria that are more stringent than necessary in anticipation of a high degree of Federal funding. It might be possible to couple a reduced Federal share with a change in requirements so that a local government unit could be induced to assume a larger portion of the capital cost by the prospect of reduced operating costs for a less sophisticated facility. However, a reduction in the Federal share will be interpreted by most local governments as a failure to fulfill a promise.

5. A reduced Federal share would delay even further the time schedule for meeting the goals of PL 92-500, but it appears to be impossible to meet that schedule anyway.

6. Eliminating legal, administrative, and engineering expenses from the portion eligible for Federal participation would accelerate the program. These are activities which are difficult to define and have been subject to the threat of an inordinate amount of red tape by the EPA.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

1. Rather than providing an incentive for overdesign, the current practices exert almost unreasonable pressure toward underdesign. A waste treatment system is quite complex, is developed over a long period of time and must have considerable versatility. Complicated chemical and biochemical processes are involved. Yet, only minimal control can be exercised over the raw material delivered to the plant for processing. Raw sewage quantity and quality varies hourly. A reasonable allowance for future growth is essential. A high percentage of the spills that occur are a result of underdesign in some portion of the system.

2. The "problems" with the current program appear to be more financial and administrative than technical. Consequently, changes in technical requirements will not eliminate the "problems". There are many changes that could be made to expedite the program. For example, elimination of the requirement for a detailed infiltration/inflow analysis would expedite the program. This item has been administered ineptly and has become an unnecessary barrier to achieving the objectives of PL 92-500.

3. If all funding for reserve capacity were eliminated, there would be a strong temptation to build only for today with the hope that Federal funding relief would be available in the future for expensive

parallel or additional facilities. The current 20-year cost-effectiveness analysis period is generally reasonable and it might be reasonable to use that same period as the maximum design period for which Federal funding would be available. However, there should be enough flexibility to permit the application of sound engineering judgment. With inflation continuing at high rates, future construction promises to be ever more costly. The EPA cost-effectiveness guidelines already introduce a bias toward future expenditure. Additional pressure toward delaying construction is not what the program needs.

4. Any reduction in design periods will be counterproductive. Currently, there is at least a 5-year lag from initiation of engineering work to operation. Facilities designed for less than 20 years of growth are hardly operational before they become too small. The current cost-effectiveness guidelines of EPA provide a reasonable basis for design. Shortening the design period would certainly sink a program that is already mired in legislative and bureaucratic "sludge", commonly termed "red tape".

5. An alternative would be to permit local communities to prefinance facilities and recover the Federal share as Federal funds become available.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

1. The eligibility structure has a significant effect on the priorities assigned by local officials. Those elements eligible for Federal participation frequently receive higher priority for expenditure of local funds. The present priority system appears to adequately distribute the available funds to the most important projects without arbitrary restrictions.

2. In the past, enforcement actions have not been particularly effective or popular as a method of obtaining compliance. The available sanctions that can be applied to publicly owned systems are distinctly limited. The "carrot" certainly works better than the "stick" in solving water pollution problems. Publicity may be even more effective in dealing with local officials than sanctions.

3. Local financing capability is seldom a problem if there is adequate time allowed for a complete public information program. There may be special circumstances in some severely impacted communities making local funding impossible. Consequently, it is important to retain within the program the ability to allocate at least a portion of the available Federal funds to communities having severe financial problems.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

1. Prefinancing with reimbursement from Federal funds should be permitted. An incentive for prefinancing should be provided such as adjusting the amount of reimbursement by the change in the EPA construction cost index plus the average interest rate on Federal government bonds.

2. It is basically unfair to require industry to meet the 1977 deadline while extending it for municipalities.

3. Since municipal compliance has been dependent upon the availability of Federal funding, perhaps, in spite of the obvious inequity, a case can be made for less stringent requirements than for industry. To avoid grossly unfair treatment, considerable discretion must be allowed in determining requirements for joint municipal-industry systems.

4. Unless Federal funding can be assured, there is little reason to establish an outside limit for extensions.

5. The 1977 deadline is unrealistic. Credibility loss or not, it will have to be extended.

6. Anything that extends the mandatory compliance dates probably will cause some delay in local funding.

7. A revised definition of secondary treatment to take into account the process employed seems desirable. It is doubtful whether this alone would eliminate the need for extension of the 1977 deadline.

8. A two year extension is not enough if Federal funding is not increased. Only with a massive release of impounded and additional funds would it be possible to meet a 1979 deadline. If the Federal share is significantly reduced, an extension to 1983 would be bare minimum time for compliance with the stated 1977 deadline.

9. Letters of authorization would appear to be preferable to short term permits. Until the permit process can be made more expeditious, short term permits should not be given any consideration.

10. We favor Alternative No. 4. (page 23111)

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

We favor delegation of all parts of the construction grants process to the states. As demonstrated by the effectiveness of revenue sharing, State and local officials are quite capable of administering Federal funds and are more responsive to local interests and priorities.

June 6, 1975

Mr. Joseph R. Franzmathes, P.E.
Director, Office of Water Programs
Environmental Protection Agency
1421 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Joe:

Although the delay in response to your question regarding interceptor sewers and their design has been delayed by the inability to receive comments from some of the engineers in Region IV, this delay may be a blessing in view of the Public Hearing on potential Legislative Amendments to the Federal Water Pollution Control Act, specifically in the case of Paper No. 2 relating to limiting federal funding of reserve capacities to serve projected growth.

Although several consultants agree with a standardized design criteria to be promulgated by your office, there is fear that these will result in mandatory guidelines, and that no deviation would be made in cases where there would be an outright justification.

If guidelines can be developed as a general procedure with the precise stipulation that the final results will relate to cost-effective and alternate analyses of such facilities, it would be my opinion that the profession in your Region IV might be satisfied.

You may also use this letter as a response of our Group to Amendment No. 2 which relates to this matter of reserve capacity. It would be my opinion that the engineers are opposed to this amendment in that existing procedures relating to cost-effective and alternate analyses is a more efficient means of administering the program.

Yours very truly,

BLACK, CROW & EIDSNESS, INC.

F.A. Eidsness

FAE:ae

cc: Region IV Consulting Engineers Committee
and Alternates

June 17, 1975

Mr. Joseph R. Franzmathes
Director, Office of Water Programs
Region IV
U.S. Environmental Protection Agency
1421 Peachtree Street, N.E.
Atlanta, Georgia 30309

Subject: PL 92-500
Proposed Amendments

Dear Mr. Franzmathes:

I was unable to attend your public hearing on June 9, 1975 in Atlanta regarding proposed amendments to PL 92-500 (FWPCA) on rules for the U.S. Environmental Protection Agency so I'm submitting these written comments:

1. Reduction in the Federal Share of the Grants

The present law provides for grants of 75% of the cost of an eligible project for water pollution control. The proposed change to reduce these grants to 55% of the eligible cost does not seem desirable at this time of high cost and greater need to the cities.

Most cities are having a very difficult time to meet their present cost of operation and since the U.S. Government has set the standards to be met, it should assist the cities as much as possible with the cost of the facilities to provide the necessary water quality. The 75% grant should be retained rather than going backwards to a previously established level of a 55% grant.

We have recently completed a project for a small town that received a 55% grant on the treatment plant and intercepting sewer. They also had to construct the whole collection system for the entire town for which they received no grant. So, they are now in a difficult financial condition, with the cost of operating the system and with the repayment of such a large loan.

A 75% grant on their project would have placed them in much better condition to provide the necessary operating funds as well as

having to make smaller payments since less money would have been borrowed.

At the present time adequate funds are available for the 75% grants on the projects that are being approved.

With this backlog of funds available, EPA should be able to provide 75% grants without delaying approved projects because of a lack of money available.

2. Limit Federal Aid to Serve Only the Needs of the Existing Population

The possible provision that EPA aid be limited to the needs of the existing population appears to be a very short-sighted plan.

Intercepting sewers should be designed for the expected growth during the next 50 years and any shorter period of 10 to 20 years is very unrealistic.

We were involved in the design and construction of the Chattanooga Intercepting Sewer System in 1950 and used projected flows thru year 2000. Now 25 years later it is still handling the wastewater very well and has capacity for additional growth.

There may be times and places where the projected growth and development might turn out differently than was determined when the intercepting sewer was designed and built.

However, the difficulties of installing a parallel sewer at a later date with all the increased costs, the difficulty of getting additional easements and the inconvenience and expenses to all the property owners that had developed the property adjacent to the intercepting sewer is so great by comparison with the small increase in pipe size required to provide for a 50 year growth instead of 20 years. In most cases we would be considering only the cost of the pipe as a 42-inch pipe or a 48-inch pipe as an example. The cost of digging the trench and laying the pipe would remain very nearly the same.

3. Restricting the Types of Projects Eligible for EPA Grants

Under this provision the availability of money does this very well as long as the treatment plants, intercepting sewers, pumping station get all the priority.

If collection systems are eligible, but given no priority, then no funds are spent on collection system grants.

Therefore, there is no need to limit the type of project eligible as long as priorities remain as they have in the past.

4. Extend the 1977 Deadline for Meeting Water Quality Standards

It appears that it will be a physical and financial impossibility to meet the deadline so it should be extended to provide a reasonable time for compliance.

5. Delegation of More Grant Operations to the State

The overall operation of the past 30 years has been very good and it does not seem desirable to have the States provide any additional grant operations.

6. Procurement of Personal and Professional Services

We believe that the plan of services over the past 30 years has been very effective.

Yet EPA considered the possible use of the turnkey approach to projects. They upset the whole system of relationship with clients, engineers, and contractors under that plan.

Now some new plan is being proposed and it appears that EPA is trying everyway to make life difficult for consulting engineers.

EPA should view its mission in the country as a cooperative effort and not try to put everyone out of business.

We don't want the country to revert to a wilderness.

Many industries have had to close down and many others have had such a high cost for pollution control that it has increased the cost of their products to the point where they are having difficulty competing with foreign imports.

The advertising for proposals is about the same as competitive bidding which we as professionals have objected to in providing the best service for our clients.

The U.S. Congress passed the Brooks Bill providing for negotiated contracts on U.S. Government work and yet EPA and some other agencies keep trying to get competitive bidding on their projects.

The type of contract that has used a fee as a percent of construction cost has been very satisfactory.

Now the proposed rules will not permit this type and yet it is the best method that is understood by all parties to the contract.

The overall handling of projects continues to delay the real accomplishment of pollution control. Step 1, Step 2 and Step 3 division of projects have delayed almost all construction for the past two years.

Now these latest proposed rules on obtaining engineering services will delay the projects further.

The public notice, evaluation, ranking, selecting and negotiation and then approval by EPA before any work can be started may delay projects as much as a year.

We suggest that this section 35.937 "Contracts for personal and professional services" be rewritten in accordance with present practice that has been in use on water pollution control projects for the past 30 years.

We believe that water quality should be controlled and we do believe that the environment should be protected but we also believe that the economics of any project should be reviewed as the prime criterion.

As an example on strip mining, there is no point in reclaiming land by spending $1500 per acre to end up with $50 per acre grazing land.

The same is true with water pollution. If the rains and the floods are washing all sorts of waste and debris into the streams, what is gained by spending large sums on tertiary treatment on the waste-water from human and industrial uses.

We have enjoyed working with the excellent personnel of your office and we believe in the excellent purpose of the agency but we hope that some reasonable regulations can be established and retained so there won't be this constant revision in the method of performing work under EPA grant program.

Very truly yours,

BOUQUARD ENGINEERING COMPANY, INC.

Joseph P. Bouquard

JPB:LF
cc: Senator Howard Baker
cc: Senator William Brock
cc: Representative Marilyn Lloyd
cc: ACEC
cc: NSPE
cc: CET

Testimony
of
Clem L. Rastatter
Senior Associate

THE CONSERVATION FOUNDATION
June 25, 1975

Municipal Waste Treatment Grants

I am Clem L. Rastatter, Senior Associate of The Conservation Foundation, a non-profit, operating foundation which has devoted a considerable portion of its program activities and resources to research and public education in federal water quality issues. I am pleased to appear today to present the testimony of The Conservation Foundation.

There is no area of the 1972 FWPCA Amendments that has been subjected to more controversy than those elements of PL 92-500 that constitute what I will call the Municipal Waste Treatment Facilities Program. And from an environmentalist perspective, there is no other area of the Act where the political and financial issues of implementing new environmental requirements seem less resolvable.

And with that rather discouraging remark, I would like to point out what I feel has become the central question in the debates that center around the kind of requirements that municipalities must meet, by what date, and with what kind of financing. That question is essentially -- is the Municipal Program established by PL 92-500 meant to be primarily a public works program, or is that program meant to be primarily a regulatory program. The answer to that question must be that Congress established a regulatory program and provided federal financial assistance for the construction of publicly owned treatment works. Governmental point source dischargers as well as industrial point source dischargers were required to meet specific effluent standards by 1977 and 1983, and substantial penalities were authorized to be imposed for noncompliers.

The regulatory requirements of the 1972 FWPCA Amendments are to be found in Title III of the Act. These regulatory provisions require all point source dischargers, municipal and industrial, to meet enforceable effluent standards. The regulatory requirements are the so-called stick of the federal "carrot and stick" incentive program. The terms of federal financial assistance are found in Title II of the Act. And these terms -- the specifications of what a municipality must do in order to obtain federal financial assistance --

are only for communities receiving federal funds. In fact, it appears that many of the "requirements" of Title II -- such as user charges, recycling, reclaiming, facilities consideration of cost effective alternatives, and infiltration/inflow analyses are only enforceable where federal funds are available. A municipal facility without federal funding could presumably get a permit based on whether it met applicable effluent standards, with the only broader requirements coming into play with the requirement for permit consistency with Section 208 planning.

In addition, a careful reading of the enforcement section of the Act (Section 309) shows that Congress recognized that enforcement on small communities might have inherent political and fiscal problems. So Congress provided that "whenever a municipality is a party to a civil action brought by the United States under this section, the State in which such municipality is located shall be joined as a party. Such a State shall be liable for payment of any judgment, of any expenses incurred as a result of complying with any judgment, entered against the municipality in such action to the extent that the laws of such State prevent the municipality from raising revenues needed to comply with such judgment." (Section 309(e)) Not only were municipalities without adequate taxing authority protected from court judgments, but states were put on notice that they might not only be held responsible for enforcement of non-compliers, but they might also be held responsible for seeing that municipalities had adequate funding beyond the available federal responsibility.

ISSUE PAPER #4 - Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards

Before addressing the questions raised in the first EPA papers which concern making federal funds go farther by limiting eligible items, it is first necessary to address the issues covered in the paper concerning the extension of the 1977 deadline for municipal compliance with secondary treatment effluent standards. For in order to understand the impact of changes in eligibility on meeting the goals of the Act, we must first understand why an estimated 50% of the municipal dischargers will not meet 1977 requirements.

There are several reasons in addition to those listed in Paper #4 that explain why 9,000 municipalities will not be able to comply with 1977 requirements.

--the impoundment of half of the $18 billion construction grant funds authorized to be obligated;
--delays in construction grant obligations caused by the slowness in development of EPA regulations as well as lack of understanding on the part of municipalities, states and consulting engineers as to what must be done to comply with new federal requirements;

--delays in construction grant obligations caused by inadequate numbers of EPA personnel, and/or inflexibility and confusion of EPA personnel in response to problems;
--inadequate instruction from Congress on how to deal with those grant applications already in the pipeline which would suddenly have to meet new grant requirements; and
--delays in construction grant obligations caused by recalcitrant municipalities and construction engineers in dealing with new federal requirements with which they don't agree (i.e., environmental impact statements).

All of the above listed problems indicate that central to the problems of meeting 1977 deadlines for municipalities has been frequent delays in making available or obligating available federal funds. And a primary cause of these delays has been what might have been foreseen problems in getting large federal and state bureaucracies to change course and adjust to new requirements.

One further problem, however, which was probably more responsible than any other for municipalities' failures to meet 1977 deadlines was the decision by EPA in 1973 to tie the regulatory and funding requirements of the Act together. While the other problem areas listed above have gradually sorted themselves out with time -- causing temporary delays in the program and in meeting statutory deadlines -- the ramifications of the decision to tie regulatory and funding requirements together are likely to continue to haunt us for some time. This decision, enunciated in a policy statement entitled "Municipal Permits and Planning: Compliance with the 1977-78 Deadlines," stated that when a municipality failed to receive federal funding sufficient to begin construction in time to meet the 1977 secondary treatment deadline, this municipality would be issued a National Pollutant Discharge Eliniation System permit that would be based on optimum operation and maintenance, and would not require a new significant construction. EPA rewrote the law -- instead of saying that all municipalities had to achieve secondary treatment by 1977, EPA was now saying that only those municipalities that received federal funds would have to so comply.

There has been significant debate over the various dollar figures that have arisen in three separate needs surveys. Whatever the current need is (and it seems to be pretty clear that the bulk of the $346 billion need identified in the past survey includes the whole spectrum of eligible construction activities, not just the secondary treatment goal), it <u>is</u> clear that Congress has not authorized an amount sufficient to meet the nationwide secondary treatment goal. Nor, we submit, is Congress likely to ever authorize such an amount if figures that are currently being bandied about are in any order of magnitude correct. We would also submit that while significant federal financial assistance is a desirable objective, an equally

desirable objective is that municipalities and states treat the provision of sewage treatment as a community responsibility in the same manner that the school system is a community responsibility.

Where does this leave us now concerning the 1977 date for municipal compliance with effluent standards? It is clear that the date for municipal compliance must be extended. I know no one who is responsibly suggesting otherwise. We have created a situation where at least half, if not most, municipal dischargers will not meet statutory deadlines, making a farce of the law, and of enforcement, if this is allowed to stand. It is equally clear to us, however, that an unlimited extension dependent upon the availability of federal funding means we will be spending money to essentially stand still, to play catch up with some of our worst problems, while areas which do not yet have problems and have not yet received federal funds wait until their problem has become sufficiently bad that they can make the state priority list for the limited amount of federal financial assistance available.

Nineteen eighty-three is eight years away. This is more than enough time for communities to plan, design and construct whatever the necessary facilities are to meet a uniform effluent standard. We suggest that the deadline for municipal compliance be extended to 1983. We also suggest that municipalities be put on notice right now that non-compliance with the 1983 standard will mean enforcement action. We feel quite firmly that a policy alternative which allows the Administrator of EPA to give a case-by-case extension with no deadline to municipalities means that the existing policy of hands-off unless there are federal funds available will continue.

The above mentioned extension should only be given to those who are not now on a permit schedule requiring them to meet a secondary treatment effluent standard. Since all of those now on a secondary treatment compliance schedule have received significant amounts of federal funds, this should pose no problems.

All of those communities who now have permits based on optimum operation and maintenance, should be required to be on a new permit with a new compliance schedule by July 1, 1977. The Environmental Protection Agency should make it very clear that each phase of that compliance schedule is enforceable, whether or not federal funds are available, and regardless of the <u>amount</u> of federal funding available.

In Issue Paper #4, EPA discussed the alternative we have suggested and gives two reasons why this alternative does not appear to be a good one. EPA suggests that an across-the-board extension regardless of the problems of the given POTW might jeopardize the NPDES program, and that industrial facilities might insist on similar extensions, also jeopardizing the NPDES program. We feel that both of these arguments are specious, given that EPA is already treating municipalities differently from industrial facilities by not requiring municipalities

who do not receive federal funds to meet 1977 deadlines. And there is no reason why the extension until 1983 has to be an across-the-board extension for all POTW's. There are a number of POTW's who are on a 1977 compliance schedule because they have received sufficient federal funds to meet that schedule. There is no reason for that schedule to be changed.

Having stated that we believe municipalities should have to meet a uniform national standard regardless of the availability or non-availability of federal funds, we can now address the remaining questions raised by the EPA Issue Papers. First, however, we must ask another question: What standard should municipalities have to meet in 1983?

Concerning A New 1983 Standard

This is a difficult question, and one that the Congress wrestled with for the two and one-half years that they debated the FWPCA Amendments. Congress determined that enforcement and administrative efficiency required that municipalities as well as industries meet a uniform national effluent standard. We do not feel this concept should be changed.

The one area where this concept has been seriously debated during the last several years, has been in the area of deep water ocean dischargers. We have seen no convincing evidence that these dischargers should be excused from meeting secondary treatment deadlines. It is our understanding that while dissolved oxygen demand may be a problem in the deep ocean, secondary treatment remains the most cost/effective treatment for toxic substances, heavy metals, and pathogens.

In fact, an EPA Task Force investigating the deep water ocean discharge issue concluded:

> 1) There are pollutants whose input to both open ocean and near-shore waters should be limited because of their toxic and persistent characteristics and because their effects cannot be minimized by dilution. These include lead, cadmium, mercury and persistent organics.
>
> 2) Pollutants which cause or have the potential to cause adverse environmental effects in near-shore waters include moderately toxic and persistent metals and organic compounds; nutrients; oxygen-demanding materials; settleable solids; floatables; and pathogens.
>
> 3) Pollutants which cause or have the potential to cause adverse environmental effects in the open ocean include moderately toxic and persistent metals and organic compounds; settleable solids; and pathogens. Not included are nutrients and oxygen demanding

materials. However, these materials can cause harm adjacent to the outfall site if the waste is not rapidly diluted and dispersed.

4) Of the treatment technologies considered (primary, chemical primary, and secondary), secondary treatment achieves the best effluent quality for the pollutants of concern in both nearshore and open ocean waters. Other more effective, but more costly technologies were not considered.

5) Disinfection must follow primary, chemical primary and secondary treatment processes to achieve destruction of pathogens. However, the opportunity for disinfection following primary treatment is precluded because it is ineffective and very costly.

6) Based on preliminary investigations, primary treatment is the best technology of those considered for open ocean waters if the selection is based solely on costs relative to pollutant removals, sludge production, land requirements, and on-site energy demand and assuming no reduction of pathogens is necessary. If pathogen reduction and more effective removal of other pollutants is necessary, secondary treatment is the best technology."

We would suggest the 1983 goal should remain Best Practicable Waste Treatment Technology, and that at a minimum BPWTT be defined as a secondary treatment effluent standard.

Issue Paper #1 - Reduction of the Federal Share

Although we feel that municipalities should comply with a uniform standard regardless of availability of federal funds, it is in everyone's interest to see that existing federal funds are maximized and are, in the interest of equity, stretched. We believe that we now have the evidence before us that requiring 75% federal funding for every municipal facility has been a mistake. Consulting engineers designing such facilities have had every incentive to design very costly capital intensive facilities knowing full well that 75% federal money would be available to pay for them. Regardless of the existence of cost-effectiveness guidelines, in many cases the facilities designed have been larger, and more complex, than they need be. And there is evidence to support our understanding that many municipalities which receive federal construction funds are designing facilities that they are unable to afford to operate properly. There are other reasons for these phenomena mentioned, but it does seem to us that the combination of 75% funding for all projects and the policy of no enforcement to meet the 1977 standard if there is no federal funding available, has exacerbated this phenomenon of large capital intensive secondary treatment

facilities. For communities know that not only is there a good chance they will get 75% federal money eventually, but they also know that if they sit back and wait to see if they are going to get the money, no one is going to complain.

We suggest that the money that Congress authorizes each year for contractual obligation be divided among the states on a per capita basis. The state in turn would establish a floating percentage federal share depending on the amount authorized for obligation that year, these funds to be distributed within the state on the basis of an EPA approved priority list. This all must be done with a clear understanding that regardless of the availability of federal financial assistance, every municipal point source discharger must be in compliance with the federal law by 1983. With that in mind, the state should be fiscally responsible along with the municipality for seeing that 1983 standards are met.

We also suggest that Congress now authorize the appropriation levels from the present until 1983. States should have in place an EPA approved priority system for distributing these funds by July 1, 1976. The combination of the state priority system and the long range authorizations for meeting the 1983 standard will allow communities to make their plans realistically with full knowledge of the federal funds likely (or not likely) to be available. If this step is not taken, there is some danger that a number of communities will move forward very slowly, waiting to see whether and what kinds of federal funding is likely to be available. This will in turn create an enormous enforcement and political problem.

A certain proportion of each year's authorization should be reserved to be distributed on the basis of EPA established national priorities. These funds should be used to increase the federal share of a grant that is innovatively moving toward the national goal of no discharge of pollutants.

In order to assist small communities in reaching 1983 goals we suggest that EPA immediately fund a research project aimed at providing guidance to small communities on what sewage treatment technologies might be most cost-effective for their communities. It is our feeling that the secondary treatment effluent standard that is currently being met in small communities by large capital intensive secondary treatment plants could be met in many cases by lagooning systems, land treatment systems, and septic fields.

Although we have recognized a floating federal share to meet the 1983 goal, we recognize that this change in commitment will cause problems for those communities with facilities currently under construction. Many of these communities will not have the fiscal mechanisms in place for coming up with the extra money to make up the difference and still meet permit deadlines. We suggest that all communities with facilities currently under construction continue to receive the full 75% federal share. All communities in the midst of Step II planning

and be given an up to two-year extension -- on a case by case basis -- in order to plan for raising extra local funds. Those communities currently in receipt of Step I funds should be treated similarly.

When the suggestion is made to reduce the federal share of construction grant funds, a question of equity is often raised by opponents. For this reduction will mean that some facilities will be funded with 75% federal money, and others will receive a lesser percent or no federal funds. We submit that the answer to a mistake, is never continue that mistake.

Issue Paper #2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

We at The Conservation Foundation support the concept of limiting the eligibility of a growth related reserve capacity. We would like to suggest, however, that once again, unless this limitation on growth reserve capacity is accompanied by strong enforcement of effluent standards, it is likely to lead to water quality degradation instead of improvement. The government must be able to exercise a credible threat to a local community when it says we will not pay for your next 20 years' projected growth, but if you're planning that project growth you had better be prepared to deal with it. Otherwise, the situation will be such that many communities building federally funded sewage treatment facilities will build for existing capacity and wait until they have overflowed that capacity and thereby gotten themselves on the priority list to get new federal funding.

One of the questions at stake here is: Is the purpose of the large scale existing federal construction grants program to deal with an existing problem that has gotten to be of such magnitude that communities cannot realistically be expected to deal with it themselves and therefore requires a significant federal commitment? Or is the purpose of the existing federal construction grants program to fund a permanent public works program that, incidentally, improves water quality. We do not think that the Congress ever intended that the construction of sewage treatment works would proceed at the rate of $5 to $6 billion a year indefinitely. It appears to us that the purpose of the construction grant program is to deal with an existing problem of enormous magnitude, getting communities onto an even keel where they can cope with the problems themselves.

As part of a program to reduce the amount of community growth that EPA will fund through sewage treatment grants, we suggest that EPA write growth related conditions into all permits for municipal facilities to insure that such facilities are not so designed that they are overloaded before they are built, and that the community must realistically plan for growth in the design of its sewage treatment facility instead of waiting until the plant is overloaded.

Since January, 1974, EPA has adopted the position that it has the authority through Section 402(h) to include special growth related conditions in municipal permits where growth is or is likely to be a factor in the facility's performance. In a guidance memorandum to Regional Administrators, then Assistant Administrator for Air and Water Programs, Robert Sansom, suggested "that all municipal facilities selected for growth related conditions ... be alerted to the authority of the regional administrator (or the state if NPDES approval has been given), under Section 402(h) of Public Law 92-500, to seek a court order imposing a ban or restriction upon sewer connections in the event of a violation of permit conditions and requirements." Mr. Sansom went on to suggest that where facilities had an unused capacity but with overload being imminent (and this was defined as the facility operating in access of 85% of designed capacity or where a high growth rate of 3% or more per annum is anticipated) concrete management and planning action should be required within the permit itself. As all compliance milestones within an NPDES permit are themselves enforceable, the memo concluded that in this manner high growth areas could be forced to plan adequately for their growth. This same kind of technique could be used if EPA determines to limit the growth related reserve capacity of municipal facilities to insure that such facilities are not under-planned and quickly overloaded due to a lessening of the federal share.

Given the approach that federal funds should only be used to pay for existing problems, we believe that there is some merit in planning a five-year reserve capacity for treatment facilities and a similar reserve capacity for sewers. If the average lead-time for the planning, design and construction of a sewage treatment facility is around five years, this should give more than ample time for the community to make its own growth related decisions.

As was pointed out in EPA's position paper and has been effectively pointed out in many other sources including the CEQ study on interceptor sewers and suburban sprawl, restricting the amount of growth encouraged by sewage treatment funding will force local communities to confront the real costs of growth, making rational decisions and planning for these decisions well before these growth problems hit them.

One of the questions raised in the papers presented is whether or not a recommended change requires administrative or legislative action. The law requires that sewage treatment facilities be planned with an adequate reserve capacity. The adequacy of the reserve capacity is left to be established by the Administrator of EPA. It does appear to us that this particular set of decisions does not require Congressional action.

Issue Paper #3 - Restricting the Types of Projects Eligible for Grant Assistance

Paper #3 discussed restricting the types of projects that are eligible for grant assistance from the federal government. As the papers concerning eligibility rightly point out, changes in eligibility for sewage treatment grants can have the affect of channeling construction in one direction or another. This problem would be particularly exacerbated by a continuation of a policy that says none of the standards of the Act have to be met unless federal funding is available. In many, if not most, cases, communities would take no action without the federal funds, and only those projects eligible for federal funds would get built.

We suggest that funding eligibility not be restricted. The price of the enforceable regulatory goal that communities must meet -- that of secondary treatment effluent standards -- will not be affected by a reduction in the eligibility for federal funds. Reducing eligibility does not in fact reduce needs, but merely those needs that the federal government is willing to pay for.

There is no reason why directing the expenditure of federal funds cannot be handled through administrative action -- prioritizing the expenditure of funds within each state. If EPA has made it clear that effluent standards will be enforced, and that states will be considered equally culpable with communities for meeting these standards, it is likely that the states will establish the funding of the enforceable effluent standards as its first priority.

Issue Paper #5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

We now come to the final question raised in the Issue Papers to which our discussion is directed today. Should a greater portion of the management of the Construction Grants Program be delegated to the states? It should be pointed out that the phasing of that question is somewhat misleading, as almost all of the proposals currently under discussion would delegate virtually all of the important decisions in the grant giving process to the states.

At the center of the question of delegation to the states, is once again the question of what is the purpose of the construction grant program? Is the program a public works program, or is the purpose of the program to provide financial assistance to meet certain national environmental goals? Since we feel the answer must be the latter, we oppose the delegation of major elements of the construction grant program -- specifically Step I planning - to the states.

It is interesting to note that most of the focus of whether to delegate the construction grant program to the states has centered

around delays in obligating construction grant funds. In fact, a careful examination of the hearings held by the House of Representatives and of the various reports done by EPA that have resulted in the recommendation that the construction grant program be delegated to the states, shows that the central focus of concern with this recommendation is how to get the construction grant money out as fast as possible with as few "strings" attached as possible. Unfortunately, much of the rhetoric by state agencies concerning the fast obligation of construction grant funds has focused on the "red tape" the federal government imposes on grant funds, such as user charges, industrial cost recovery requirements, careful consideration of alternatives, environmental assessments, and public participation requirements.

It is interesting to note that the EPA Construction Grants Review Group pointed out that one of the major problems that affected both the quality of the construction grant program, and the rate of obligations of the program, is lack of EPA field staff to handle and evaluate grant applications. The report noted that in 1968, the construction grant program obligated $2 billion with 320 program personnel. This same report pointed out the lack of state manpower, administrative and technical capability to perform greater delegated functions.

> "The two principal factors affecting the expansion of (State) delegation are: (1) the States' capability to perform these functions, and (2) the need to financially support the States' assumptions of delegations. On the first point, EPA's Regional officials believe that the States, with some exceptions, would require time to develop capability to implement additional delegated functions. The overall success, both current and prospective, of delegating the review of plans and specifications and operation and maintenance manuals is the result of the fact that States have performed these functions for a long time. As a general rule, however, the States have traditionally been less involved in most of the other program functions - particularly facilities planning, the most manpower-demanding function - and, in all but a few cases, do not possess the technical and/or administrative experience and manpower to effectively perform these other functions. Accordingly, except for the above projected delegation of plans and specifications and operation and maintenance manuals - and except for a few other opportunities for readily delegating other functions - future delegations will have to be based on the States' ability to develop the administrative machinery, the technical competence and the expanded staff necessary to implement new delegations. At best, this requires time. At worst, it is inhibited or even made impossible by a number of constraints including (1) State personnel ceilings, (2) State inabilities, in some cases, to attract qualified personnel because of low pay scales and other reasons, and (3) in some cases, lack of State interest or incentive to assume

new responsibilities. In short, constraints militate against significant immediate expansion of delegations, and necessarily impose time delays (1 to 3 years) on any concerted attempt by EPA to encourage expanded delegations."

How the Agency and the Construction Grants Review Group Report can then conclude that delegation of the Construction Grants Program to the States is the answer to all problems is beyond us.

It is an important fact of political life that once EPA has the authority to delegate the construction grant program, it will be under an enormous amount of pressure from the States, and from certain elements in Congress to do so. EPA will be under this pressure regardless of the capabilities of the state agencies. And there is no way politically that EPA will be able to take back the delegated authority. So in those five or six states which have for many years had an innovative sewage treatment program, the delegation of authority may improve the rate of obligations of federal funds. In the other 44-45 states, the delegation may mean the rapid building of large scale traditional, concrete public works projects, with little consideration for the secondary environmental impacts that are required by federal law.

Lest you begin to question that the rapid obligation of sewage treatment grant funds is not a goal of an environmental organization such as ours, let me set the record straight. It is indeed a goal which we place high on our list of priorities. Equally high on our list of priorities, however, is the planning of sewage treatment facilities in such a manner that the secondary environmental impacts of such facilities will not outweigh direct environmental benefits.

The case has not been made convincingly that qualitative problems with the construction grant program will be solved by delegating that program to the states. Certainly EPA's manpower problems will be somewhat alleviated by this delegation. But it appears that such alleviation will be at the cost of meeting federal environmental goals.

(I would like to note here that the retention of federal responsibility for environmental impact statements might help alleviate some of the problems mentioned before, if it were not for three things:

-- EPA has traditionally written very few full EIS's and in fact has the funding in this fiscal year to write EIS's on approximately 5% of the construction grant applications;
-- Normally, the environmental impact assessment conducted in the Step I planning process (proposed for state delegation) determines whether a full EIS is necessary; and
-- The EIS has never been treated by EPA as a decision-making instrument, even where it concerned an EPA program such as sewage treatment grants.)

We suggest that EPA be given the additional manpower it needs to maintain effective quality control while expeditiously obligating funds. The manpower increase can be supplemented by continued delegation of certain discrete program elements in Step II and Step III planning to state agencies.

To leave you with some final thoughts on state program delegation -- while several states have been quite innovative in their approach to planning sewage treatment facilities, many states have not. In fact, most state agencies have been among those resistent to new and important federal requirements that were imposed as a condition of receiving federal sewage treatment construction grant funds under PL 92-500. The attitude of many state agencies has been, give us the money and let us spend it our way. And our response should properly be: that PL 92-500 is a national environmental law, with specified goals -- and that the funds available to help communities fund sewage treatment are meant to be an incentive to meeting those goals. If a state doesn't want to meet the conditions of construction grant funds, it shouldn't use federal money.

We do not mean to say here that we are of an opinion that the federal government can better manage a state program than a state agency. But this is not really a state program, but is a federal program of funding to provide incentives for States and municipalities to meet some rather innovative federal goals.

We do not wish EPA to retain the program because we feel that EPA has done such a stupendous qualitative job with the Construction Grant Program. We, upon occasion, have been among EPA's most vociferous critics in regard to this program. We do feel, however, that the tension that exists between EPA and the States over this program is a creative tension; that the very existence of a federally run sewage treatment construction program has had some affect on the manner in which sewage treatment facilities are built; and that the potential for even greater innovation is there as long as the federal government is pushing, pulling, and cajoling the states and municipalities to meet new environmental goals.

Finally, we are keenly aware that in many communities across the nation, citizen leaders have regarded the federal leverage provided by strong EPA control over the Grants process as key to their affecting community environmental goals through the construction grants process. In Ocean County, New Jersey, in Gettysburg, Pennsylvania, and in many other communities, citizens concerned about secondary environmental impacts of sewage treatment facilities have been able to utilize EPA oversight in changing a specific project.

In short, for a variety of reasons, we urge you to retain federal control of this important national program.

STATEMENT ON MUNICIPAL WASTE TREATMENT GRANTS

Public Hearing

Atlanta, Georgia - June 9, 1975

The CONSULTING ENGINEERS COUNCIL OF GEORGIA (CEC/Ga.) submits for consideration the following comments related to this public hearing on "POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT". CEC/Ga. has membership of over one hundred firms practicing consulting engineering in the State of Georgia.

BACKGROUND

The passage of the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500) has brought many changes to municipal wastewater management programs. The major aspect is the requirement for publicly owned treatment works to be the most cost-effective alternative for meeting applicable water quality goals while recognizing environmental, social and economic considerations. National objectives have been established for abatement levels corresponding to specific schedules for both private and publicly owned waste treatment facilities. In addition, a comprehensive national permit system (National Pollution Discharge Elimination System) is in effect to provide enforcement of the objectives of P.L. 92-500. Extensive planning is provided in accordance with provisions of Sections 201, 208 and 303 (e).

It will soon be three years, since passage of P.L. 92-500, and during this time, there has been much confusion related to the requirements for implementation of P.L. 92-500. Some of the key requirements affecting the construction grants process have been the publication of interim grant regulations in February, 1973; a more stringent definition of secondary treatment in August, 1973; final construction grant regulations in February, 1974; and proposed procurement regulations in May, 1975. Furthermore, there have been additional regulations for implementation of other aspects of P.L. 92-500 as well as nearly fifty policy guidance memoranda establishing, altering and/or modifying the construction grants program.

The needs for a national cleanup effort have been approximated by a needs survey approach required by Sections 205 and 516 of P.L. 92-500, as amended by P.L. 92-343. The 1974 Needs Survey identified needs of approximately 342 billion dollars of which 235 billion were identified for treatment and/or control of stormwaters. The 1974 Needs Survey also identified some 28 billion dollars for construction of secondary or more stringent treatment facilities to protect water

quality. The magnitude of expenditures identified by the 1974 Needs Survey should not place the national cleanup effort in a state of panic, but should identify the need for a straightforward, long term commitment to enhance the quality of the Nation's waters.

METHODICAL PROGRAM

The water pollution control program for publicly owned treatment works requires a long term, methodical abatement program. Reasonable schedules and compliance goals should be established through the cooperative efforts of EPA, state authorities and local governments to obtain cleanup objectives.

A necessary part of such an objective would be to stabilize the rules and regulations under which the program is being administered. An amendment (H.R. 3658) has been proposed to provide that all rules proposed by EPA must be reviewed by Congress. In addition, measures should be taken to limit the frequency and impact of policy guidance memoranda on the construction grants program.

With adequate funding and cooperative efforts toward a long term, methodical construction grants program, it is felt that objectives may be established for conventional secondary treatment by 1980, fishing quality waters by 1985, and that zero discharge may be eliminated in lieu of local water quality determinations. This requires the definition of secondary treatment be re-established as conventional practice prior to EPA's definition in August, 1973.

The foregoing comments are relevant to the general objectives desired by the papers prepared for discussion at this public hearing.

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

A reduction of the federal share is not supported. The construction grants program must be stabilized which requires the support of a long term funding commitment at the seventy-five percent level.

An effort should be made by Congress to stabilize the rationale behind allocation of construction grants funds. It is suggested that an allocation formula based on fifty percent population and fifty percent of Category I, II, and IV B of the Needs Survey be utilized for allocation of future funds, including the nine billion dollars of impounded funds. This approach has been supported by state water pollution control authorities and is the substance of S.B. 1216 and H.R. 4161. With exception of the provision to include the nine billion dollars of impounded funds, this same position was presented by EPA in their transmittal of the 1974 Needs Survey to Congress.

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY

Federal funding should not be limited on reserve capacity to serve projected growth. In certain cases, individual determinations may be necessary to determine the relation of long term flows to land use stability.

An additional aspect to be considered on this position are the needs to strive for a level of secondary treatment by perhaps the year 1980 provided that Congress would intervene and re-establish the conventional definition of secondary treatment prior to that promulgated by EPA in August, 1973. Such action should be directed toward local determination of acceptability of such treatment systems as waste stabilization ponds, trickling filters and certain activated sludge processes. For example, in Georgia there are some two hundred publicly owned waste stabilization ponds which are expected to be abandoned as a result of EPA's definition of secondary treatment. Naturally, this will have a major impact upon the funding requirements of the State.

It is further suggested that an economic analysis be required to define a reasonable funding level for construction grant activities. The analysis of the actual authorization rate should include the ability of local governments to provide twenty-five percent financing; support operation and maintenance requirements of increasingly elaborate systems; and prepare and provide engineering services for completion of facilities plans as well as engineering plans and specifications. In addition, a sudden increase and continual rising of construction costs could be avoided by a systematic allocation formula rather than an allocation based on immediate funding to meet all eligible needs. It is anticipated an annual authorization in the neighborhood of four to six billion dollars would be reasonable.

PAPER NO. 3 - RESTRICTING THE TYPES OF ELIGIBLE PROJECTS

The types of projects eligible for grant assistance under P.L. 92-500 are reasonable and necessary to provide facilities to meet water quality objectives. The results of the 1974 Needs Survey should not be an indicator of a need to restrict eligibility but as an indicator of the funds required for eligible projects and how they should receive priority for funds. By the modification of the EPA definition of secondary treatment to the conventional secondary treatment concept, reasonable goals could be established for funding to provide secondary treatment by 1980 with fishing quality waters as an objective for the years 1980 to 1985. Individual determinations may be necessary in regard to funding an even more stringent level of treatment to protect local water quality.

The significant needs identified for Category VI show that the treatment and/or control of stormwater is a massive project and should certainly be part of long term objectives of P.L. 92-500.

PAPER NO. 4 - EXTENDING 1977 DEADLINE

The 1977 objectives for private and industrial dischargers appear as an achieveable goal; however, it is suggested that modifications be made in the date to allow for reasonable compliance of publicly owned treatment works. Firm goals and attainable objectives should remain a part of P.L. 92-500.

Since almost three years have been devoted to start-up and development of programs for implementation of P.L. 92-500, it is suggested that a three year extension be provided for the objectives and deadlines on publicly owned treatment works. In particular, it is suggested that a 1980 goal for achieving conventional secondary treatment and a 1985 goal for obtaining fish and quality waters be established. It is further suggested that across the board application of zero discharge be eliminated. Sufficient flexibility should be provided to allow for individual exceptions which would be governed by availability of funds and enforceable through permit compliance schedules.

PAPER NUMBER 5 - DELEGATING CONSTRUCTION GRANTS PROGRAM

In accordance with the objectives established in Section 101 of P.L. 92-500, it is felt that a greater delegation of the authority for management and administration of the construction grants program should be made to the states as proposed in H.R. 2175. An essential element of implementation of such a program would be that duplicate reviews and project holdups as a result of EPA participation be eliminated or minimized to the maximum extent possible. The construction grants program cannot be subject to duplication and second-guessing efforts if it is to be effectively administered through a delegation process.

SUMMARY

The concepts and objectives of P.L. 92-500 are supported and should represent realistic and attainable goals for improved water quality throughout the nation. Strong support must be developed and maintained for a long term commitment, with federal funding, to provide the needed support to the construction grant programs for publicly owned treatment works.

Other than those amendments presented in this paper, it is recommended that additional amendments to P.L. 92-500 be withheld until the final report of the National Commission on Water Quality is completed.

July 3, 1975

Mr. David Sabock
Environmental Protection Agency
Washington, D.C. 20460

Re: Comments - Municipal
Waste Treatment Grants

Dear Mr. Sabock:

In response to notices in the Federal Register concerning your holding of public hearings on potential legislative amendments to the Federal Water Pollution Control Act, the Consulting Engineers Council of Oklahoma requests that that attached comments be received by you and considered a part of the record of the hearings.

Very truly yours,

CONSULTING ENGINEERS COUNCIL OF OKLAHOMA

Bob Bruton, President

CONSULTING ENGINEERS COUNCIL OF OKLAHOMA

EXPRESSION OF VIEWS
CONCERNING PROPOSED AMENDMENTS
TO PL 92-500
THE FEDERAL WATER POLLUTION CONTROL ACT

These comments are in response to the notices in the Federal Register of Friday, May 2, 1975 and Wednesday, May 28, 1975 under the heading

MUNICIPAL WASTE TREATMENT GRANTS

Public Hearings on Potential Legislative
Amendments to the Federal Water
Pollution Control Act.

Although the CONSULTING ENGINEERS COUNCIL OF OKLAHOMA did not elect to be represented in person at one of the hearings, these comments are being sent to Mr. David Sabock at EPA Headquarters, Washington, D.C. with the understanding that the comments will be considered as part of the records of the hearing.

CONSULTING ENGINEERS COUNCIL OF OKLAHOMA is part of the AMERICAN CONSULTING ENGINEERS COUNCIL, Headquarters in Washington, D.C. All of its members are Consulting Engineers in private professional practice dealing exclusively in performing of engineering services in the traditional, personal client-advisor method. Although not all of the members of CEC/O work directly in the water pollution field, those not directly involved are indirectly affected, and are well qualified professionally to make expressions which are of value in the solving of the water pollution problems. Therefore, it can be stated that the expressions and comments listed herein are the consensus of the views of the members of the CONSULTING ENGINEERS COUNCIL OF OKLAHOMA.

Page 184 of the June 19, 1975 Engineering News Record carries an editorial entitled "Clean Air Act Needs Rethinking". The following, which are the last two sentences in the editorial, although they speak concerning clean air, apply equally word for word to the water quality problems being discussed in connection with the necessity of revising PL 92-500.

> "The Act should be reworked. And next time it should be less a 'wish' list and a more soberly thought-out set of goals compatible with the economics of life here in the real world of jobs and unemployment, profits and losses, and limits to the good things we can afford."

Consulting Engineers of Oklahoma support fully the intent of the law. These intentions are obviously beneficial and desirable. But the facts and realities of modern life demonstrate that not all things which are desirable are attainable. Amendments must be made to the Act to bring the matter of pollution control into proper balance with all other aspects of modern life, that is, economics, energy, material resources, human resources.

In order to know what to do; what specific amendments to the Act should be made, one needs to cut through the maze of regulations, the high volume of discussion, much of which has been emotional rather than objective, and face up to what has gone wrong under a program whose basic objectives are so noble. We see the following three broad basics as covering the problem.

1. The Act and regulations have established goals (both dates and performance standards) which are impracticable, some cases impossible, and unworkable.

2. Available resources are limited and finite. Thus recognizing this, priorities must be established which will do the most good where the need is greatest, all within reasonable and practical time frames. Economic Impact must be considered equally with Environmental Impact.

3. It must be recognized that a program of this order and magnitude must be decentralized. Centering everything in Washington is not working and cannot work. Authority must be granted to the State Agencies, and Regional and Washington offices of EPA must limit themselves to review, auditing and monitoring or the job never will be done.

The following comments are made concerning the 5 papers.

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

It is our opinion that the current grant ratio of 75/25 is self-defeating. Communities, in the past, demonstrated their willingness and ability to solve their water pollution problems when the ratio was 30% Federal, 70% Local. However, to succeed at any ratio of federal-to-local share, practicable and workable time goals and effluent standards must be established. Priorities must be established on the basis of where is the greatest need; where can we get the most for our money?

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTIVE GROWTH.

The matter of whether a project should be funded to serve for 10 years or 20 years or 30 years should not be set forth in Law, nor in Regulations except in Guidelines. Policies should be stated which guide to clean-up of our streams by treating our sewage and industrial waste to reasonable levels under a system of priorities. When such policies are established there will be no serious difficulty in working out the most cost effective solution to each individual problem, including determination of project life for which the treatment plant should be designed. Same applies to collector sewers, tertiary treatment or whatever.

Arbitrary time frames of any length should not be written into the Law or in Regulation. Guidelines of an advisory nature should be promulgated. Determination of method of treatment should be proposed by the municipality and its consultant, and concurred or varied by joint review and conference with the State agency involved, and EPA. In actuality this is the procedure now being followed under Step I.

Speaking of the Step I, II, III procedures, some drastic changes should be made. The idea is sound, but uniform, universal, unvarying application of the procedure causes undue expense, unreasonable delays, unneeded paper work. In our opinion the great majority of projects could be handled by return to the conventional preliminary report in lieu of the voluminous Step I Report.

PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

In our opinion the Act need not be amended to restrict certain types of projects eligible for construction grant funding. Anything that complies with the intent of the Act, that is, cleaning up our streams, should be eligible. However, a proper system of priorities as already mentioned above would answer the matter as to which projects to fund first.

For example, tertiary treatment plants would probably be of low priority in most cases until the majority of locations in the U.S. had produced the level of effluent to secondary standards. Correction of combined sewer overflows surely would have lower priority than secondary treatment. And, as of this date, control of storm waters should be of lowest priority.

The important thing is to place in proper perspective the principle of getting the most out of our limited resources. And our resources are limited, may we emphasize.

Perhaps this is a good time to propose, along the line of getting the most out of our resources, that effluent requirements for small communities so located as to do little or no harm to the environment should, and must be treated differently from those of high population densities. Let's not spend money at a small city doing something which,

when complete, will have little or no effect on the overall condition, when the major pollution problems remain to be solved.

PAPER NO. 4 - EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRE-TREATMENT WORKS TO MEET WATER QUALITY STANDARDS

Current dates must be extended. It is our opinion that "hard and fast" dates should be removed from the Act. For example, the 1985 goal of elimination of discharge of pollutants is clearly an impossible goal. This goal, expressed at the very beginning of Title 1, Section 101 of the Act, prepares to discredit the entire Law in the eyes of the knowledgeable reader.

The 1983 goal to provide water quality for recreation is equally unrealistic, because non-point source discharges render even a clear stream unsuitable or unsafe for body contact.

Both time goals and quality goals should be established by the Administrator to fulfill the intent of the people as expressed in the Act. These regulations should be broad, flexible, should be developed with high input by the States, and should provide for easy and quick variance upon proper showing by the Local or State Agency.

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATE

HR-2175 should be enacted. As already expressed, EPA's role should be more of an "overview". It should be largely consigned to overall policy making and auditing and monitoring grant activities. The functions and responsibilities of the States should be increased.

Only if this is done will the program ever get off the ground.

CONSULTING ENGINEERS COUNCIL OF OKLAHOMA

Robert O. Bruton
President

July 3, 1975

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

RE: Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act (Federal Register, May 2 and May 28, 1975)

Dear Mr. Agee:

Carolinas Branch, AGC hereby submits written testimony, relative to the referenced hearings, in extension of that presented orally on June 9, 1975 in Atlanta, Georgia, by our Senior Vice President Harold A. Pickens, Jr. Our membership now exceeds 2400 firms engaged in the construction industry, in North and South Carolina, and elsewhere in the Southeast.

We urge a restudy of Mr. Pickens' remarks, a copy of which is enclosed.

While we shall comment on all five amendments subject to the hearings, we reiterate our pleas that EPA and OMB direct their priority efforts toward those amendments which have a realistic chance of early enactment to help unblock this huge program which has been stalled for nearly three years.

The public is becoming increasingly aware that very little of the $18 billion authorized has bought them anything tangible to see and use. Of course, we contractors know this because we have no work for our firms or our employees.

At first glance, one tends to be impressed by the statistics in EPA's June 1975 "Construction Grants Fact Sheets"; however, we find the statistics misleading. There are no figures on expenditures, which is the factor that actually produces projects and employment. Further, the recent acceleration in obligations reminds us that the deadline for obligating FY74 funds was June 30, 1975. We also note that this deadline was met by the late release of funds for a very few large projects in particular states. The total funds committed,

$5,268 billion, only slightly exceed the $5 billion allowed for FY73 and FY74; 55% of this $5 billion went to seven states. Thus another "peak" in construction has been created, however, only spottily in a few states and hardly noticeably in most states.

The Fact Sheet shows that grants have been made for nearly 1800 Step 1 "projects". Yet, since the enactment of PL 92-500 in 1972 only two Step 1 plans have been approved by EPA for the Carolinas; we also understand that only about 50 such plans have been approved nationwide. Thus another "valley" in construction appears inevitable until another "peak" is created in a rush to obligate the $4 billion in FY75 funds by the end of FY76. The possibility that many states will not be able to meet this deadline is very real and could create widespread political difficulties, in a Presidential election season.

To complicate and delay the Step 1 process further, a new set of guidelines for facilities planning and PG-50 were issued only last month. These will require yet another redirection of Step 1 planning by engineers, municipalities and states.

PG-50 requirements to evaluate "secondary environmental effects" reinforces EPA's efforts to control local land use toward a "no growth" goal as desired by CEQ, even in the face of the nonexistence of a Federal land use law. It is not likely that our future generations will accept being condemned to living in apartments. They will provide the facilities they need for their aspirations at far greater costs which we would be creating for them, now.

As for the impact of PG-50 on the contractor and the public, one wonders if the author in EPA fully appreciated the costs and wastes involved in withholding payments and in suspending or terminating construction projects.

Again, we ask that EPA stem the flood of its ever changing regulations and guidelines, to provide some semblance of stability to the program.

Before commenting on the specific amendments under consideration, we, again, ask EPA to search out means within the current provisions of the law to try to correct the nationally tragic situation briefly outlined above, which is so counterproductive to the nation's efforts

to extricate itself from the ravages of recession, inflation and unemployment. The possibility of Executive Orders or Congressional Resolutions should not be overlooked.

Amendment No. 5 - Delegations to the States

Delegation of maximum authority and flexibility to the states is absolutely essential.

Even by the most primary principles of management, it is obvious that such a large and complex program cannot effectively be managed in detail from the Washington or Regional levels, as EPA is doing now. The Congressional staff report mentioned by Mr. Pickens bluntly states, "Communities are being told in intricate, interrelated detail exactly what they must do and how they must do it." We might add that such instructions are constantly changing to the confusion and disillusionment of all concerned. We cannot accept EPA's allegations of apathy and incompetence on the part of states, municipalities and engineers. The repeated question to EPA is, "What do you want us to do?" This situation is the epitomy of Federal bureaucracy, impracticability, and waste of Federal and local manpower and money.

It is at the state and local levels that the varied local conditions, needs, priorities, and the will and aspirations of the people are best known. Therefore, under the unobstructive and helpful monitorship of EPA, the states should be given the flexibility and authority to plan and build the projects they choose, while striving toward the goals and requirements of the law. In essence, such an arrangement is intended and legislated as national policy in Sections 101 (b) and 101 (f) of the Act.

Since EPA feels that it cannot now comply with these Sections of the Act, then it should seek the further enabling support from the Congress. Such support has been offered even during the previous Congress in the form of the "Cleveland Bill", presently introduced as H.R. 2175. The Bill also provides for additional financial assistance to the states for the planning process.

Therefore, we urge that EPA actively support the enactment of H.R. 2175 and undertake full good faith implementation of the intent of the Bill. It appears that the Congress is willing to consider the early enactment of such a bill.

Amendment No. 4 - Extending the 1977 Deadline

Such an amendment is obviously necessary.

It will be impossible for many municipalities to meet the 1977 deadline. Therefore, the law should provide relief for and protection against court action for those municipalities which for good reason, financial or administrative, will be unable to meet this deadline. Consideration should also be given to relief from the deadline for industry where there is a real dependence by the industry on a municipal treatment facility.

Amendment No. 1 - Reduction of Federal Share

Under the current and now-unforeseeable nature of economic conditions, states and municipalities simply could not sell enough bonds to provide for a greater local share; in fact, many municipalities cannot provide even the current 25% share. Further, there is a limit to what the national citizen-customer will pay for a service. There is hardly a municipality now whose citizens are not complaining about rising sewerage rates. Such an amendment simply is not feasible without abandoning the goals of the Act.

We shall comment later on your letter of July 1, 1975 on the subject of variable rates of Federal funding for the different types of projects.

Amendment No. 2 - Limiting Reserve Capacity

We strongly oppose any such limitations by edict of Federal law. Further, we oppose Federal regulation of local land use and growth, which EPA is even now doing to a large degree, as explained by our remarks above relating to PG-50 and the Step 1 process. Given the "Cleveland Bill", within the funds available and within the law, the states should be allowed the flexibility of determining the future of their communities and local citizens.

Amendment No. 3 - Restricting Types of Projects

We strongly oppose any such restrictions by Federal law, except that EPA should be legally relieved of any jurisdiction over Category IV, "the treatment or control of stormwaters". There is no known

feasible way of treating stormwaters. Flood control is a major responsibility of several other Federal agencies. Floodplain zoning is the business of local and state authorities, as is sedimentation control. We doubt that any knowledgeable person, including EPA officials, will assign any real validity to the $235 billion figure for this nebulous category, in EPA's $350 billion "needs study".

As for the other categories, the relative needs vary widely among the communities of the nation. Again, as applies to Amendment No. 2, flexibility should be allowed the states to choose the types of projects most needed locally.

We note that EPA is already exercising such restrictions, by establishing priorities at the national level. For example, in the Carolinas it is virtually impossible for a small town to be approved on the state priority lists, because EPA has declared - by regulation, not by law - that no grants would be allowed for collection systems. Prior to the enactment of the Act, some of these small towns were near the top of the state priority lists.

Other Amendments

Mr. Pickens has already mentioned the need for an amendment to revise the user charges requirements.

Further, we strongly support the enactment of H.R 4161 to provide for a more equitable distribution of grant funds among the states. Under the FY73 and 74 "needs study" and formula, 55% of $11 billion, of the $18 billion total, went to seven states. Under this formula the Carolinas received about the same amount, for FY73 and FY74, of a total of $5 billion, as they did for FY72, under PL84-660, of a total of $2 billion. H.R. 4161 would adopt the FY75 formula, based on 50% "needs" and 50% population, a far more equitable formula. This matter needs immediate attention, to apply to future funds and even the $9 billion recently unimpounded.

Any future "needs surveys" should be managed most carefully to ensure validity. No one, even EPA, seems to know exactly what should be done with the 1974 $350 billion study. Obviously, the survey was, at least in part, a contest among the states for a greater share of Federal funds.

We appreciate the opportunity of presenting these comments and hope that they will be helpful to EPA, OMB and all others concerned.

Very truly yours,

Henry J. Pierce
Executive Vice President

HJP/kob
Enclosure

June 9, 1975
Atlanta, Georgia

TESTIMONY

By: Carolinas Branch, Associated General Contractors of America, Inc.

Re: Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act (Federal Register, May 2 and May 28, 1975)

I am Harold A. Pickens, Jr., President of my own construction firm, in Anderson, S.C., and Senior Vice President of the Carolinas Branch, Associated General Contractors of America, Inc. Our organization has a membership of over 2300 firms engaged in the construction industry in North and South Carolina, as well as elsewhere throughout the Southeast. We appreciate this opportunity to testify on these complex matters which are of the utmost importance to the public, to the construction industry and to others.

My brief remarks will be supplemented by written testimony, which we will submit within a few days.

We believe that, first, we all should move ahead, as rapidly as possible, with what can be done now to unblock the progress of this vital program.

The crucial issue is that of the 18 billion dollars allocated to the states less than one billion has actually been expended for construction to date. It is urgent that this money be put to work for the public, as soon as possible, and at a time when it is most needed - from our standpoint, to provide work for our firms and for the people we employ.

As background for our recommendations on legislation, I shall briefly recount the plight of our contractors in the Carolinas. It must be appreciated that our difficulties mirror the problems and frustrations being experienced by our municipalities. As these difficulties persist and grow, there is a rapidly growing understanding by our municipalities and the public of what has actually been happening to their program - one of the largest construction programs ever enacted by the Congress. Unless there is clear evidence of positive

and early improvements in the administration of the program, strong public reaction appears inevitable.

Our Carolinas contractors, and municipalities, have suffered a virtual moratorium on municipal sewerage projects for almost three years. We see a further extension of this gap until the closing months of FY76, when crash action will probably take place to try to obligate, before July 1, 1976, about 120 million dollars allocated to the Carolinas in FY75 grants. A similar gap and peak could occur in efforts to obligate another 180 million dollars in FY76 funds by September 30, 1977. These gaps and peaks will result in the extinction of many of our smaller firms, and in a costly readjustment by the construction and supporting industries to meet program needs. They aggravate uncertainties and frustrations for municipalities. Should these obligation deadlines not be met, funds would be reallocated to other states. Especially in a Presidential election year, such an event in any state would bring about political repercussions upon elected and salaried public officials involved, at all levels of government; we need no further erosion of public confidence in our governmental structure.

Therefore, we urge that EPA, OMB and the Administration undertake full, priority support for the immediate enactment of the amendments which I shall now outline.

The enactment of H.R. 2175 (or identical bill H.R. 6991) would provide the powerful support of the Congress, and hopefully the incentive, for EPA to eliminate the grossly wasteful state-EPA duplication of reviews and approvals, from the conception of planning through the bidding process. We are discouraged to note, even in the Federal Register announcements relating to this hearing, that EPA now only "generally" endorses these bills.

To ensure that another solid roadblock to the construction of projects is not overlooked, I must emphasize the need for an amendment to provide for changes in user charges system. We are aware that EPA has introduced a bill for such an amendment.

Similarly needed is relief for municipalities which for good reason, financial or administrative, will be unable to comply with the July 1, 1977 effluent limitations.

Further, municipalities need the protection of law against court cases, especially "citizens suits", while acting in good faith during the administrative process regarding their permit applications.

We contend that the above amendments are needed and can be enacted, now. Our contentions are supported by the March, 1975 Interim Staff Report of the Subcommittee on Investigations and Review, House Committee on Public Works and Transportation, on PL 92-500. Incidentally, we commend this Report for your thorough consideration.

The first three amendments subject to today's hearings appear to fall into the category of major amendments. The matter of relaxing the 1977 standards for private industry probably falls in the same category. Such major amendments are unlikely to be acted upon by the Congress until after the National Commission on Water Quality submits its report and probably not during a Presidential election year. Mr. Gordon Wood, minority counsel for the House Public Works Committee confirmed this publically on April 23, 1975. Nevertheless, we will address these in our written testimony.

In closing, I repeat our major plea, which we have repeatedly made to EPA - that EPA intensify its efforts to make maximum delegations of authority to the states within the current provisions of the Act.

Thank you.

Note: Further written testimony to follow.

July 2, 1975

Mr. James L. Agee
Assistant Administrator for Water
and Hazardous Materials
Environmental Protection Agency
Waterside Mall Building - WSMW
Room 1037
4th and M Streets, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

On behalf of the Consulting Engineers Association of California (CEAC), its President, Jack Going; its Executive Director, John Beebe; and its members, I would like to thank you for the opportunity to present our ideas and comments on the five papers that discuss possible revisions to the Federal Water Pollution Control Act Amendments of 1972, PL 92-500. Our suggestions are contained in the following paragraphs.

Paper No. 1 - Reduction of the Federal Share

CEAC recommends that the Federal share of construction grants required to meet the goals of PL 92-500 be maintained at the current level of 75 percent. The budgetary impact of funding the entire $342 billion worth of eligible construction is of concern to everyone dealing with water pollution problems. Increasing the burden of state and local agencies does not solve the problem; it transfers it to other governmental agencies. In California, Senate Bill 90 limits the ability of many special districts involved in water pollution activities to raise revenues through increased property taxes.

Many local agencies may not be able to meet increased financial responsibilities as a result of Senate Bill 90. This situation is particularly critical for many small, special districts. Likewise, California State bond funds most likely are not adequate to absorb increases in the State's share. The net result of reducing the Federal share would probably be delays in construction and in meeting the goals of PL 92-500.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

CEAC supports the concept of limiting the amount of reserve capacity eligible for federal funding. The limitations adopted by the California

State Water Resources Control Board of ten years for waste treatment plants and twenty years for interceptors, outfalls and sewer lines are reasonable guidelines. It also allows local agencies to pay the incremental cost of additional capacity if they elect to construct facilities in excess of the reserve capacity. However, any regulations that are proposed should allow for flexibility in applying the limits. For example, state-wide or even county-wide growth trends may not be applicable to all wastewater agencies. A large county may have one area where growth is expected while other areas are not anticipated to grow. Flexibility is needed to deal with this type of problem at the county or regional level of government. Also, provisions should be made to permit exceptions where substantial cost efficiencies can be demonstrated.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

CEAC believes it is not desirable to restrict the types of projects eligible for grant assistance; as an alternative, CEAC suggests a priority system be established whereby the importance of the project is related to its contribution to the solution of a water quality problem and to the achievement of the goals of P.L. 92-500. The priority system used by the California State Water Resources Control Board is a positive step in this direction and should be reviewed and considered by the EPA.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

CEAC recognizes that it is impossible to meet the 1977 deadline to achieve effluent limitations based upon secondary treatment or a more stringent level of treatment for all publicly owned treatment plants. CEAC recommends that extensions be granted based upon the availability of Federal and State funds and upon the actual time required to build the necessary facilities.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

CEAC supports the concept of deletating more responsibility to the states for managing the construction grants program where the State has demonstrated a willingness and capability to administer the program. Where the State has not demonstrated this capability, responsibility should be retained within the EPA. The California State Water Resources Control Board is developing an effective program to

to manage construction grants and the EPA should actively support continued development and improvement of their management program.

Nationally, the most difficult problem CEAC anticipates in effectively implementing PL 92-500 is finding qualified engineers to review and approve plans and specifications. With an expanded construction grants program, qualified professional engineers will become a limited resource. Along this line, EPA should give careful consideration to the conditions of state certification. For example, professional registration should be mandatory for personnel making decisions on the review and approval of plans and specifications.

CEAC looks forward to working with EPA to improve the effectiveness of the construction grants program and to solve our nation's water quality problems. CEAC thanks you for the opportunity to make this brief statement.

Cordially,

Donald E. Evenson
Chairman, Special Committee on
Water Pollution

DEE:krs

June 19, 1975

Mr. Alvin L. Alm
Assistant Administrator for Planning
and Management
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Alm:

The Federal Register, on May 28, 1975, outlined certain proposals for amending Public Law 92-500, the Federal Water Pollution Control Act, Amendments of 1972, 33 U.S.C. 1251, et seq. Boiled down to their simplest terms the proposals set out in 40 Federal Register 19236 are:

1. The reduction of the federal share of grants from 75% to 55%,
2. The limitation of federal aid to serve only the needs of the existing population,
3. The restriction of the types of projects eligible for EPA grants,
4. Extending the 1977 deadline for meeting water quality standards, and
5. Delegation of more authority and responsibility to the state level regarding grant approval and operation.

The first three proposals appear to be based upon the budgetary problems of the Federal Government due to the current inflationary condition and the general economic recession that is ongoing. At the outset we would like to state that not only is the Federal Government having problems due to the inflationary conditions, but state and local governments are having the same problems due to the same conditions. In fact, on the state and local level the problem is even more critical as there are less funds available totally to these governmental bodies than to the Federal Government. It is inconceivable to see how a reduction of federal funding will encourage, help, or in any way assist the local governments in meeting their obligations. The one thing that must be kept uppermost in everyone's mind is that the funds that run the Federal Government come from the individual citizens and businesses of this country. If the Federal Government does not have the funding capacity, then this shortage is due to the lack of funds from the individuals and not some mysterious deficit unknown to man.

The question which plagues the cities and the states is simply, where will the funds come from? If the Federal Government does not have the

capacity, surely the states and the cities do not have the capacity as the funds for all three -- city, state and federal levels -- come from the same sources. When a governmental unit's source of revenue is limited, it can but spend and utilize that which is available to it. In so doing, it can only accomplish those goals and objectives that fall within its funding effort and ability. It is totally unrealistic to reduce the funding and maintain the same standards and expect that these standards can be met in the same time frame.

The reasoning espoused in the article in the Federal Register falls far short of being conclusive and justifiable. The idea of limiting federal funds available to encourage local participation when the funds are not available locally is without merit. The proposal to maintain the same standards as set out in Public Law 92-500, while drastically reducing the funds available to meet these deadlines, is completely unrealistic and evades the issue of compliance. Further, the proposal to limit the size and scope of that which is eligible for federal funding to the existing population, not allowing for any growth, is an exercise in futility which creates additional costs and expenditures at a later date which, judging by any standard that we have to use, will be much greater than the current expenditures to properly do the job. The idea of designing a system for 10 years' use when the system has a 40 to 50 useful life, is simply wasteful expenditure of both federal and local funds.

The City of Chattanooga, as well as other cities throughout the United States, pursuant to the provisions of Public Law 92-500 and the standards set thereby, has entered into a program of planning and construction, at a considerable expense to its citizenry, to meet the standards set out by the Federal Law. Now that considerable funds have been expended, bonded indebtedness created, and work commenced, the idea of changing the basic ground rules yet maintaining the same end result, appears to be totally untenable. We would request your very careful consideration of this proposed legislation in light of the financial burden it will create upon your constituents and further the impossible task of complying with the federal standards that it will place upon the local government. Surely, some method short of the current proposal can be conceived and thereby achieve the objectives of the existing legislation.

The fourth and fifth proposal set out in 40 Federal Register 19236 dealing with extending the 1977 deadlines and delegating more authority regarding grant operations to the states are two proposals that address themselves very directly to the problems that currently exist. Obviously, if funds are not available, the projects cannot be completed. If they cannot be completed, then it is totally unreasonable for the

the Federal Government to assume an enforcement role that it knows it will be unable to fulfill. The state programs, particularly the Tennessee State Program, dealing with the federal grants under Public Law 92-500, has operated very efficiently and effectively, and the City of Chattanooga whole-heartedly supports the proposition that more authority can be delegated to the states, thereby freeing the Environmental Protection Agency to be an administrative agency and not an operating agency on the state level. As a municipal body that would be directly affected by these proposals, the City of Chattanooga wholeheartedly supports the proposal to in some manner extend the 1977 deadlines to a realistic position within the financial capabilities of the governmental units involved and further, that the management duties should be with the state, as proposed, leaving the Environmental Protection Agency to act as an administrator and oversee the entire project, thereby having more time to adequately do their job.

As a responsible municipality, we feel and know the needs of our citizenry as we deal with them on a daily basis. We feel certain that you are aware of the needs and requirements of your constituents and would respectfully request that these proposals be reviewed by your office in depth so that the flaws in the fabric may be exposed and corrected and the best overall solution be found and put forward so that the goals established by Public Law 92-500 can be met.

Very truly yours,

CHARLES A. "PAT" ROSE
Mayor

GENE ROBERTS
Commissioner of the Department
of Fire and Police

PAUL F. CLARK
Commissioner of the Department
of Public Works, Streets and Airports

JOHN P. FRANKLIN
Commissioner of the Department of
Health and Education

JAMES C. EBERLE
Commissioner of the Department of
Public Utilities, Grounds and Buildings

July 3, 1975

Environmental Protection Agency
Office of Water & Hazardous Materials (WH-556)
Room 1033, West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Attn: James L. Agee, Assistant Administrator

Subject: Municipal waste treatment grants

Gentlemen:

The City Council of the City of Carlsbad, at its regular meeting of June 17, 1975 discussed the proposed amendments to the Federal Water Pollution Control Act that are now before your agency. At that time, they adopted by motion the position as outlined in the Public Works Director's memorandum (see attached copy of minutes).

Those recommendations are as follows: to oppose reduction in the current level of Federal financing; to concur in the present compliance date but encourage legislative changes to allow administrative discretion to grant time extensions based on availability of funding; to support delegation of project control to the States; to resolve the questions concerning the necessity of secondary treatment for ocean dischargers on the Pacific Coast; to oppose the requirement to return 50% of revenues from industrial users to the Federal government as being counter-productive to the professional goal of raising more local funds for water pollution control.

Please consider this our writtern testimony to be included in the hearing record.

Very truly yours,

Ronald A. Beckman
Public Works Administrator

(92) 13. AGENDA BILL #3392 - MUNICIPAL WASTE TREATMENT GRANTS.

A lengthy staff report was given by the Director of Public Works with questions posed by the Council regarding this matter. The Public Works Director stated the Environmental Protection Agency will hold a Public Hearing on this matter on June 19, 1975 in San Francisco and the County will be sending a representative to the Public Hearing. Comments were made by the City Manager and after further discussion,a motion was made that the staff be authorized to submit in writing to the Environmental Protection Agency, the Council's position as outlined in the Public Works Director's memorandum dated June 11, 1975.

	Frazee	Casler	Lewis	Chase	Skotnicki
Motion					X
Ayes	X	X	X	X	X

CITY MANAGER REPORTS:

(23) 14. AGENDA BILL #3386 - EMERGENCY MEDICAL TRANSPORTATION.

The matter of Emergency Medical Transportation was discussed at length following a report given by the City Manager.

By motion, it was recommended that the Council accept all of the recommendations listed by the City Manager, Items 1 thru 4.

	Frazee	Casler	Lewis	Chase	Skotnicki
Motion			X		
Ayes	X	X	X	X	X

An amendment to the motion was offered that Item #4, having to do with the service of a collection agency, be deleted. The Mayor announced the amendment to the motion failed for lack of a majority.

(92) 15. AGENDA BILL #3393 - ENCINA WATER POLLUTION FACILITY ODOR PROBLEM.

The City Clerk stated a petition signed by 207 residents concerning the odor problem at the Encina Water Pollution Facility had been received.

The matter having been discussed at length at the last Council Meeting, a brief report was given by the Public Works Director on the current status of the problem.

Mr. George Dickson, 6444 Camino del Parque, Carlsbad, stated he had presented the petition to the City Manager and on behalf of the residents would like further enlightenment on the

June 25, 1975

Mr. James L. Agee
Assistant Administrator for Water and
Hazardous Materials
U.S. Environmental Protection Agency
Room 1033, West Tower
Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

Pursuant to the notice in the Federal Register, May 2, 1975, Pg. 19236, I wish to submit the enclosed statement as my testimony relating to the potential legislative amendments to the Federal Water Pollution Control Act.

My statement is directly responsive to the papers published in the Federal Register, May 28, 1975, Pgs. 23107-23113, under the title, "Municipal Water Treatment Grants."

I appreciate the opportunity to comment on this matter of utmost importance to the citizens of West Virginia.

Sincerely,

John G. Hutchinson
Mayor

JGH/ras

PROPOSED AMENDMENTS TO FEDERAL WATER POLLUTION CONTROL ACT

STATEMENT BY JOHN G. HUTCHINSON
Mayor, City of Charleston, West Virginia
July 3, 1975

INTRODUCTION

The passage, despite a Presidential veto, of the Federal Water Pollution Control Act Amendments of 1972 signified the dawning of a new day in our effort to clean up the waters of our nation. The amendments set standards to be achieved by 1977 and authorized $18 billion in assistance to local governments to enable them to construct sewers and treatment plants to meet these standards.

Three years later it is clear that, for several reasons, these standards will not be achieved by the 1977 deadline.

First, $18 billion is simply not sufficient to do the job. Most reliable studies indicate that twice that amount is necessary to achieve the 1977 standards.

Second, the Federal government has been unwilling to spend even the amount authorized. Until ordered by the courts recently to allocate all the funds, the President had impounded $9 billion, or half the authorization.

Third, the U.S. Environmental Protection Agency (EPA), which administers the Act, has been slow in setting forth regulations and in obligating money. To date less than 1/3 of the money has been obligated to local governments. Thus, any serious effort to meet federally-mandated standards has been frustrated.

Now, EPA proposes new amendments to the Act. They propose to reduce the federal share of construction grants from 75% to 55%. They propose to limit eligibility for federal assistance to facilities required for current needs, therefore, restricting communities in planning for future growth. And they propose to restrict the types of projects eligible for federal funding, thereby restricting the ability of local communities to set their own priorities and devise the most cost-effective solutions to water pollution problems.

Thus, rather than biting the bullet, the federal government seeks to shift to local governments the burden of meeting federally-imposed standards with reduced federal assistance. This seems inequitable and self-defeating.

Two other proposed amendments deal in a different manner with the problems encountered in attempting to meet the 1977 standards. One amendment proposes to extend the 1977 deadline to 1983 and to require compliance by that time regardless of the availability of federal funding.

The other amendment proposes to delegate a greater portion of the management of the construction grant program to the states "to expedite the flow of funds."

AMENDMENT #1 -- REDUCTION OF THE FEDERAL SHARE

EPA proposes to reduce the federal share for construction grants from the current level of 75% to a level as low as 55%.

The objectives are twofold. The first is "to permit the limited funding available to go further in assisting needed projects." The second "is to encourage greater accountability for cost effective design and project management on the part of the grantee."

Neither of these objectives are likely to be achieved by this amendment. The first objective ignores the financial plight of most local governments in today's distorted economy. Most local governments are cutting routine services simply to balance their budgets. Therefore, they are incapable of assuming a larger share of the costs of needed sewer and treatment plant construction. Rather than making the federal money go further, this amendment may make it impossible for most local governments to achieve mandated water quality standards.

The second objective implies a belief on the part of EPA that local governments are not efficiently designing and managing construction projects. EPA can cite no evidence to substantiate this belief. Quite the contrary, local governments have been continually frustrated by unclear EPA regulations which delay projects while inflation results in soaring costs.

However, a decreased federal share of the costs could make accountability a moot point anyway since it will discourage local governments from initiating projects due to a lack of resources.

Therefore, this amendment would clearly run counter to its stated objectives.

AMENDMENT #2 -- LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

This amendment would eliminate the eligibility of reserve capacity of facilities for federal financial assistance. In other words only that part of a facility designed to serve current needs would be eligible. Any portion of a facility designed to meet future population growth and anticipated new industrial and commercial resources would not be eligible for federal assistance. Again, EPA's objectives are to permit limited federal dollars to go further and "to induce more careful sizing and design of capacity to serve future growth."

This proposal places local government on the horns of a dilemma. If they design a realistic, efficient facility which provides for anticipated growth, a portion of it will be ineligible for federal

assistance, thereby increasing the local share perhaps beyond the local financial capacity. If they design a facility that is 100% eligible for federal assistance, thereby making it financially feasible for local government, they do so with the knowledge that it may be unrealistic and will perhaps be obsolete before it is complete.

This amendment is shortsighted. It will simply put off the day of reckoning for another few years when the costs will be higher and the problems will be more acute.

AMENDMENT #3 -- RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

This amendment would restrict eligibility for federal financial assistance to treatment plants and interceptor sewers and would make ineligible such things as collector sewers and storm sewers. Again, the objective "is to reduce the federal financial burden," but again, the solution is shortsighted. Its effect would be to encourage local governments to favor projects that are eligible for assistance, irrespective of what may be the most efficient or cost-effective solution to a local water pollution problem. Thus, the Federal government could wind up spending a substantial amount of money on projects that do not effectively address the actual goal of clean water. Such restrictions could, in some cases, actually lead to construction of a more expensive project simply because it is eligible for assistance rather than a less expensive one that is ineligible.

Furthermore, this amendment runs counter to the Administration's stated goal of increasing local flexibility and decision-making responsibility, which has been promoted through such programs as Revenue Sharing and Community Development Block Grants.

AMENDMENT #4 -- EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

This amendment proposes to extend by statute the 1977 deadline to 1983 and to require compliance at the time regardless of federal funding. This proposal recognizes that 50% of the nation's municipalities will not achieve the required standards by 1977. But it fails to recognize that the problem is not a lack of local initiative, rather it is a lack of local resources and the inability to get federal financial assistance in a timely fashion.

Thus, extending the deadline without providing the resources to achieve the standards will not alter the problem. And requiring compliance regardless of the availability of resources necessary to achieve compliance is something akin to the concept of a debtors prison.

AMENDMENT #5 -- DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The stated purpose of this amendment is "to expedite the flow of funds into necessary construction projects." This is, in essence, an admission by EPA that it has failed to do an effective job of managing the program, an interesting admission for an agency that seems to concerned with local accountability.

The danger of this proposal is that rather than the one bureaucracy with which we are now afflicted, we will be saddled with a two-tier bureaucracy -- one at the federal level and one at the state level. Rather than expediting the process, this may well make it even more confusing and time-consuming.

RECOMMENDATIONS

The five amendments proposed by EPA will not, in my opinion, hasten the achievement of our ultimate goal of waterways clean enough for our children to swim and for fish to survive. Rather, they are likely to delay indefinitely achievement of this goal.

These amendments avoid confronting the basic problem -- that additional federal assistance is essential to clean up the waterways of our nation. Reducing the federal share, restricting eligibility, extending deadlines are clearly not the answers.

EPA must directly confront its mandate to clean up our waterways. The following proposals are made in this light.

1. EPA should spend the money already authorized under the 1972 Act and should request such additional monies as may be necessary to achieve the 1977 standards as rapidly as possible while preserving the local decision-making role as well as the eligibility of projects that take into account projections of growth. Such continued federal assistance at the 75% level is the only realistic way to provide the necessary resources to reach the mandated goal. It should be noted that sewer construction projects are labor-intensive projects and will provide many additional jobs. Given the high national unemployment rate, such projects would not only clean up our environment but would also address another severe national problem by providing purposeful, productive jobs for currently unemployed persons. Thus, the expenditure of the necessary funds would serve a dual national purpose; and therefore, be dollars well spent.
2. The Administrator of EPA should be given the authority to extend the 1977 deadline for individual communities until such time as the federal funds are available to complete the projects necessary to meet the standards. Rather than simply extending the deadline six years, this would put local

governments on notice that they must comply with the standards as soon as the funds are available. At the same time it would place the burden of providing the resources necessary to comply with federally-imposed standards on the federal government.

3. Serious consideration should be given to the concept of an Environmental Block Grant Program similar to the Community Development Block Grant Program. This would encourage local government attention to environmental control, encourage the setting of priorities based on local needs, allow local governments to plan ahead, and eliminate much of the red tape now involved in getting federal funds.

June 11, 1975

David Sabock
Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033, West Tower, Waterside Mall
401 M Street S.W.
Washington, D.C. 20460

Dear Mr. Sabock:

On behalf of Mayor Canney, I am submitting the attached statement to be presented at the Public Hearing, June 17, 1975, in Kansas City, Missouri.

We appreciate you taking the necessary steps to see that this statement is made part of the public record.

If we can provide any further assistance, please don't hesitate to contact us.

Sincerely,

Thomas L. Aller
Executive Assistant

TLA:sp
Attachment

STATEMENT FOR PUBLIC HEARING
JUNE 17, 1975
9:00 A.M.
KANSAS CITY, MISSOURI

My name is Donald J. Canney (C-a-n-n-e-y), Mayor of Cedar Rapids, Iowa. I want to take this opportunity to apologize for not being in attendance, but an illness prevents me from being in Kansas City today. I appreciate the opportunity to be able to submit these written remarks at this public hearing.

Since 1966, Cedar Rapids, in mutual cooperation with the Federal Government and somewhat later, the State Government, has worked diligently to meet certain mandated requirements regarding the separation of storm drainage and sanitary sewerage; in meeting our commitment to clean up our local streams and rivers and prevent future water pollution; and in meeting the sanitary sewer and treatment needs of our city -- a city with a population of approximately 120,000 persons.

We have been awarded six construction grants, two design and engineering grants, and recently, five reimbursement grants authorized under Section 206, of P.L. 92-500. The Federal share on these projects has ranged from 30% to 75%; State participation has ranged from 5% to 30%. Federal contributions have totaled nearly $6,000,000.00. State contributions have totaled $2,500,000.00 during this period. The Federal reimbursement grants, now being received total an additional $1,633,000.00. The city will be submitting a Step III, construction grant this fall, with the total project cost in excess of $50,000,000.00 for a new waste water treatment plant. I offer these statistics only to indicate our extensive history of participation with Federal and State agencies in the field of water pollution control.

In order for local governments to meet Federally and State mandated water pollution control requirements, it is absolutely essential for the Federal and State Governments to be involved with needed local projects in a financial manner. The current 75% Federal share for eligible project costs should be retained in future legislation and increased, if at all possible. Inflationary pressures and the expanding state of technology have made needed local projects financially impossible without Federal and State matching grant programs.

Just as Cedar Rapids is presently designing a new waste-water treatment facility to serve our needs for hopefully years to come; so too, are other cities across this country planning to meet future needs. Any attempt to restrict the Federal financing of projects to serve the existing population should be rejected out-of-hand, as not being in the best interest of the citizens of this country. Ongoing planning for meeting future needs, can only <u>reduce</u> out mutual financial obligations over the long-term period.

Although many municipalities will have difficulty meeting currently imposed water quality standards, any attempt to extend the deadline should be carefully reviewed. One result of such an extension could be an "Easing" ... if you will ... of the nation-wide effort to clean up our streams and rivers. On the other hand, the Environmental Protection Agency should not be overly demanding, if local communities are in good faith, making every effort to meet these deadlines, yet require an extension of time to complete local activities. Further, any attempt to limit the types of projects eligible for Federal assistance should be rejected, as such a move would only compound an already severe problem.

I would be remiss if I did not comment at this time, on what seems to be an inexcusable amount of Federal regulation and procedure to carry out before a local Government even begins work on a project. I would urge the E.P.A. to review its operating procedures to more efficiently and expeditiously process grant applications. The current criticism being leveled at local Governments for not utilizing the the 18 billion dollars authorized in P.L. 92-500, is in large part unfounded. Under the present setup, it is an overly long procedure to complete Phase I and Phase II Grant Requirements before even making application for Phase III construction funds and even a longer period before construction work begins.

Thank you again for the opportunity to submit these remarks.

I personally believe we can build on our mutual experiences and go forward to meet the problems that are before us so we can improve the quality of life of our citizens.

June 6, 1975

Mr. Jack E. Ravan
Regional Administrator, Region IV
Environmental Protection Agency
1421 Peachtree Street, N.E.
Atlanta, Georgia

Dear Mr. Ravan:

With reference to the proposed amendments to PL 92-500 outlined in the Federal Register on May 28th, these proposals indicate a lack of responsible action to obtain the basic goals of the Act. We, in Chattanooga, have committed ourselves to plan our services to our community and our citizens. The implementation of PL 92-500 played an important part in that structure. Although we believe that there are some basic revisions necessary in the law, provisions outlined in the Federal Register on May 28th cannot be supported by the City. Indications of change in the Federal Funding ratio reflects, in my opinion a wavering of commitment on the part of the Federal Government. A 20% reduction in the Federal Funding level will have a massive effect on many local municipalities as it represents an 80% increase in local funding. The item, with respect to funding of reserve capacity, appears to be an attempt to limit costs on the projects at the expense of sound engineering and judgment. It is not compatible with the best judgment of our professional staff nor the consultants who advise us. We therefore view this as an illogical step ending only in reduction in total expenditure over the short-range with massive long-range cost involvement potential.

In Paper No. 3, which restricts the types of projects eligible for Federal Grants, again this appears to be simply restriction of Federal expenditures. Obviously, we cannot do it all at once. However, we recommend very highly a balanced system of plants, interceptors, and collectors be extended in a compatible nature so that the revenue base on both the local and Federal level tends to place our systems on a self-supporting basis at the earliest possible time; thus, alleviating both Federal and local bond indebtedness.

Regarding Paper No. 4, which relates to the extension of the 1977 date, we heartily recommend that the date be extended across the board as long as an honest attempt is being made as in many cases where results and delays were a combination of all our efforts.

We believe that any serious and conscientious municipality should be extended statutory relief from the 1977 date.

Paper No. 5, which would delegate a larger portion of the management and construction grant program to the States, we heartily support. We, in Tennessee, are quite proud of our State, the Department of Public Health and its respective divisions, and the Sanitary Engineering Division and Water Qaulity. We heartily recommend that they be given additional responsibility with respect to the delegation and administration of the Construction Grant Program. In listing these items, we ask your diligence of the following:

1. Sound planning on a local basis and local circumstances dictate some latitude in the categories of the Federal Funding be applied to preserve financial stability of local treatment systems. We therefore request extension of collection lines be given a higher priority and in all cases where interceptors are run into new urbanized areas that the adjacent collectors be installed at the appropriate Federal Funding rate.

2. We respectfully submit some of the inflexibility in effluent standards to reconsidered and the natural resources of our rivers and streams be used where their ecological balance would not be disturbed. It is an irresponsible positiokn to waste any natural resources including chemical, physical, and basic resource of energy which appears to be limited in the areas of many of our treatment facilities and processes.

Serious consideration is requested on your part as you review these items. Please be cognus of the fact that we, as responsible local officials, are close to the general public and their demands. The demands that we face on a daily basis closely represent those paralleled in every city in the United States. We seek your counsel and advice on numerous occasions and we request at this time that you listen seriously to ours.

Yours very truly,

Paul F. Clark

PF:dm

May 12, 1975

Congressman Paul Simon
1724 Longworth Building
Washington, D.C. 20000

RE: Funding Levels, Proposed FWPCA Amendments

Dear Congressman:

The May 2, 1975, Federal Register (Vol. 50, No. 86), indicates that OMB is planning to conduct public hearings to obtain comments on a proposal to reduce the level of federal funding for wastewater projects.

Hearings are to be held in Kansas City, Atlanta, San Francisco, and Washington. Due to the distance and cost involved, I will not be able to attend the hearings.

I work for a consulting engineer that represents several communities in Southern Illinois, and we are actively engaged in engineering work pertaining to wastewater projects. Needless to say, the communities which we represent have filed applications for grant funds for these projects.

The present level of grant participation from the United States is 75% of the total project cost. Any reduction in the extent of grant funds available for these projects will place a significant burden on the local residents. A large number of projects in Illinois, as well as other states, have been partially funded by the 75% grants from USEPA. It is my opinion that reducing the United States grant portion would penalize the communities that are still awaiting grant funds.

In particular, a community of 2400 persons in Franklin County has had an application on file for grant funds for several years. To meet Illinois pollution control standards (as well as United States standards), an expenditure of approximately $2,000,000 is required. Assuming that 75% grant will be available for the project, the local share will be $500,000. The average <u>increase</u> in the monthly sewer bill for a residential customer is shown below for various levels of grant participation from the United States.

Grant	Average Increase in Sewer Bill to Finance Local Share (monthly)
75%	$ 6.80
50%	$ 8.80
25%	$11.40
0	$14.00

Public Law 92-500 implies that even more stringent pollution control regulations will affect municipalities after 1977. It seems to me that reduction in funding levels is neither equitable nor wise in view of past funding and the need for the United States to carry out the program in good faith to local communities.

While I am indeed sensitive to OMB concerns, I feel that their suggestions will not be conducive to attaining the pollution control goals set forth by Congress.

It appears that OMB is basically saying that the overall pollution control program is too expensive to undertake. If this is the case, I feel that water pollution control regulations should be made less stringent, under the premise that the nation should do what it can afford. Reductions in United States participation will only shift the financial burden back to the local level where it will be equally difficult to pay for, if not more difficult.

USEPA has not published the "final" effluent and stream standards that will be required to meet the 1983 and 1985 deadlines called for in current legislation. It is my opinion that requirements beyond secondary treatment, which is now called for by 1977 by USEPA, are not warranted. While water pollution is a problem, its severity in rural areas is minor compared to the major metropolitan areas. The standards, in my opinion, should be addressed to the actual problem in each specific river basin and population center.

While USEPA standards are a concern in Illionois, the Illinois Pollution Control Board regulations are very stringent for all areas of the State. To comply with Illinois law, communities in the area still have to make significant expenditures beyond their capability unless United States participation is received in fhr form of grant funds.

I respectfully request that you investigate the situation and consider the following courses of action:

1. Submit comment, on behalf of Southern Illinois, protesting reduction in federal funding under this program.

2. Submit these comments to your colleagues on the appropriate Committees, and request that the water pollution control regulations be re-evaluated. It is my hope that less stringent regulations be established to meet actual regional needs and to bring the cost of pollution control in line with what the taxpayers can afford.

Very truly yours,

Michael D. Curry, P.E.
3 Shady Lane
Herrin, Illinois 62948

June 3, 1975

Mr. Edwin L. Johnson
U.S. Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033, West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Dear Mr. Johnson:

This letter responds to the proposed amendments to P.L. 92-500 discussed in the May 28 issue of the Federal Register (Vol. 40, No. 103).

The CMRPC is a council-of-governments serving four counties and its 31 municipalities. The two-country Columbia SMSA has a 1975 population of 368,000. The two rural counties have about 51,000 people. Our annual growth rate is about 8% urban and 3% rural.

The specific recommendation and comments to each proposed amendment by the CMRPC staff are as follows:

1. Reduction of Federal Share

Recommendation: Opposed

Municipalities in South Carolina are financially poor. Even providing the 25% match is a financial crunch. The federal government should make a long-term commitment to water quality.

2. Limiting Federal Spending of Reserve Capacity to Serve Projected Growth

Recommendation: Opposed

Reserve capacity should be funded for reasonable population growth. No funding for zero reserve capacity may be acceptable for fully developed or declining areas, but not for urbanizing areas in South Carolina. The Columbia SMSA will never catch-up to its needs unless reserve capacity is designed into the sewerage facilities and funded by P.L. 92-500.

3. Restricting the Types of Projects Eligible for Grant Assistance

Recommendation: Agree

The U.S. Department of Housing and Urban Development's program for Community Development permit expending these funds for the facilities

deleted from your list. As long as EPA provides 75% money for a long-term commitment to the three eligible items, the municipalities may have a chance to solve the water quality problem.

4. Extending the 1977 Date

Recommendation: Agree

EPA lost two years just trying to get the regulations published. The President impounded construction money which caused further delays. And the task of designing, constructing and funding all the necessary sewerage facilities will certainly take at least 5-10 years to catch-up to present needs, let alone to solve the problems created during that same period.

5. Delegating a Greater Portion of Management to the States

Recommendation: Agree

EPA is (1) not intimately knowledgeable of the local issues and problems, (2) too remote for day-to-day decisions, and (3) insensitive to the essence of "time". The State of South Caroline is presently a red-tape middleman with minimal authority. EPA should delegate authority for planning and technical reviews for sewerage facilities and permits. EPA should have a very small staff to only process grant funds. EPA should increase the Section 106 funds to states.

Thank you for the opportunity to comment.

Sincerely,

Steve Cloues
Associate Director

SLC/jry

June 9, 1975

STATEMENT OF
Ernest W. Barrett
CHAIRMAN
COBB COUNTY BOARD OF COMMISSIONERS
Cobb County, Georgia

Gentlemen:

I am Ernest W. Barrett, Chairman, Cobb Country Board of Commissioners, Cobb County, Georgia. Cobb County is a dynamic county northwest of the City of Atlanta and part of the Atlanta Metropolitan Region. We have undertaken a wastewater clean-up program that has been jointly financed by Cobb County and PL-660 funds. This program began as a 28% funding level program through the old PL-660 and has been increased by Section 206 of the present PL 92-500 Law. All of this is to say that we in Cobb County are not unfamiliar with the programs of EPA.

In order that we may conserve time I would like to comment directly to the issues as outlined in your notes and will follow that format first.

1). Reduction of the Federal Share -- Cobb County in her efforts to clean up the streams found when the Environmental Protection Agency was conceived and the effects of the Public Law 92-500 brought about additional items of cost that caused the people of Cobb County to invest more of their funds into the program than was anticipated without receiving any direct benefit and without any cost effective evaluation. It is estimated that additional requirements placed on Cobb County due to restrictions imposed by the Environmental Protection Agency along the Chattahoochee River Corridor and up Sope Creek are in the range of 1.5 Million Dollars. Under the present level of funding EPA as only about 42% of the cost. This is not to say that some of the requirements were not valid, but it is to say that if the Federal share had been more like 75% that it would have been an easy pill to swallow. Therefore, the reduction of the Federal share is not a valid way to implement the program.

2). Limiting Federal Funding of Reserve Capacity to Serve Projected Growth -- In regards to limiting the Federal funding of reserve capacity to serve projected growth, I very strongly object to this because we find that as we cross property of citizens the first time through they are pretty amenable to our coming across, but the second time through the costs in right-of-way corrections and restoration double or triple of what it would have cost originally. Limiting the reserve capacity in my opinion is a backdoor way to control land use through

the size of sewers. As Chairman of the National Association of County Officials, Land Use Planning Committee, I strongly object to this method. Land use planning in an urban county is a matter between the public officials and the citizens of that county -- it is not a Federal matter; therefore, I object to the limiting of Federal funds for reserve capacity.

3). Restricting the Types of Projects Eligible for Grant Assistance -- It is my opinion that the Congress created the types of projects as outlined with a specific intent in mind which is to clean up the streams of our nation. Based on this I think it behooves EPA to implement a program of construction funding that would necessarily meet the intent of Congress without damaging any phase of the total program. There seems to be incorporated within your paper a concern that there would be no local incentive to implement a phase that would require clean-up of our streams. I think our County would demonstrate to EPA that there is a major concern and that we have proceeded with project on good faith and have been innovative in our development of these projects. The citizens of Cobb County are totally concerned with the clean-up of our streams and push me, as Chairman, to see that this is done.

4). Extending 1977 Date for the Publically Owned Pretreatment Works to Meet Water Quality Standards -- As you can tell I am proud of the progress that Cobb County has made under the PL-660. All of our facilities at this point in time have secondary treatment. We feel that if we are allowed to make expansions based on secondary treatment and continue this program towards 1980, which would mean an extension of the deadline and then allow us to reach advanced waste treatment by 1985, would be a logical extension of the law. Therefore, we recommend that the deadline of 1977 be extended to 1980 for secondary treatment, and that the treatment of advanced waste treatment be extended to 1985.

5). Delegating A Greater Portion of the Management of the Construction Grants Program to the States -- I am of the opinion that the Environmental Protection Division of the Georgia Department of Natural Resources has done an excellent job to date in their efforts to clean up the streams of the state of Georgia even though they have been extremely harsh with Cobb County on various occasions. I am saying this to emphasize that I feel that the State of Georgia can handle the management of the construction grants program well, but I also wish to say that we would expect that EPA would totally turn over to the State their responsibilities and not nitpick or introduce another level of management.

I want to thank you for allowing me to present these statements to you.

June 25, 1975

Environmental Protection Agency
Washington, D.C. 20460

Attention: Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials

Gentlemen:

As a result of the Environmental Protection Agency public hearing on potential legislative amendments to the Federal Water Pollution Control Act held in Kansas City on June 17th, we feel we should submit additional information and comments concerning Chillicothe and how we feel about the suggested amendments.

Chillicothe is located in North Central Missouri near Grand River in the Grand-Chariton River Basin. Our population is approximately 10,000 persons. We have an application for Step One funds now pending and therefore are vitally interested in any changes proposed for Public Law 92-500. Our comments on the five proposed changes are as follows:

REDUCTION OF THE FEDERAL SHARE

Reduction of the Federal share below the present level of seventy-five percent would create a definite hardship on the City of Chillicothe. The increased operating and maintenance costs anticipated for new facilities coupled with increased share of the anticipated construction costs would require service rates beyond the means of our citizens. Statutory limitations and economic soundness would prohibit our raising sufficient capital through the issuance of bonds. For these reasons, we are opposed to any reduction in the grant funds provided for the purpose of improving the quality of the nation's waterways.

LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

The City of Chillicothe along with assistance from Federal and State agencies has recently completed a professionally conducted industrial study. The study proposes development of an industrial complex to provide jobs for our citizens and hopefully increase our population. For this reason and because of normal growth it would appear economical to design all facilities with the capability of serving normally projected demands. As stated above, if this reserve capacity were to be constructed at our expense, the cost would exceed our financial resources.

RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

One of our problems is the existence of combined sewers in our system. Any attempt to reduce the percentage of the Federal share or remove from eligibility projects of this nature and interceptor sewer construction and rehabilitation could prove equally disastrous for our proposed project. We would urge Congress to make no changes in the types of projects now eligible under the FWPCA.

EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

In spite of the fact that our application for Step One funds is pending it would be virtually impossible to proceed with preparation of plans and specifications, complete State and Regional EPA reviews, award contracts and complete construction in time to meet the existing deadlines. If our application is not funded, then the deadline will not be met regardless of the time set. We would urge extending the deadlines to a more reasonable date in line with proposed funding or appropriations.

DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

Any attempt to eliminate reviews and streamline the grant administration process would be most welcome. The State of Missouri is in all probability more able to evaluate our needs and requirements than the Environmental Protection Agency. The proposals of H.R. 2175 would seem to provide a means of streamlining the process and therefore decreasing the time span between filing the first application and completing construction. This would reduce final costs in view of the inflationary rise in construction costs.

Very truly yours,

Connie Smith
Mayor

CS/dk
cc: Senator Stuart Symington
Senator Thomas Eagleton
Congressman Jerry Litton
Keith D. Beardmore, General Manager Utilities

May 30, 1975

Mr. David Sabock
Grants Administration Division
Environmental Protection Agency
Washington, D.C. 20460

Dear Mr. Sabock:

The May 16th edition of NLC Washington Report indicates that EPA will soon hold hearings on five proposed amendments to the Federal Water Pollution Control Act, as that Act relates to municipal waste treatment grants. I do not know the details of the proposed amendments but simply have available to me the summary which states that:

> "Amendments to be discussed are (1) a reduction of the federal share, (2) limiting federal financing to serving needs of existing population, (3) restricting types of projects eligible for grants, (4) extending the 1977 date for meeting water quality standards, and (5) delegating greater portion of management of construction grants to states."

The first four of these considerations are definitely steps in the right direction. If the thrust of number (5) is to give states greater responsibility and to encourage that responsibility to be passed on to local communities, then I would commend it also.

The role of the federal government should be to help get the treatment facilities that are needed built. The decision to build those facilities should be made locally. Federal assistance should make possible the improvement of the facilities beyond the quality which the community might be otherwise able to afford.

The process should be so designed that every applicant knows money is available money will cover the projects. A city should know that if it gets its part of a project financed that the federal share will be available within a very short period of time. Local goals as well as the national goal are thwarted when projects are delayed by red tape at the state and federal level and by the lack of state and federal money to match local resources. Once the local community has financed its part of a major project, the project should move forward.

May 30, 1975

I would be pleased to elaborate upon these comments or to address them to the proper forum if you will advise to whom they should be addressed and when.

Sincerely,

R. Marvin Townsend
City Manager

RMT:lv

cc: Mr. Alan E. Pritchard, Jr.
Executive Vice President
National League of Cities
1620 Eye Street, N.W.
Washington, D.C. 20006

June 4, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033 Westtower,
Waterside Mall, 401 "M" Street, S.W.
Washington, D.C. 20406

Re: PL 92-500

Gentlemen:

Please be advised that I am contacting you on behalf of the Common Council of the City of Chilton, Calumet County, Wisconsin. At their recent meeting they have gone on record opposing portions of PL 92-500. It is their understanding that hearings are being held on this proposed legislation at various places throughout the country during the month of June. The hearings are to deal on five topics for which proposed amendments to the Federal Water Pollution Control Act are being considered for submission to Congress. The proposed amendments include: reduction of the federal share of municipal waste water treatment plant construction costs (now 75%), limiting federal financing to serving the needs of existing populations only, restricting the types of projects eligible for grant assistance, extending the 1977 deadline for meeting water quality standards, and delegating a greater portion of the management of the construction grants program to the States.

The Common Council is strongly opposed to the first three parts of the proposed legislation dealing with funding, funding participation and restrictions on types of projects.

The problems facing local municipalities and providing adequate waste water treatment facilities are monumental. The part of the federal government in participating in up-dating these facilities has been imperative in order to provide the necessary funding that otherwise would have been placed upon the local tax payers. Certainly the business of providing proper treatment facilities in order to protect our environment, which is used by allpeoples of our country, is a proper role for the federal government. The limitations proposed in PL 92-500 would be a severe blow towards preserving our environment in order that we may have a clean and healthy place, for the people of our country.

Please enter this letter into the records showing the opposition of the City of Chilton to the proposed legislation.

Thank you kindly.

Yours very truly,
ENGLER & ONDRASEK

William D. Engler, Jr.

WDE/blr

PUBLIC HEARING
Before the
U.S. ENVIRONMENTAL PROTECTION AGENCY
Concerning
POTENTIAL LEGISLATIVE AMENDMENTS
To the
FEDERAL WATER POLLUTION CONTROL ACT--MUNICIPAL WASTE TREATMENT GRANTS

San Francisco, California June 19, 1975

* * * * * * * * * * * *

Rather than speaking today to the specific issues that are the subject of this Hearing, I will make a few general comments and submit a more detailed statement prior to July 7, 1975.

We have been in close contact with Congressman George Miller and he agrees with us that administration of the Federal Water Pollution Control Act (Federal Act) should be more strongly directed toward meeting its goal rather than concerning itself with peripheral issues that have delayed construction of water pollution control facilities. I understand that he will also be submitting a prepared statement in support of this position before July 7, 1975.

Contra Costa County's trip through the maze of bureaucratic red tape in an effort towards obtaining Federal and State financing of water pollution control facilities has resulted in much frustration on the part of the people in our county. More importantly, progress has not been made towards meeting the goals and policies of the Federal Act. We find that emphasis at both the Federal and State levels has been placed on reclamation and consolidation at the expense of cleaning up our waters. In Contra Costa County, we have spent thousands of dollars on planning efforts designed to consolidate, regionalize, subregionalize, and reclaim, and all we have gotten in return is postponement, rising construction costs, and an almost total absence of knowing in what direction to take in solving our water pollution control problems.

Contra Costa County's amazing trip through the bureaucratic jungle started in late 1966. At that time, Kaiser Engineers were retained by the State of California for the purpose of preparing a comprehensive report on solving the water pollution problems of the San Francisco Bay Area and the Sacramento-San Joaquin Delta Area. As one of the nine Bay Area counties, our County was included in the study. Some $3,000,000 was spent in conducting the study. A final report on the study entitled The San Francisco Bay-Delta Water Quality Control Program ("Kaiser Report") was submitted to the California Legislature in June 1969.

This is not the time nor the place to go into the details of the findings of the study except to say that as far as Contra Costa County is concerned the recommended construction of a regional

facility located in the westerly portion of the County would receive all sewage emanating from our county for treatment and eventually discharged to Central San Francisco Bay. I would also add that the Bay Area was in almost complete unanimity in rejecting the proposed water pollution control facilities.

A special note: The Kaiser Report includes a "Proposed Schedule for Implementation of the Recommended Plan" indicating that by July 1975, i.e., next month, construction bids would be received on Phase One. The first series of bonds would be sold and additional bonds sold as required to meet land acquisition costs for progress payments. Needless to say, this optimistic projection has not materialized. Far from it.The only facility in Contra Costa County, which could be construed as being at least a subregional facility, is the 40-50 million dollar plant being constructed in Pacheco, with Federal and State Grant monies, under the jurisdiction of the Central Costa Sanitary District. The construction of this facility, as far as we are concerned, almost completely obviates the planning concepts for our county as set out in the "Kaiser Report."

Since the issuance of the Kaiser Report, two other studies have been undertaken in Contra Costa County at the cost of some $165,000 of which $30,000 represented federal monies contributed by the State of California. At the present time, three separate studies on subregional water pollution control systems are underway in the county amounting to over $500,000.

What I want to point to here is the fact that wastewater management planning in Contra Costa County started as early as 1966 and might come to completion by 1976. Yet, I want to say for the record, past actions of the Federal and State governments give rise to the uncomfortable feeling that we are not through yet. The planning process has led to no real solutions to which we can hang our hats on, either from an engineering standpoint or from an environmental standpoint.

Nevertheless, with all this uncertainty hanging in the air, it is our experience that the Environmental Protection Agency is using funds made available under the Federal Act for the construction of water control pollution facilities as a lever in obtaining information, studies, and data on their concerns which are not directly related to the elimination of water pollution. For example, the EPA is requiring, in both our West County Study and our East County Study, an assessment of impact proposed projects on air quality, transportation, land use planning, and growth inducement.

In closing, I would like to speak to just one issue which is the subject of this Hearing, "Restricting the Types of Projects Eligible for Grant Assistance." In view of the fact that the express purpose of the Federal Act is the cleaning up of the nation's water, I would agree that new legislation should be concerned with the types of projects eligible for grant assistance. It would appear logical to me that as an initial step, municipal

and industrial waste discharges be required to upgrade treatment to the secondary level with the understanding that a higher degree of future treatment is in the offing. This would serve a dual purpose:

1. It would meet the specific objectives of the Federal Act.
2. Provide the "interim" period needed to arrive at intelligent decisions, not only on water pollution control but also on our overall environment.

It also seems very important to me that we recognize that we have spent millions of dollars on planning toward implementing an ideal goal, and yet the answers are not forthcoming. As I have stated earlier, we in Contra Costa County have found that our planning efforts, on which we have spent thousands of dollars, have yet to come up with a clear cut solution. It appears to us that the best use of our monies (federal, state, etc.) would be almost total investment in secondary facilities, which we will point out under Issue No. 1 in our detailed statement. This would reduce the federal share and concomitantly the local share of, what are in reality, interim facilities.

Finally, progress towards the realization of water pollution control facilities which are needed and construction of which is the real purpose of the Federal Act is not occurring. We would agree that a master comprehensive plan, taking into account all the environmental factors that the EPA wants to be examined, is an exemplary concept. But in so doing, it is our contention that the intent of the Federal Act is being violated. The planning process on these concepts has gone on for a number of years without producing definitive results. This leads us to the conclusion that we are not ready at the stage of the game to enter into consolidation or reclamation in Califronia as optimistically hoped for. We would therefore suggest that the Environmental Protection Agency and the State of California take a more realistic approach to the water pollution control problems.

June 9, 1975
Atlanta, Georgia

TESTIMONY

By: Carolinas Branch, Associated General Contractors of America, Inc.

Re: Public Hearings on Potential Legislative Amendments ot the Federal Water Pollution Control Act (Federal Register, May 2 and May 28, 1975)

I am Harold A. Pickens, Jr, President of my own construction firm, in Anderson, S. C., and Senior Vice President of the Carolinas Branch, Associated General Contractors of America, Inc. Our organization has a membership of over 2300 firms engaged in the constrct-tion industry in North and South Carolina, as well as elsewhere throughout the Southeast. We appreciate this opportunity to testify on these complex matters which are of the utmost importance to the public, to the construction industry and to others.

My brief remarks will be supplemented by written testimony, which we will submit within a few days.

We believe that, first, we all should move ahead, as rapidly as possible, with what can be done now to unblock the progress of this vital program.

The crucial issue is that of the 18 billion dollars allocated to the states less than one billion has actually been expended for construction to date. It is urgent that this money be put to work for the public, as soon as possible, and at a time when it is most needed - from our standpoint, to provide work for our firms and for the people we employ.

As background for our recommendations on legislation, I shall briefly recount the plight of our contractors in the Carolinas. It must be appreciated that our difficulties mirror the problems and frustrations being experienced by our municipalities. As these difficulties persist and grow, there is a rapidly growing understanding by our municipalities amd the public of what has actually been happening to their program - one of the largest construction programs ever enacted by the Congress. Unless there is clear evidence of positive and early improvement in the administration of the program, strong public reaction appears inevitable.

Our Carolinas contractors, and municipalities, have suffered a virtual moratorium on municipal sewerage projects for almost three years. We see a further extension of this gap until the closing months of FY76, when crash action will probably take place to try to obligate, before July 1, 1976, about 120 million dollars allocated to the Carolinas in FY75 grants. A similar gap and peak could occur in efforts to obligate another 180 million dollars in FY76 funds by September 30, 1977. These gaps and peaks will result in the extinction of many of our smaller firms, and in a costly readjustment by the construction and supporting industries to meet program needs. They aggravate uncertainties and frustrations for municipal-

ities. Should these obligation deadlines not be met, funds would be reallocated to other states. Especially in a Presidential election year, such an event in any state would bring about political repercussions upon elected and salaried public officials involved, at all levels of government; we need no further erosion of public confidence in our governmental structure.

Therefore, we urge that EPA, OMB and the Administration undertake full, priority support for the immediate enactment of the amendments which I shall now outline.

The enactment of H.R. 2175 (of identical bill H.R. 6991) would provide the powerful support of the Congress, and hopefully the incentive, for EPA to eliminate the grossly wasteful state-EPA duplication of reviews and approvals, from the conception of planning through the bidding process. We are discouraged to note, even in the Federal Register announcements relating to this hearing, that EPA now only "generally" endorses these bills.

To ensure that another solid roadblock to the construction of projects is not overlooked, I must emphasize the need for an amendment to provide for changes in user charges system. We are aware that EPA has introduced a bill for such an amendment.

Similarly needed is relief for municipalities which for good reason, financial or administrative, will be unable to comply with the July 1, 1977 effluent limitations.

Further, municipalities need the protection of law against court cases, especially "citizen suits", while acting in good faith during the administrative process regarding their permit applications.

We contend that the above amendments are needed and can be enacted, now. Our contentions are supported by the March, 1975 Interim Staff Report of the Subcommittee on Investigations and Review, House Committee on Public Works and Transportation, on PL 92-500. Incidently, we commend this Report for your thorough consideration.

The first three amendments subject to today's hearings appear to fall into the category of major amendments. The matter of relaxing the 1977 standards for private industry probably falls in the same category. Such major amendments are unlikely to be acted upon by the Congress until after the National Commission on Water Quality submits its report and probably not during a Presidential election year. Mr. Gordon Wood, minority counsel for the House Public Works Committee confirmed this publically on April 23, 1975. Nevertheless, we will address these in our written testimony.

In closing, I repeat our major plea, which we have repeatedly made to EPA - that EPA intensify its efforts to make maximum delegations of authority to the states within the current provisions of the Act.

Thank you.

Note: Further written testimony to follow.

Statement of Ed Simmons, Public Relations Officer, California Water Resources Association, before the Environmental Protection Agency's public hearing on potential legislative amendments to the Federal Water Pollution Control Act. San Francisco, June 19, 1975.

My name is Ed Simmons, Public Relations Officer for the California Water Resources Association, which is a statewide Association of some 400 water agencies, counties, municipalities, industries and individuals. We appreciate the opportunity to appear before you. I will move directly to our comments on the proposed amendments to the Federal Water Pollution Control Act.

During the latter part of 1971 and most of 1972, the Congress was considering testimony that the program envisioned by Public Law 92-500 was going to cost in the hundreds of billions of dollars rather than in the tens of billions originally envisioned by the legislators. When the Congress authorized $18 billion in Federal grants to help upgrade waste water treatment and then put very close time limits on it, a lot ofpeople at the hearing said, "Look, this is going to cost way, way more that that and you don't realize what you are doing." The Congress went ahead and passed the law anyway. Now the Federal Government comes back acknowledging a $350 billion price tag for the total program, and conceding that this is beyond the ability of the Federal Government to cope with but may still insist that the program remain intact and that the communities just go ahead and assume a greater portion of the financial burden. Simply reducing the Federal share is presented as one alternative action. I doubt that anyone in this room who has had any experience at the local level would consider that single alternative realistic.

The grants were adopted in the first place because it was assumed that the local communities could not comply with the Act with their own financial resources.

A reduction in the Federal share from 75% to 55% would require the local share to jump 160%, assuming State participation at the present level. Now, aside from local municipalities' inability to pay that share in the present time frame, this creates a situation that is politically unrealistic at the local level. All of these projects take a long time to plan and get the finances arranged to build, and these communities cannot be changing the amount of financing in midstream because most of it comes from bond issues which they have to put up to their people. Many communities would have to go back to the people all over again for a new bond issue. That's the first problem of changing this in midstream. I would hate to be the man that tried to sell the idea to the local constituency that the treatment plant project that I told them would be a good investment at a price of $100 million will also be a whale of a bargain a $260 million. That's a tough story to sell, even if the local community could afford it.

When you attach a price tag beyond the ability of a local

community to pay or to convince voters to pay within a reasonable time frame, you build inefficiency into planned projects because many communities, in a n effort to meet the requirements of the law and unable to afford to build to accommodate long-range or even medium growth needs, would find themselves forced to build minimal plants and especially associated works underground. It is so much more expensive to enlarge underground facilities at a future date to accommodate furure needs than to size the system adequately now. A treatment plant can be built in a modular form and is much cheaper to enlarge--at least the way we're doing it in California--so the problem there is less acute.

Under a reduced Federal share, even California's 10/20 approach might become academic for some communities. For the Federal Govenment to determine that it would share only in facilities needed for present populations would only further encourage such an inefficient approach.

As for extending the 1977 deadline, it would seem self-evident that it's not going to be met by publicly-owned treatment works at the present rate of progress by any stretch of the imagination and will certainly have to be extended.

CWRA believes that the cost of waste water treatment could be substantially reduced if the broadsided approach to the problem were abandoned in favor of tailoring treatment needs more specifically to the local problem. I would like to cite one area in which this might easily be accomplished. We think it is becoming obvious that uniform standards requiring secondary treatment of municipal waste water discharges to all receiving waters, including the ocean, are unnecessary, unrealistic and uneconomical. Municipal waste water treatment agencies in California contended that there is little justification for secondary treatment of sewage discharge to the ocean since technology is available to eliminate the principal undesirable sewage elements acceptably by source control and by advanced primary treatment. Western ocean waters are rich in oxygen, and secondary treatment, which is primarily designed to remove oxygen-demanding chemical substances from effluent discharged to the ocean, is not necessary to protect marine water quality where the effluent is well diffused into very deep water.

A continuing study by the Southern Coastal Water Research Project of the needs of the marine environment finds that present waste water disposal practices are not causing any substantial damage to the ocean environment. Many authorities appear to agree that pollutants, such as chlorinated hydrocarbons and heavy metals, are best controlled at the source, and the technology is already available to eliminate many of them acceptably through a combination of source treatment and advanced primary treatment. If this approach were adopted as a Federal standard, Orange and Los

Angeles Counties alone could save some 500 millions of dollars over the next 8-10 years, as compared to mandated secondary treatment.

Willard Bascom, Director of the scientific group studying the ecology fo California's coastal waters (a former researcher at Scripps Institute of Oceanography and now heading the government-funded Southern California Coastal Water Research Project) claims that the oceans have remarkable capacity for cleansing themselves.

Apparently the law was written to apply to such enclosed bodies as the Great Lakes and the Mississippi River and should not be uniformly applied to deep, open ocean waters.

In Paper No. 3, we learn that the control and treatment of storm waters runs the cost up $235 million. It's quite obvious that this function should have a lower priority than correcting inadequate treatment plants. The law now requires that even a massive runoff of waters from a storm would have to be controlled. There is certainly no significant pollution contributed to the waterways in times like that. It would seem that storm water runoffs, if anything, would be purifying on balance and would at least be a very low priority item.

In summary, we think this is an unnecessarily stringent act for achieving clean water over a reasonable time frame. We hope that requirements can be tailored down to meet the specific problems existing in each region or local community with the most urgent requirements getting first priority and secondary requirements deferred on a more realistic schedule. It might be that a 25-year time frame would be more realistic for total compliance than 10 years. The present total costs are of such a magnitude that they may be counter-productive in the sense that few if any of the original goals can ever be achieved.

In this State we have some very urgent Federal funding needs aside from Public Law 92-500's immediate area of concern. One that comes to mind is the need for funding of the San Joaquin Valley Master Drain so that its construction can be completed before large areas of the Central Valley go out of agricultural production because of salt buildup. It is most unfortunate that under the Act, as amended in 1972, absolutely no provision is made for Federal financial support for construction of facilities needed for proper disposal or reuse of degraded agricultural waste water--not even if urban wastes constitutes a portion of such degraded water. With the existing trend toward state control in this field, including proposals now being made through California's basin planning program and the potential development of a permit system for disposal of agricultural waste water, it is high time for Federal acceptance of financial responsibility for related disposal costs, like those now accorded municipal and waste disposal facilities construction programs.....After all, the agricultural segment of our economy generates considerable tax revenues, both for the Federal and State governments which now assist in deferring urban

costs in this field of action.

I might close by reminding this panel that waste water reclammation is always cheapest when the water initially supplied is of the highest quality. The way to assure delivery of adequate amounts of high-quality water to a given place at a given time is through timely, farsighted development of available surface water resources and their delivery systems. That is the objective of the California Water Resources Association.

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By Ed Simmons/aam
6/18/75

PUBLIC HEARING ON PROPOSED AMENDMENTS TO PL 92-500
June 9, 1975
Atlanta, Georgia

By:
Julian B. Bell, P.E.
Director of Public Works
Chattanooga, Tennessee

Public Hearing, June 9, 1975, Atlanta, Ga.
Proposed Amendments to PL 92-500

Gentlemen:

Proposal 1 - Reduction of the Federal Share:

In review of the proposal reduction of the Federal Grant level from a 75% level to a 55% level, we find little logic which is presented to support this amendment.

a) If the Federal Funds are limited because of the current economic conditions of inflation and recession, so might the funds of the local taxpayer and home owner who supports both the Federal and Local Government. You indeed place a lower priority on Federal Funding by this reduction.

b) It is not practical to even suggest of serious local officials that we are not diligently trying to obtain the most cost effective design and management structure to guarantee our citizens the lowest possible charges for sewer use.

c) You have obviously side-stepped the issue of the increasing local share of obtaining 1977 of 1983 goals or any goal dates hereafter set. The obvious cost is an increase to cover the bond indebtedness of the construction facilities. We will see this at the local level in the cost of sewer service to our citizens.

In response to the question noted on Page 23108 of the Federal Register. May 28, 1975, the answers are as follows: Yes, no, yes, maybe, tragic.

1) Let's be reasonable-- if we have to raise more money locally to meet future requirements, there will be delays which are directly proportionate to the funding capabilities of each local municipality.

2) I can only speak for Tennessee and then only as a municipality citizen, but it appears that the State of Tennessee is in an over-budget position, and is now experiencing a shortage of revenue as well as reduction in activities.

3) All communities are experiencing difficulty in raising additional capital in the open market, as is the Federal Government During the coming months, the Federal Reserve may further extend its open market policy to finance the Federal Department and we can expect to see even higher interest rates and more restrictive bond marketing.

4) You have already stated that we, in local government, consider ourselves responsivle citizens no matter what the Federal Share is. Our accountability comes up daily to our citizens.

5) The tragic impact resulting in the reduced Federal share not only brings about a financial burden unbearable by the citizens of our local communities, its obvious impact is a delay in meeting any of the goals established in PL 92-500. Local funds are also limited.

Question presented by Paper #2: It appears that you are adopting legislative controls to replace sound engineering judgements. I shudder at the thought of a bureaucratic dictatorship which sets a 10 and 20 year growth limit on plant facilities and Interceptor Sewer construction. We have experienced on a local level almost continuous construction in our sewage treatment plant facilities. However, we are more than reluctant to dig up business and commercial areas, our city streets, and our urban areas every 20 years to add new sewer capacity.

In response to the questions to be discussed relative to Paper #2 on Page 23109 of the Federal Register:

1. Does current practice lead to overdesign of treatment works? Only if all facets of our present structures act irresponsible. We, as a responsible municipality, by hiring the best available Professional Engineers to design both treatment facilities and sewers applying the latest technology available. It is reviewed at both the State and Federal level with constant review by local Engineers and Management personnel. If there is overdesign, it is a result of the misapplication of what we all must interpret as the best available technology.

2. Population projections in the installation of sewage treatment facilities are most critical. Again relying on the latest technology and data available, projections made in the past have been historically low in our specific urban area.

3. In the installation of sewers in the most cost effective manner, the limiting of Federal Funding to the actual population with the local government picking up 100% of any growth potential of our reserve capacity. This question could have two effects:

1) Decrease in the line size with the small decrease in present construction costs result in greatly expanding cost for paralleling their replacement.

2) Resulting funding structure would simply increase further local shares based on the premise that we are all prudent businessmen and engineers. I do not recommend overdesign of any facility for cost reasons and no local municipality can afford to be under design in its construction activities.

4. The California rule of 10 year treatment capability and 20 year sewer reserve capability on sewers seems unrealistic

resulting in the following:

a) Replacement of design facilities before their useful life is expended.

b) Unparalleled cost in future years, continuous disruption of life within local municipalities resulting from a shortening of the now 40-50 year life cycle for design capabilities which approximates useful structural life of sewers to a resulting 20 year life which has the obvious effect increasing the rate at which we add new ones to our existing facilities.

Statement relative to Paper #3: Proposal to limit eligibility to categories 1, 2, and 4B described as secondary treatment plants, tertiary treatment plants, and interceptor sewers respectively. PL 92-500 that is limited to these three items would place local municipalities in a most restrictive position. Many mucicipalities are in the process of expanding their sewer systems and sewer system rehabilitation in what formerly were ruled as suburban areas of their city. As all cities experience growth patterns from urban to rural areas, we are faced with an assortment of public health problems stemming from the extensive use of septic tanks on marginal and non-acceptable soil. The installation of sewer collection systems, being now the only feasible means to control this problem within the city limits. As we expand our sewer system to meet a basic health need of the community we define what we call a balanced system. As interceptors are extended into new areas, we start the construction of the adjacent collection systems, thus bringing sanitary sewers into use with the treatment facilities at the earliest possible date. Tow basic needs are accomplished by this:

1. The public health problems are solved, and,
2. It increases the cash flow for local share of construction funding a self supporting system.

As do many towns, the City of Chattanooga, Tenn., has a well planned program to meet the needs of its citizens. In an unbalanced system as outlined by Paper #3 (example Chattanooga), Categories 1, 2, and 4B would result in cost for construction for approximately $121 million, If these items are the only funded items, then the City of Chattanooga would be faced with a local share of approximately $60 million for the collection facilities adjacent to these major interceptors as well as 25% of the $121 million, an additional $31 million, bringing the total share to $91 million worth of bond indebtedness in the City of Chattanooga, a city of 150,000 people. Bond interest payments of $8.1 million per year which must be totally sustanied by the sewer service revenue which represents approximately 4 times the existing bond indebtedness of

our entire sewer system. If this picture is not bad enough, let's proceed to the proposal reducing the Federal Local ratio to a 55-45 ratio. Again, I have $60 million noneligible funds in the collection system and an additional $65 million to support the local money, bringing the total to be bonded locally to $115 million. The approximate value of this debt represents a yearly payment of $10,351,000. An addition $207 per customer for interceptors and collectors and plant installation without increase in user base. This is approximately 3 times the existing sewer service charge in the City of Chattanooga for debt service alone.

With respect to the first three papers which I have addressed, the City of Chattanooga can only feel that the intent and purpose of the law is being altered to allow the Federal Government to side-step its basic responsibilities in accomplishment of the established goals. We, as in many other cities, have addressed ourselves to this problem in a most serious manner. We trust that the Federal Govermnent will do likewise. It is your demands and your statutes that we are attempting to live up to. It is because of your guidelines, procedures, and rules that we gather this day. It is not a happy moment to see the structure on which we base our daily work, altering its share of responsibilities. The stability of our programs is based on financial soundness. The task is larger than first viewed. If the logic was costly, let us learn together and not by shifting responsibility.

REPLY TO: Henry T. Eich
San Mateo County
Office of Environmental
Health
509 Hamilton Street
Redwood City, CA 94063
June 17, 1975

U.S. Environmental Protection Agency
Washington, D.C. 20460

RE: Public Hearing on Potential Legislative Amendments to the Federal Water Pollution Control Act.

Dear Sir:

The Conference of Local Environmental Health Administrators is comprised of Engineers, Sanitarians, educators, and other professionals in local Environmental Health agencies throughout the United States. We appreciate the opportunity to provide our comments on the proposals under consideration of this hearing.

Our review, with the help of your staff, also extended to the Strategy Paper and the Federal Water Pollution Control Act. In particular we were scrutinizing the portions of these documents dealing with priorities. Our conclusion must necessarily be that public health reasons are absent as a factor in the determination of priorities throughout these documents except for a general statement in the middle of page 40 of your Strategy Paper. That publication is merely a policy statement and not a legal document. This fact therefore prompts this Conference to recommend amendments to the Federal Water Pollution Control Act to accomplish this purpose.

If less grant money is forthcoming should we not place higher priority on people than on the general environment? While our members support constructive efforts to protect the environment whether the ocean, estuaries, lakes, forests or streams are involved, the health of the people of the nation must be considered ofparamount importance.

The correction of sources of water pollution will not necessarily eliminate all cases creating hazards to public health. At this critical time of establishing the manner of steering priorities for the funding of future projects with some possible restrictions on suchfunds, it is most important that we insert the fundamental element of protection of the public's health as one of the baseline yardsticks. It should be applied to collector and interceptor sewers as well as to treatment works since in many instances serious public health problems may never be corrected

without some funding assistance.

It is interesting that the approach to priorities was mentioned in the section of the Strategy Paper on Treatment Works priorities, while is is not specifically found in the legislation. Mr. Russel D. Train states in his introductory letter: "The Strategy Paper also functions as an exposition of policies that may be implemented in the future." It is our hope that this will prove true in the recommended amendments that will be developed for the consideration of Congress.

Recommendation

It is recommended that Public Law 92-500 be amended to incorporate "the elimination or alleviation of threats to public health as a key parameter for the establishment of priorities for the funding of treatment works, collector sewers and interceptor sewers".

Very truly yours,
Henry R. Eich
Chairman

HFE:bm
cc: Executive Committee
CSSE
NEHA
APHA
CEHA

June 18, 1975

Mr. Paul DeFalco
Regional Director
Region IX
Environmental Protection Agency
100 California Street
San Francisco, CA 94111

Dear Mr. DeFalco:

Position on Amendments to Federal
Water Pollution Control Act

The Sanitation Districts of Los Angeles County are 27 in number representing almost 4 million people residing in 72 cities and adjacent County ares. The Districts strongly advocate that the Environmental Protection Agency actively pursue changes which will strengthen the Federal Water Pollution Control Act.

The notice regarding this public hearing itemized five proposed changes in the current legislation, but inadvertently did not include a most necessary change relating to the requirement that only user fees could be used for funding the local share of operation and maintenance costs. The primary intent of the federal law was to require all users of a sewerage system to pay their fair share of the capital and operating costs. This goal can be achieved by imposition of a surcharge on all abnormal users of a sewerage system while maintaining an ad valorem tax for the residential and commercial users in a service area. A local agency can better formulate a balanced financial program of charges, including both user charges and ad valorem taxes, dependent upon the dictates of maximum economy for the specific community area. There appears to be solid support from virtually every sewerage agency in California and, for that matter, throughout most of the United States, for the relaxation of the requirement that only a user charge is acceptable for accumulating local funds for operation and maintenance. Currently, legislation is being considered in the Congress on this matter, but continual pressure should be exerted until the change has been made.

Within recent months the Subcommittee on "Investigations and Review" of the Committee on Public Works andTransportation of the U.S. House of Representatives held ten days of hearings on proposed amendments to the Federal Water Pollution Control Act. The Subcommittee has drafted an interim staff report recommending six specific suggestions for amendment to existing legislation, all of which the Sanitation Districts strongly endorse. One of the six items includes a recommendation that ad valorem taxation may be used to pay operation and maintenance costs as discussed in the previous paragraph. Other changes are as follows:

1. Authorize the Administrator to extend the July 1, 1977

effluent limitations deadline for municipal dischargers who, for good reason, will be unable to comply with the deadline. A new compliance deadline should be set on an individual basis.

2. Modify the requirement that, as a minimum, effluent limitations based upon a uniform level of secondary treatment be imposed upon all publicly owned treatment works. This change would allow community size and location, and other specific environmentally-related circumstances, to be considered in the establishment of less stringent effluent limitations in special cases.

3. Eliminate the December 31, 1974 date in Section 402-A so that NPDES permit applicants, acting in good faith, could not be taken to court while administrative action is being taken relative to their applications.

4. Extend the 30-day deadline for hearings on toxic standards. Extend from one to a maximum of three years industry compliance deadlines -- both as recommended by EPA.

5. Provide authority to the Administrator to discharge certain of his responsibilities in connection with the construction grants program by accepting certification of the State agency under certain conditions (Cleveland-Wright Bill - H.R. 2175).

The notice on this public hearing suggested that comment would be welcome regarding the possible reduction of the federal share of grant funding available for capital improvements to sewerage systems. Any change in the current level of federal grant funding from the present 75% level would be grossly unfair to those agencies who have not qualified for grant funding up to the present time. One of the basic premises for distrubution of the grant funds has been the hypothesis that those projects with the greatest need were eligible for the highest priority. A sewerage agency with aggressive management and foresighted planning would not have been eligible for grant funding in the first few years and, consequently, a change at this time would regard those agencies who had been most lax and would penalize organizations who have done an acceptable job in past years. It is imperative that the federal government not only maintain the current 75% level of grant funding, but that firm commitment be made for long range continuation of the federal grant program so that maximum efficiency can be obtained in the planning and construction of urgently needed water pollution control facilities.

The Districts' management endorses the concept of public hearings

to provide a public forum for discussion of needed adjustments in the legislation dealing with water pollution control activities.

Yours very truly
John D. Parkhurst
Chief Engineer and
General Manager

JDP:WEG:cam

June 16, 1975

Mr. Paul De Falco, Regional Director
Region IX
Environmental Protection Agency
100 California Street
San Francisco, CA 94111

Re: Position on Amendments to Federal
Water Pollution Control Act

Dear Mr. DeFalco:

The California Association of Sanitation Agencies (CASA) represents managers and directors of agencies within California who have responsibilities for the construction and operation of sewerage systems. Virtually all of the special districts involved in this work in California are members of the Association. On May 24, 1975 the Executive Committee of CASA received the recommendation of the Managers' Committee that testimony be presented by the Association at the public hearing scheduled for June 19th related to possible change in Public Law 92-500. After considerable discussion by the members present, a resolution was passed speaking to the issues discussed in this letter.

The Executive Committee recommended that each member agency present individual testimony on the five subjects which were defined in the announcement of the public hearing. In addition to the above subjects, however, there appear to be two major topics relating to Federal Law 92-500 which are considered to be of major importance to the members. The first relates to requirements that local funds needed for operation and maintenance be accumulated solely from a user fee. The Association feels that each local agency should retain to itself the decision as to the manner in which local funds for operation and maintenance are obtained, provided that industries or other special class users of the sewerage system pay theirfair share for the capital, and operation and maintenance costs for use of the system. Many agencies in California and throughout the United States already assess a surcharge on industries to assure that this class of user pays their fair share. By unanimous vote the Executive Committee recommends this change for the following four reasons:

(1) Elimination of the ad valorem tax by substitution of a user fee would be substantially more expensive to administer. The higher overhead cost for a user fee does not guarantee any greater equity in terms of distrubution of the costs of constructing and operating a system.

(2) The user fee does not assess all beneficiaries equitably. It is entirely conceivable that a piece of vacant land will have substantially increased value if that property has rights to use an existing sewerage system, even though no improvements have been placed upon the property.

(3) A uniform charge to all users would represent a regressive type of taxation and in no way be proprotionate to the ability of a landowner to pay for use of the system.

(4) Individual agencies, both large and small, would not have the ability to enforce or encourage payment of the user fee and, consequently, a high delinquency rate would probably result. Collection of delinquent charges again would represent much higher administrative and legal costs as compared to established procedures for collecion of the ad valorem tax.

Another major omission in the public announcement relates to the payment of reimbursement money as defined in Public Law 92-500. Again, it was the unanimous opinion of the CASA members that the formula for disbursement of reimbursement payments should be rigidly followed by the Environmental Protection Agency. Regardless of any argumentswhich might be presented as to the appropriate cutoff date for eligible projects, it does seem proper that those agencies eligible under the current law receive reimbursement funding due them at the earliest possible time.

The members of the California Association of Sanitation Agencies appreciate this opportunity to express their views at the public hearing.

Very truly yours,
Walter E. Garrison
2nd Vice President, CASA

WEG:d
cc:Michael F. Dillon
Executive Director, CASA

H. Wayne Sylvester
President, CASA

June 17, 1975

U. S. Environmental Protection Agency
Office of Water and Hazardous Materials
(WH-556) Room 1033, West Tower
Waterside Mall
401 "M" Street, S.W.
Washington, D. C. 20460

Potential Legislative Amendments

Gentlemen:

The reactions of member firms to the Consulting Engineers Council of Iowa to the five papers published in the Federal Register on May 28, 1975 (40 FR 23107-23113) have been summarized by a special committee of our member firms. These reactions are as follows:

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

The Congress of the United States of America have, by their actions, set a high priority for abatement of pollution of the nation's waterways. Our members are of the opinion that the federal government should review the priority of the water pollution abatement program in perspective with other federal spending. If improvement of the water quality of our rivers and streams is as high on the priority program list as indicated by the actions of the federal government, then federal assistance through construction grants should be maintained at the present percentage level or increased to a higher percentage level.

It is our suggestions that the present 75% level of federal construction grant funding for construction of all water pollution control related projects, be maintained for projects requiring secondary treatment. It is further recommenced that the constructiongrant funding be increased to 100% for all treatment facilities required to meet water quality standards higher than can be achieved by secondary treatment processed. An altermative to the above further recommendations would be that whatever regulatory body (federal or state) dictates higher than secondary treatment requirements, should be responsible for providing the 100% construction grant funds for the incremental treatment facilities required for higher than secondary treatment standards.

Water pollution abatement requirements have largely been promoted at the federal level. Local governments cannot be expected to

raise the necessary money for financing programs which seemingly provide little local benefits. Many small communities are at their indebtedness limits as set by state statutes and are unable to arrange reasonable revenue--type financing. Perhaps, a federal loan insurance program similar to FHA mortgage insurance for home loan to guarantee municipal revenue-type financing would allow communities to eliminate the bonding coverage provisions set up in most revenue bond sale proceedings to generate additional revenue over the required principal and interest payments so as to increase the salability of bonds.

No appreciable change in local accountability for cost-effective design is anticipated inasmuch as past and present design methodologies and federal and state review methodologies require a cost-effective analysis of project alternatives. Further, it is anticipated that water quality pollution abatement objectives would not be enhanced by a decrease in the amount of the federal and state construction grant funding program. An increase in the requirement for local financing of both capital improvements and operation of treatment facilities will have an adverse impact on water quality pollution abatement objectives.

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

It is the opinion of many of our member consultants that underdesign of wastewater treatment facilities rather than overdesign has been the predominant problem. In many of these cases, the limitation of financial resources has been a major reason for the underdesign.

We agree in principle with the design and construction of treatment facilities on a staged basis, provided that the planning stages are of a sufficient length of time (15-20 years) so as not to create a continuous construction program which interferes with the operation of the treatment facilities. However, our experience has shown that a similar concept for sanitary sewer system design and construction is not a reasonable, practical or cost-effective program for the owner. It is our recommendation that sanitary sewer systems be designed to handle flows based on 50-year population growth projection plus an allowance for infiltration/inflow based on local experienced conditions rather than an imposed standard.

Other forms of legislation and land use control should be looked to for controlling growth of an area where there are environmental concerns.

If federal grant monies are going to be allocated for certain designated capacities for treatment works components, we suggest the formulation and adoption by all EPA regions of a uniform system of curves for sewers, treatment plants, pump stations and other facilities for determination of the percentage of capacity chargeable to EPA approved design capacity and to owner-desired "excess" capacity. Otherwise, inequities will develop between the various regional EPA offices in the administration of the policy.

PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

If the type of projects listed a "V Correction of Combined Sewer Overflows" and "VI Treatment or Control of Storm Waters" were eliminated as being eligible for construction grant funding, and if, the further treatment of waters from these sources were delayed until such time as a practical and feasible program can be developed for abatement or reduction of all non-point pollution, a substantial portion of the $225 Billion of the needs requirements set out in the 1974 Survey would be removed from the construction grant funding program. This would reduce the remaining program for pollution abatement to a reasonable level so that an increase in the federal construction grant funding to a $35 Billion level from the present $18 Billion would allow the nation to proceed with an orderly program for elimination of most of the major point source pollution.

Most urban communities are not in favor of spending large sums of money to abate non-point pollution unless it can be clearly proven that the sources being abated are major sources in comparison with other non-point pollution sources such as runoff from agricultural lands.

PAPER NO. 4 - EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

It is recommended that a combination of Alternative 3 and 4 as set out in the paper be implemented whereby the 1977 date would be maintained but that the Adminsitrator of EPA be given the discretion on the availability of federal construction grant funds and a display of good faith by the grantee to build the necessary facilities.

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The concept of the state agencies administering the federal construction grants program is endorsed. It is recommended also that the federal government monitor the state's administration of the methodology and enforcement of the program to establish a consistent program throughout the nation. It is also recommended that the Administrator of EPA develop standards for use by all of the EPA regional offices in order to develop nationwide consistency in the administration of the construction grant program.

Respectfully submitted,

CONSULTING ENGINEERS COUNCIL OF IOWA

By R.W. Grant, President

This paper was prepared by the following CEC-Iowa Members:
H.R. Veenstra, Committee Chairman, Veenstra and Kimm, West Des Moines
Robert Frederick, Howard R. Green Co., Cedar Rapids
Kenneth Bright, Stanley Consultants, Muscatine
David Curtis, DeWild Grant Reckert and Associates Co,. Rock Rapids
David Fox, Clapsaddle-Garber Associates, Marshalltown
Lyle Tekippe, Bert B. Hanson snd Associates, West Union
Al Baker, Shive-Hattery and Associates, Iowa City

May 30, 1975

U.S. Environmental Protection Agency
100 California Street
San Francisco, California 94111

Attention Mr. David Sabock
or
Hearing Officer

Dear Sir:

In reference to the Public Hearing scheduled in San Francisco, California, June 19, 1975, this District presents herewith two copies of its comments on proposed amendments to the FWFCA:

Federal financing share should not be reduced since Federal requirements are being imposed on states and localities;

No project can meet local engineering and economy considerations if projects are built merely to meet present population needs without consideration of future needs; engineering cost considerations would demand such projections;

EPA should allow the use of local ad valorem taxes on property to meet cost obligations rather than user fees. For example vacant property along sewer collection lines are benefited and should pay its share of the costs because of the benefits to the land and future development;

EPA should realistically realize that standard requirements for wastewater treatment projects cannot be uniformly applied nationwide because of weather, topography and climatic differences in the various regions in the country. The imposition of these uniform standards present impractical problems and increased costs that fail to recognize local conditions.

Will you please enter these comments on your hearing records since we will not attend the San Frnacisco hearing.

Yours very truly,
Lowell O. Weeks
General Manager-Chief Engineer

June 24, 1975
Mr. James L. Agee, EPA
Office of Water and Hazardous Materials, Rm. 1033
West Tower, Waterside Mall
401 M Street, S.W.
Washington D.C. 20460

Dear Mr. Agee:

In accord with comments made at your San Francisco hearing, hereith are written comments on the subject of PL 92-500 which cover and amplify our comments made at that meeting. Before discussing the specific proposed changes, we must simplify our discussion by covering some conceptual points which would otherwise be repeated in reference to several of the proposals. For the sake of brevity, we will over-simplify and indulge in a little hyperbole.

First we all realize that the money which the Federal government sends out in grants is really our own money coming back to us. However, we also realize that Federal tax income could be spent in myriad other ways, so the inevitable tendency is to consider Federal grants as "found" money. Second, it is one thing to direct expenditures which others may find foolish if you also say that you will pay 75% of the bill. It is an entirely different thing to continue to direct the same expenditures when you do not want to pay. If you want to call the tune, pay the piper. Third, the Federal government prints the money and its taxes set the business climate for the whole nation. If, with this favorable a situation for fund-raising, the Federal government feels that they can't fund the proposed expenditures, how on earth are state and local governments (which lack these very substantial Federal advantages) going to find an additional $70 plus billion over the next few years?

Fourth, PL 92-500 has a fundamental conceptual flaw: discharge control without relation to water quality. The "best technology available" is triple distillation. To make a social-economic judgment to do less, one must relate to some target which judgment would establish. The water quality of the receiving waters is the only rational basis for such judgment. At the time PL 92-500 was passed, it was asserted that the water quality approach had been tried and found wanting. We disagree. To paraphrase G.K. Chesterton's famous aphorism on christianity; water quality has not been found wanting, it has been found difficult and not tried. We suspect that the reason it was not tried much (outside of California) was

that it was found that local knowledge and judgment had to be an integral part of the process and that is is impossible to make easy nationwide judgments if receiving water quality is to be the fundamental criterion. It is no more appropriate to place all communities (and all plants) on the same footing with respect to water discharges than to place them all equal with respect to climate, access to navigable water, or any of the myriad other factors which cause differently located communities (and plants) to have different costs for other things. Let me give a specific example PL 92-500 requires secondary treatment of all discharges; a process, essentially, for the removal of most nutriants. The ocean waters off California need such removal like a moose needs a hatrack. Treatment, over and above that now being provided, is probably necessary but no rational case can be made for nutrient removal.

Fifth, any logical program based upon receiving water quality will establish priorities based upon the cost-effectiveness of the investment made in treatment. It should be obvious that, with limited funds available the money should be spent first where a given expenditure provides the greatest improvement. On this basis, many already developed programs deserve a second look. As an example, the controlling feature of the South San Francisco Bay regional program seems to be establishment of shellfishing for human consumption. Note, this is not shellfish habitat (to coin a phrase, the shellfish are happy as clams), it is just to make them safe for us to eat. A ball-park guess of the cost of the program (present value) would be about $1 billion. If shellfishing represents even a sizeable fraction of this, it would be cheaper to provide chauffered limousines to Pismo Beach (an attractive ocean shellfishing spot an easy half day's ride away). Sixth, population growth will occur. Girls now alive will grow up and have some children before we older types die. Failure to provide facilities to accomodate growth will not prevent growth, it will simply mean that the growth is inadequately serviced.

With respect to EPA proposal papers for PL 92-500 modifications, the foregoing observations are generally pertinent. Our specific comments follow: Paper 1 proposes that the Federal grant share be reduced to as low as 55% (from the present 75%). As indicated above, pay the piper or call less of the tune. We also note that many projects already partway thru the planning process would be delayed while new local bond authority is being sought. Paper 2 proposes that grant funds not be used to fund reserve capacity to take care of excess growth. The actual proposals are slightly less restrictive than California now inposes and

can be lived with. However, we note that it takes about ten years to finish the process of treatment plant construction (from concept to operational status), so this policy results in virtually continuous effort on a series of small add-on projects. Considering the very large overhead costs of processing (including impact reports) this procedure will have the effect of greatly increasing the cost of the necessary facilities. For large plants now being processed, these costs (for all involved) must be about 20-30% of total project cost. Since many of these costs do not go down with size of plant, it is likely that considerably higher overhead costs would be associated with the process of continuously building small added increments. To mitigate this effect, administrative leeway should be authorized.

Paper 3proposes that certain types of work no longer be eligible for grant funding. This is just a back-door way of reducing the percentage of Federal support and should not be done. It is, of course, fully appropriate to indicate that different types of work should have different priorities, while recognizing that circumstances alter cases, so (again) administrative leeway must be allowed. Paper 4 proposes to extend the 1977 deadline for meeting the requirement that all localities have secondary treatment. In view of the fact that 60% of the 1977 population will be in localities which cannot meet this deadline, what are they to do? Self-destruct? Many of the delays were caused by the administrative problems of the Act (and associated environmental laws). It is obvious that the deadline should be lifted, simply to avoid placing the law in contempt. Further, as indicated above, there are places where secondary treatment is not needed at all (even though other complex treatment might be). The paper notes that industry also faces a 1977 deadline: to meet NPDES industry standards. Many of these standards are not yet written. All will be difficult to meet. An extension here is both appropriate and just. As indicated at the beginning, these discharges should more properly be related to water quality.

Paper 5 suggests that additional authority for operation of the program be delegated to the states. We see no objection to this, but suggest that nothing is gained if the delegation is accompanied by closeover-the-shoulder supervision and an item veto. The only way any efficiency is gained is to make a real delegation with oversight by audit-type action.

In summary: if you want to call the tune, pay the piper; receiving water quality is the only rational basis for water regulatory control;

priorities should be based upon analysis for cost-effectiveness.

Please feel free to contact us if you have any questions. In view of the expressed need for Congressional review, copies of this letter are also being furnished to the members of California's Congressional delegation. In accord with their PL 92-500 review duties, a copy of this statement is also being forwarded to the NCWQ.

Sincerely yours,
Robert E. Burt, Director
Environmental Quality

REB:jcw

RESOLUTION NO. 75-7

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAMARILLO SANITARY DISTRICT, DECLARING ITS POSITION REGARDING PROPOSED AMENDMENTS TO PUBLIC LAW 92-500

WHEREAS, The Federal Office of Management and Budget has requested hearings on proposed amendments to Public Law 92-500, regarding waste treatment grants; and

WHEREAS,The amendments propose a reduction in the Federal share, of such grants, limits the scope of grants to facilities to serve the existing population, restricts eligible projects, extends the 1977 date for meeting water quality standards, delegates the greater portion of management ot the states, and does not cover the use of ad valorem taxes for operation and maintenance of treatment facilities; and

Whereas, Several of the proposed amendments would not be in the best interests of the Camarillo Sanitary District;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors of the Camarillo Sanitary District hereby declares its position in regard to proposed amendments to Public Law 92-500, as follows:

Commends the Congress of the United States for the progress that has been made toward improving water quality standards through enactment of this law;

Observes that it is important to make revisions in legislation after it has been in operation for a time;

To oppose reduction of the Federal share of waste treatment grants, limiting the scope of the grants to facilities to serve the existing population and restricting the types of eligible projects;

To favor extending the 1977 date for meeting water quality standards, delegating a greater portion of grant management to the states, and allowing the use of ad valorem taxes for operation and maintenance of treatment facilities.

APPROVED AND ADOPTED, This 11th day of June, 1975.

/s/ Mary R. Gayle
Chairman of the Board

/s/ Robert V. Pena
Secretary

I HEREBY CERTIFY, That the foregoing Resolution No. 75-7 was approved and adopted at an adjourned meeting of the Board of Directors of the Camarillo Sanitary District, held on the 11th day of June, 1975, by the following vote, to wit:

AYES: Directors Daily, Meredith, Moore, Pena; Chairman Gayle
NOES: Directors None
ABSENT: Directors None

/s/ Larry L. Weavey
Assistant Secretary

June 19, 1975

REMARKS OF FRED A. HARPER, GENERAL MANAGER, ORANGE COUNTY SANITATION DISTRICT

RE: EPA MUNICIPAL WASTE TREATMENT GRANTS, PUBLIC HEARINGS ON POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT, JUNE 19, 1975, SAN FRANCISCO, CA.

The County Sanitation Districts of Orange County are located in Southern California serving 23 cities encompassing an area of 320 square miles, and a population of 1½ million people. We operate and maintain 450 miles of interceptor sewers and 2 wastewater treatment facilities, The primary treated effluent averaging 172 million gallons/day is discharged through an out fall diffuser system 5 miles out in open ocean at a depth of approximately 200 feet.

Currently, we are constructing a 50 mgd activated sludge plant to meet EPA and State requirements at one facility. We have submitted to the State and EPA a Project Report which calls for a total expenditure of $275 million to meet current State and Federal Requirements. We are financing our aggressive water pollution construction program with ad valorem taxes (approximately $18 million/yr.), sewer service connection charges, industrial user fees, and state and federal construction grant funds.

We welcome this opportunity to present our views on potential legislative Amendments to the Federal Water Pollution Control Act.

PAPER NO. 1 - Reducion of the Federal Share.

The construction of needed treatment facilities has been continuously inhibited and delayed for the lack of Federal financial commitment. Even when funds are available, the construction program is still delayed because of the numerous amounts of red tape at both the State and Federal levels. A reduction in the federal share of grant participation will completely erode the program for clean water throughout the United States.

The people of California have authorized two State bond issues to financially assist the local communities in solving their water pollution problems, These funds will run out in the forseeable future. Under these circumstances, it is doubtful that the State would be anxious to pick up an additional portion of the present Federal share.

The local entities are having difficulty in maintaining the various services they provide on a status qou basis because of inflationary pressures. If additional funds for capital improvements are necessary, the local electorate must authorize the sale of bonds or other long-term commitments. If the voter will sustain additional taxes or charges by voting yes, he will vote no.

Speaking for a large metropolitan agency that has been involved with the design and operation of treatment facilities for many years, we are and will continue to be cognizant of cost-effective design. On-going costs of management, operation and maintenance of constructed facilities are the concern of the applicant.

What impact would a reduced Federal share have on water quality and meeting the goals of PL 92-500? With respect to our agency, which is a deep water ocean discharger, this would have little or no impact on water quality, based on our oceanographic studies to date. However, we would not meet the 1977 goal of secondary treatment as defined by EPA.

(For your information, I am enclosing a proposed definition of best practicable waste treatment for publicly-owned treatment works discharging into territorial seas which our agency submitted to WPA's Task Force on Secondary Treatment of Municipal Ocean Discharges in June, 1974. You will note that the definition does not address itself to EPA's BOD requirements, as oxygen depletion is not a concern for ocean discharges. The emphasis is on potential toxic substances. suspended solids, turbidity, grease, and oil.

I am also enclosing a report entitled "Alternatives for Improved Treatment", which compares the costs of conventional secondary treatment for our agency, $275.8 million vs. $113.8 million to meet the criteria established in our porposed definition of best practicable waste treatment (BPT). It is our contention that discharges through deep ocean outfalls meeting our definition of BPT have no serious adverse effects on the marine environment and, in many instances, will have beneficial effects by increasing the nutrient levels aroung the outfalls to a degree comparable to the naturally occurring levels achieved through upwelling.)

PAPER NO. 2 - Limiting Federal Funding Reserve Capacity to Serve Projected Growth.

We will support limiting Federal funding of reserve capacity if the applicant can have the discretion of utilizing the economics-of-scale and pay for the increased capacity on an incremental basis.

PAPER NO. 3 - Restricting the Types of Projects Eligible for Grant Assistance.

We suggest that the authorization in PL 92-500 remain unchanged. The states should continuously update project priority lists and approve only those projects which will provide a measureable improvement in water quality.

PAPER NO. 4 - Extending the 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards.

Our agency would support Alternate 4, which is to seek statutory amendments that would maintain the 1977 date, but would provide the Administrator with discretion to grant compliance schedule extensions on an ad hoc basis, based on the availability of Federal funds. This represents the most workable alternate based on a very basic premise in PL 92-500; that is, the responsibility of the Federal Government to financially assist in the construction of municipally-owned treatment works to meet the objectives of the Act. We believe that Alternate No. 4 would accommodate the suggestion of an EPA Task Force to allow the postponement of construction of secondary treatment facilities for municipal treatment works with an ocean discharge, pending environmental assessments of specific outfall sites to determine the most effective techniques. With regard to Alternate No. 5, we believe this would not be acceptable to local communities. If funding is not available and the compliance dates are not met, who goes to jail?

PAPER NO. 5 - Delegation of Greater Portion of Management of Grants Program to the States.

EPA and the states should be equally concerned that millions of construction dollars are not wasted on studies and reports which apply across-the-board to all applicants regardless of the type of project undertaken. Greater responsibility should be shouldered by the individual states to avoid duplication of effort. We support the proposal of greater management delegation to the states.

In conclusion, the 1.5 million people we represent are willing to pay their proportionate share of the costs to improve their environment, but we must be able to tell them what the benefits will be. If our proposals for water pollution control are reasonable and worthwhile, they will be able to stand the kind of public scrutiny they will generate.

On behalf of our taxpayers, we hope the administration and congress will consider meaningful changes in the Act which will further facilitate the objectives and intent of the Federal Water Pollution Control Act.

July 3, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033
West Tower Waterside Mall
401 "M" Street S. W.
Washington, D. C. 20460

Attention: Mr. James L. Agee
Asst. Administrator

Gentlemen:

Subject: PL 92-500 Revisions

We have reviewed the May 2, 1975 notice of public hearing and the Background Papers as published in the Federal Register of May 28, 1975. The following comments are offered.

REDUCTION OF THE FEDERAL SHARE

The Detroit Metro Water Department is opposed to any reduction in the Federal share from the existing 75% level for construction grants. If the Federal share is reduced, we would have extreme difficulty in obtanining the required additional local financing. The tight monetary situation and the current recession could result in unreasonable interest rates on our revenue bonds if we had to develop the additional financing. This in turn would result in a delay in the construction of the facilities under our Pollution Control Program which in turn would result in a further delay in meeting the water quality goals of PL 92-500.

DMWD has completed or placed under construction $346 million worth of Pollution Control Facilities since 1966. It is anticipated that an additional $144 million in construction will be funded and started this year. At least another $145 million in construction must still be funded and built by 1980. Federal funding at the current 75% rate, should be concentrated on the top priority projects as certified by the various state priority rating systems.

The argument that a decrease in Federal participation will result in a greater degree of accountability at the local level is at best presumptive. It assumes that the local leaders, technicians, etc. care little about their local dollars and care even less about their Federal dollars. We suggest that a decrease in the Federal level of participation will have little, if any, affect on accountability.

Construction of facilities under our Pollution Control Program

has been and will continue to be through a phased construction program. Although we (Southeast Michigan) probably have received an equitable share of the available Federal money, the amount has still been inadequate to keep the program on schedule. Reduction of the Federal level will only serve to delay the program as it now exists.

In summary, a reduced Federal share will delay the construction of needed facilities in Southeast Michigan, will delay meeting the goals of PL 92-500, will create extreme financial hardship to the Detroit Metro System in the event the goals remain the same but the Federal share is reduced, and will have little, if any, affect on local accountability.

We also recommend that Section 12 of PL 92-500 (Environmental Financing Authority) be implemented and that reasonable and realistic rules/regulations be promulgated.

LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

We oppose the proposal to limit Federal funding of "reserve capacity" to 10 years for treatment plants and 20 years for sewers.

Local decision making at the city, county and state level and their responsibilities in pollution control will be usurped. Section 101 b of PL 92-500 recognizes states rights but this proposal gets very specific and detailed. If a project is cost effective (and it must be) the total 75% Federal participation should be made available regardless of the number of reserve capacity years. Sufficient and reasonable reserve capacity must be provided for.

In our suburban service area there are several communities which have developed extensively without the benefit of sewers or local wastewater disposal facilities. Septic tanks and small inefficient overloaded treatment plants are the rule. Our program which is now in progress is correcting the above described problems. Specific numerical reserve growth capacity limitations may reverse these efforts in Southeast Michigan. The current status of our phased Pollution Control Program calls for much more construction to be performed before we get caught up with the needs much less over-design for them.

Current EPA planning regulations, requirements and analysis have greatly increased the time and manpower requirements for

project development. More and detailed regulations will lead to project delays as previously experienced with each change and addition to the regulations. If other states see the need for a "10/20" California Type program let them decide for themselves. State agencies can better judge the local situation and needs.

Increased debt service cost would result from using a shorter useful life over which to amortize the projects. In a developed urban city, utility relocation and reconstruction becomes a major problem and cost. Sufficient and reasonable reserve capacity in wastewater plant and sewer construction should be provided in the original installation. This will avoid prohibitive additional costs for utility relocation work in the future.

In summary therefore we suggest that "capacity limitations" not be included in amendments to PL 92-500, nor embodied in revised EPA rules/regulations. We suggest that each state decide for itself what capacity limitations should be imposed, if any, and base their judgments on each specific situation.

RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

From the list of eight types of projects eligible for Grant Assistance we believe none should be eliminated. It is important to allow all types of projects and various combinations thereof. Correction of water pollution problems in the Southeast Michigan can not be generalized into 1 or 2 solutions. What may be an appropriate solution in one area may not be the correct solution in another area. In Southeast Michigan, combined sewer overflows remain a serious problem. Under this proposal this type of corrective project would not be funded using Federal grants. The magnitude of the problem in Southeast Michigan prohibits the total local financing to a program to abate this serious source of pollution.

It should be noted that the impact of large combined sewer discharges on a small stream (in Southeastern Michigan) has a greater impact upon water quality than a small treatment plant discharge on a large stream. The Rouge River pollution problems are the specific ones the DMWD regional plan is scheduled to correct provided adequate Federal participation is available.

The EPA approved Michigan State Priority Point system used to determine the order of projects funded in Michigan has worked out well. The weighted rating is based upon population served, designated use of stream segment discharged to, drought flow ratio of treatment plant discharges to stream low flow, treatment

greater than secondary treatment required, Great Lakes discharges and other factors. The State currently has full choice of the types of projects it can place on the list and should continue to make that choice. If a project does not rank high it obviously will not be funded. Currently Michigan has approximately 567 projects on the list. Less than 10% will receive aid thru 1976. The priority point system is more equitable and flexible than an out and out elimination of specific types of projects to be funded.

EXTENDING 1977 DATE FOR THE PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS

The DMWD fully endorses the extension of the July 1977 secondary treatment deadline for publicly owned treatment works.

It has been noted that 61% of the U.S. population will not be able to comply with the 1977 goal. This implies that it is now unreasonable and needs to be modified to a realistic level or date. Goals are important in obtaining water quality improvement and pollution control but when they become unrealistic they are useless and ignored. Financial problems, inadequate Federal funding and difficulties in administrating PL 92-500 among other things are the basic reasons the established goals have become unrealistic.

Implementation of the pollution control work must be tied in to full 75% federal funding. It is unrealistic to expect communities to move ahead and finance their treatment works and lose possible future Federal monitory support. PL 92-500 should be amended to allow reimbursement for any advancement of pollution control work by local communities for development, design and construction.

An across the board extension to 1983 does not seem practicable as some foot dragging on the part of some states or communities that are near the standards (and don't need an extension) may result. A case by case evalutation is advised. Equality between industry and local governmental requirements should be a Federal policy as the health and welfare of all the people are at stake.

Of the five alternatives offered, we endorse seeking statutory amendments that would maintain the 1977 date but would provide the Administrator with discretion to grant compliance schedule extensions on a case by case basis, based upon the availabilty of funds and approval by the responsible state agency.

We further recommend that the responsibility and authority for the making case by case decisions be delegated to those states which have responsibilities for issuing the NPDES permits.

DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The DMWD endorses the principle of delegating a greater portion of the Construction Grants Management to the States. It seems that geographical closeness to the construction site and increased understanding of local policies, problems and issues will avoid needless red tape and paperwork.

This proposal is definitely in the spirit of Section 101B and F of PL 92-500 which asserts that pollution control is basically a state responsibility and that minimization of paperwork is a specific goal. To date the increased Federal regulations and rulings have tended to add to the paperwork, reports, studies, delays, etc. and duplication of effort between State and Federal reviewers is evident.

Bill H.R. 2175 should be supported as it would permit the Administrator to delegate additional responsibilities to the States. This delegation of responsibility will only work if full authority is also delegated, "Second guessing" at the Federal level must be avoided.

Very truly yours,
/s/ E. Cedroni
Acting Director

cc: Mayor Young - City of Detroit
R. Purdy - Michigan Department of Natural Resources
Water Pollution Contril Federation
Association of Metropolitan Sewerage Agencies

July 3, 1975

Mr. Janes L. Agee
Assistant Administrator
Water and Hazardous Materials
U.S. Environmental Protection Agency (WH-556)
Room 1033, West Tower
Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

Enclosed are two copies each of a resolution adopted by the Metro Denver District Board of Directors on June 19, 1975 and comments from the Metro Denver Sewage Disposal District on the five proposed amendments to PL 92-500.

We appreciate the opportunity to present these comments to EPA, and respectfully request your thoughtful consideration of these comments.

Yours very truly,
/s/ Mary B. O'Dell
Chairman

MBO/gh
enc.
cc: Robert C. McWhinnie
Willian E. Korbitz, Manager

RESOLUTION
BOARD OF DIRECTORS
METROPOLITAN DENVER SEWAGE DISPOSAL DISTRICT NO.1
June 19, 1975

WHEREAS, the U.S. Environmental Protection Agency has scheduled public hearings on June 9, 1975; June 19, 1975 and June 25, 1975 for the purpose of receiving comments concerning proposed amendments to the Federal Water Pollution Control Act (PL 92-500); and

WHEREAS, the U.S. Environmental Protection Agency will hold the public hearing record open until July 7, 1975; and

WHEREAS,the Board of Directors of the Metropolitan Denver Sewage Disposal District No. 1, hereinafter referred to as "Metro District," wishes to submit recommendations to the U. S. Environmental Protection Agency concerning the five proposed amendments.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Metro District hereby recommend the following:

1. That the federal share of construction costs under the provisions of Title KK of PL 92-500 be reduced from 75% to 55% of eligible construction costs to make it possible for available federal construction grant funds to provide for more construction;

2. That the federal financing not be limited to serving the needs of existing population because that would cause a hardship in areas subject to immigration from other areas of the country;

3. That federal financing be restricted to waste water treatment facilities and interceptor sewer facilities and appurtenances and replacement of collector sewer systems, but not to include new collector sewer systems or storm sewers of stormwater treatment;

4. That the 1977 date for meeting water quality standards be extended to 1983 to provide for reasonable time to finance and construct the faiclities needed for compliance;

5. That the states be delegated the major portion of management of the construction grants program; and

BE IT FURTHER RESOLVED, that the Manager of the Metro District be and hereby is instructed to prepare and send to the U. S. Environmental Protection Agency a statement, approved by the Executive Committee of the Metro District, together with a certified copy of this resolution.

This is a
Certified and
True Copy of
Resolution
Adopted 6/19/75

June 23, 1975
Mr, David Sabock
United States Environmental Protection Agency
WSME - 809 B
WH 454
Washington, D. C. 20460

Reference: Potential Legislative Amendments
to the Federal Water Pollution Control Act
(40 FR 19236 and 40 FR 23107)

Dear Mr. Sabock:

On May 28, 1975, five papers were published in the Federal Register for public review prior to public hearings to discuss potential legislative amendments to the Federal Water Pollution Control Act. In this publication interested individuals were asked to review the five papers and were given the opportunity to submit written comments. We have reviewed these proposed amendments and wish to comment on them by section.

In accordance with these conditions, attached for your review are the City of Dallas Water Utilities comments. Accordingly, we respectfully request that these comments be made a part of the hearing record.

We appreciate the opportunity to respond to these proposals and voice our opinions. Should you have any questions on this matter please contact us.

Very truly yours,
/s/ Henry J. Grasser
Director
Dallas Water Utilities

HJG:LNP:wls
Attachments (5)
cc: Congressman Jim Wright
Mr. Joe Moore, National Commission on Water Quality
Water Pollution Control Federation
Association of Metropolitan Sewerage Agencies

PAPER NO. 1
Reduction of Federal Share

Progress in construction of treatment plants and interceptors under the Federal Water Pollution Control Act Amendments of 1972 (PL 92-500) has been disappointingly less than under the programs conducted under previous laws such as PL-660. One of the reasons is the many restrictions and requirements under PL 92-500, for example the industrial cost recovery provision. We would gladly accept a 55% grant if the industrial cost recovery provision were repealed. Other restrictions and checks are aimed at making absolutely sure that every contingency has been taken into account before proceeding with design or construction. These requirements are both expensive and time consuming to both the applicant and the state and federal agencies. When time is of the essence, as it must be if the 1977 and 1983 dates set by Congress are to be met, it is better to go ahead with a program, accepting the risk of some mistakes than to delay until everything is letter perfect. We are informed that of the $18 billion appropriated by the Congress for water pollution control in 1972, only $571 million has been disbursed and $4.8 billion obligated by the Environmental Protection agency. Meanwhile. construction costs have escalated about 30% since 1972 so the $18 billion of 1972 dollars will construct only about $12 billion worth of projects in 1975.

What does this mean? It means some treatment plants that should have been built have not been built because our efforts have been expended on planning and revising plans, and submitting additional justifications. Delays have resulted from waiting on approval of grants, waiting on approvals of plans, waiting on authority to advertise for construction and waiting authority to award.

Universal application of secondary treatment to all sewage treatment plans throughtout the nation where the need for such treatment has not been proved, is wasteful of both federal and local funds. The funding priority should first be the more critical problems such as advanced wastewater treatment where stream quality conditions warrant. This preoccupation with universality has caused delays and lack of progress in cleaning up the critical rivers and lakes.

If financing the water pollution control program has outstripped the capabilities of the federal government, this is even more true of the states and municipalities. For example, interest rates are above 6% for AA rated bonds. Energy costs for advanced wastewater treatment in Dallas are projected to be three times that of secondary treatment. This projection indicates an increase of 2.8 times the present energy demand, while at the same time unit energy costs have increased 50% primarily due to increased fuel oil and natural gas costs to the power

companies. Compounding our problem are the facts that personnel costs have increased 16% since 1972, with chemical costs doubling during the same period. All of this leads us to an uncertain future making the financing of the projects required to comply with PL 92-500 questionable, either locally or at a state and federal level.

There is no doubt that reducing the federal percentage from 75% to 55% would allow the limited federal funding available to cover a larger number of projects. The real question is, however, not how many more projects could recieve federal funding, but whether the local communities could raise the additional matching funds that would be required. Under normal economic conditions, this problem would probably be manageable. However, with the current downturn in the economy, it would probably be very difficult for many local communities to secure the financing required.

We further recommend that the EPA along with the Congress be more interested in achieving viable goals by legislative changes than in rejecting comprises in the present law. If a realistic perception of capabilities and requirements are developed and the new emphasis is placed on the achievable portions of this act, not only will the national economy benefit but our national environment as a whole will be upgraded more effectively.

PAPER NO. 2
LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

This proposal if adopted would limit the amount of reserve capacity that could be built into a treatment facility and/or interceptor. Consequently only the capacity considered sufficient by the Environmental Protection Agency to meet the needs of the existing population would be eligible for a Federal Government construction grant. It is obvious that this proposal is directed at the practice of over-designing of treatment plants and interceptors. However, we feel several factors both from an engineering and economic standpoint should be considered. Many of which will justify construction of facilities with reserve capacity.

In constructing interceptors where gravity flow is used (almost universal) the mains are located where available space, access, and favorable terrain conditions exist. The concept of installing parallel relief mains every 20 years or less is not practicable in many communities. Conversely, treatment plants can be constructed in modular increments. We should also take into consideration the double impact of construction on the environment if undersized interceptors are built initially followed by additional relief interceptors. This policy implies that the EPA may be considering cost over the environment. We feel that interceptors should be designed using at least a

35 - 40 year design period and that the federal government should continue to participate in 25% of the oversize cost as at present with the minicipality bearing the cost of oversize beyond 25%.

As for treatment plants, we feel the EPA Administrator should determine to his satisfaction the capability of treatment works needed to adequately contain and process sewage generated within the area to be served by the applicant's project under current circumstances and should offer a grant based on costs needed to achieve that capacity as a minimum. It is our belief that treatment plants should be designed and constructed in economical and cost effective increments, and not based on some arbitraty 10 years. Therefore we recommend the cost for greater capacity than necessary for current conditions be considered and the incremental size should be not limited but sized at what the municipality feels necessary.

The practice of limiting population projections used in determining reserve capacity by using the lowest Census Bureau's projected fertility rates is not the answer. The determination of the amount of required reserve capacity should be left up to local governments because they are much more knowledgeable when it comes to local population trends. These local governments however should be required to substantiate that a growth potential adequate to justify the conclusion that it is more cost effective to provide extra capacity as part of the current project rather than at some future time does exist.

PAPER NO. 3

RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

While this proposal to restrict the types of projects eligible for grant assistance would increase the available money, it could, depending on category deleted, impose severe financial burdens on the individual communities. If this method is to be used to reduce the federal burden, then we agree that first priority should go to treatment plants and second to interceptor sewers.

This will likely take all the funds available, but if additional funds are availabel we suggest the following priority listing:

Category IIIA - Correction of sewer infiltration/inflow
Category IV - Collection sewers
Categories V&-VI Stormwater collection and control

These recommendations stem from our belief that major emphasis should be placed to clean up point sources first with non-point sources having lowest priority. The complete correction of infiltration/inflow would involve house laterals (50% of the problem) and it is impracticable to dig up every house lateral

in a city.

PAPER NO. 4
FOR SECONDARY OR MORE STRINGENT TREATMENT LEVELS FOR POTW's

Budget restrictions as well as administrative red-tape have slowed down the nation's water pollution abatement program to the extent that it is not practical to meet the July 1, 1977 date. Consequently, we agree that this provision of Section 301 should be amended. However we are not in favor of the five alternatives for consideration under this proposal.

To retain or establish another nationwide target date such as proposed in Alternative Nos. 1, 2, and 5 is impractical. We propose that a better target would be to set a date so many years after the Step 3 grant is approved for a treatment facility. The intent of this proposal is to modify the requirements of PL 92-500 in order to allow the regional administrators to establish compliance schedules based on local conditions and sound engineering and economic judgement rather than some arbitrary universal target date.

PAPER NO. 5
DELEGATING A GREATER PORTION
OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS

This proposal is to delegate a great number of functions and responsibilities directly to the states. In our opinion the states should be delegated all possible grant processing functions, including those that go beyond the normal review and approval process. This delegation of responsibilities should however be a true transfer not a paper turnover of administrative duties. The E.P.A. should restrict itself to policy making, auditing, etc., and let the individual states implement the grant program and the permit program.

In order to facilitate the achievement of such a true federal-state partnership and afford the states their proper role and responsibility in protecting the quality of water within their boundaries, we support the Cleveland Bill, H.R. 16505. In our opinion, the Texas Water Quality Board possesses the capability from a management, administrative and control viewpoint to carry out effectively the responsibilities to be delegated to it by the administrator under the provisions of this proposed legislation.

June 18, 1975

Mr. Alvin L. Alm, Assistant Administrator
Planning and Management
U. S. Environmental Protection Agency
Office of Water & Hazardous Materials
Room 1033, West Tower
401 M Street, S.W.
Washington, D.C. 20460

Re: Public Hearings/Municipal Waste Treatment Grants-June 9, 1975 Potential Legislative Amendments to the Federal Water Pollution Control Act

Dear Mr. Alm:

Reference our letter of June 11, 1975, the following additional observations are furnished for your consideration. The numbers apply to the papers distributed at subject hearings.

(1) In the event the Federal share is reduced below 75 percent, we should be given latitude in establishing priorities within the County, concentrating first on decreasing I/I, second on providing adequate secondary treatment County wide and third on improving treatment beyond secondary.

(2) Local funding of reserved capacity for projected growth beyond 10-20 years may be tolerable provided the plants were designed with expansion in mind for the future growth. The percentage cost increast of interceptors designed for growth beyond the 10-20 years would be small and good design would include such capacity regardless of source of funds.

(3) If types of projects eligible for grant assistance are reduced, the above priorities should prevail.

(4) Any reduction of the 75 percent Federal participation would result in delays due to increased problems in obtaining local funds, therefore target dates would automatically slip whether or not PL 92-500 is amended in this regard.

(5) Delegating more authority to the states should expedite the program,provided adequate staffs are available and trained before assignment of additional authority.

Sincerely,
/s/ G. Mac Daniel, for
D. D. Brown, P.E.
Director

DDB/ACM/jn
cc: Mr. John T. Rhett, EPA, Washington, D. C.
Mr. Jack E. Ravan, EPA, Region IV

June 11, 1975

Mr. Alvin L. Alm, Assistant Administrator
Planning and Management
U.S. Environmental Protection Agency
Pffice of Water & Hazardous Materials
Room 1033, West Tower
401 M Street, S. W.
Washington D. C. 20460

Re: Public Hearings/Municipal Waste Treatment Grants
June 7, 1975
Potential Legislative Amendments to the Federal
Water Pollution Control Act

Dear Mr. Alm:

The following comments were verbally presented on June 9, 1975 in Atlanta, Georgia in response to the public hearing announcement in the Federal Register, Vol. 40, No. 86 - Friday, May 2, 1975. These comments are on the five topics for which proposed amendments to the FWPCA are being considered for submission to Congress.

(1) a reduction of the Federal share
a. Basic questions to be considered are:

Would the State set as stringent effluent criteria if 75% Federal funding were not available?
Would the State require local governments to construct and operate the required high capital investment and high operating cost advance wastewater treatment plants?
or
Would there be a re-evaluation of the necessity and also of the criteria for the effluent standards set?
In other words, because of the availability of 75% Federal funding, has this not unduly influenced and damaged the economic and environmental checks and balance process in the setting of reasonable effluent standards?
These questions arise out of DeKalb County's initial experience with 75% Federal funding.

For example: In 1972, the State of Georgia Environmental Protection Division presented DeKalb County with new effluent requirements for discharges to the South River and directed the engineering design and construction of the necessary treatment facilities. DeKalb County finds that even with a 75% Federal funding for construction of the required AWWT Facilities, estimated to cost $80,000,000 and to be completed in four years, it is financially in trouble. The $20,000,000 DeKalb County share will place a severe financial burden in both dollar amount and from the accelerated short time shcedule to construct the facilities.

Under the circumstances, DeKalb County cannot possibly do it alone and must be in favor of 75% or greater Federal funding.

Obviously, consistency is necessary in the percentage of Federal funding, as the achievement of consistent pollution elimination efforts are clearly dependent thereto.

b. The 75% aid by EPA appears to inadvertently erode the State government's needed sense of economic concern. Greater monetary concern might be shown the higher share of local funds.

(2) limiting Federal financing to serving the needs of existing population.

a. A possible consequence of present 75% Federal funding and future limitation is:

Were Federal funding limited to serving the needs of existing population; then any new facilities needed due to increases in population would cost the local government four times as much as those now 75% Federally funded. This would require subsequent sharp increases in local water and sewer rates. Rate increases are not locally populat and pollution elimination efforts would suffer. Limitations would unduly penalize growing communities.

(3) restricting the types of projects eligible for grant assistance.

a. Guidelines are clearly needed to define the type of project which will be fully or partially funded by Federal grants. Local governments need to know projected cut-off dates for Federal funding so that

long range fiscal planning can be done.

b. Speakers have been asked by the panel to comment on a proposed system of federal funding, where each project type is assigned a different but fixed percentage of federal funding.

Comment: In any such system the highest percentage of funding should go to the local project from which the greatest overall pollution abatement can be gained. This project might have a low assigned percentage federal funding.

Such a system would probably create more inequities than it would cure and is not favored.

(4) extending the 1977 date for meeting water quality standards.

a. DeKalb County is in favor of such extensions on a case-by-case basis where the target date cannot be realistically and economically met.

(5) delegating a greater portion of the management of the construction grant's program to the States.

a. DeKalb County is in favor of reducing the layers of governmental control. Greater fiscal responsibility as well as environmental and planning responsibility should be given to the States where it is shown the professional staff is available to administer the program cost effectively. It is felt that only a fraction of the suggested 2% annual State allotment will be necessary to accomplish this.

Sincerely,
/s/ D.D. Brown, P.E.
Director

DDB/MW/sc
cc: John T. Rhett, EPA, Washington, D. C.
Jack E. Ranan, EPA, Region IV

July 3, 1975

Administrator
Environmental Protection Agency
Washington, D.C. 20460

Attention Mr. David Jabock

Gentlemen:

Subject: Potential Legislative Amendments to the Federal Water Pollution Control Act (Public Law 92-500)

As a manufacturer and supplier of equipment utilized in publicly owned treatment works, we appreciate the opportunity of offering our comments on the five papers prepared by the EPA relative to proposed amendment to the Federal Water Pollution Control Act. Furthermore, our company has been actively engaged in this field for over half century, and we have had an opportunity to see the results of pollution abatement effort before and after the advent of Federal funding for POTW and offer our comments in light of the benefits and trade offs which would be the most beneficial to the American public for this and for future generations.

1. Reduction of the Federal Share

At first glance, the reduction from 75% to as low as 55% Federal share would facilitate the construction of more POTW by virtue of spreading the money around. However, is this in fact true? And, furthermore, is it the most cost effective?

With the many socioeconomic requirements placed on cities today, local funding can only go so far. The impact on local taxation we feel will be such that delays and not acceleration of construction will occur. The larger cities which have the greatest need are probably in the least able position to impose additional taxes to carry the additional burden imposed by a possible reduction in the Federal share. We forsee the inability of the cities to meet water pollution standards because of their inability to finance plant construction. Aside from the pollutional effects, less treatment plant construction will mean less jobs for those involved in the construction of treatment facilities and manufacturers of equipment for thesefacilities. The growth of companies in this field and, in turn, the availability of more jobs by these companies can be tied to the increase in the Federal share of construction, which alleviated the burden on

individual cities in getting treatment plants built.

It is recognized that there is a low incentive by communities to construct treatment plants because the primary beneficiary is not the community itself but instead downstream communities. By reducing the Federal share, this incentive will further decrease because the community will be paying more to benefit others. This will be a great motivator to do nothing!

Finally, the overall cost of treatment works will increase. Municipalities have to pay more than the Federal Government in order to borrow money. This is an add-on to the taxpayer which means less construction for the dollar espended.

We recommend that the 75% as outlined in P.L. 92-500 be retained.

2. Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

The apparent requirement to this limitation is the statement that the 1974 Needs Survey appears to exceed any reasonable capacity for funding within the Federal budgets for the next several years. The recommendations are for 10 years for plant construction and 20 years for sewer construction.

Reducing plant construction expansions to 10 years is a short-sighted approach. Eliminating the political implications, the requirement will cost the taxpayer more, whether it be by local or federal funding. If the requirement for 100% finding for reserve capacity is required, it will meet with the same local tax problems discussed previously with the outcome that this capacity will not be built.

Secondly, requiring a community to expand its treatment plant within 10 years will be met with resistance and will result in construction being delayed the second time around, resulting in a detriment to our water resources. In addition, plant construction every 10 years poses a real cost problem. Based on past experience of rising costs, it is not unreasonable to state that building plants for a 10 year growth instead of a 20 year growth will at least double the cost of construction.

Eliminating anticipated reserve capacity should also be reviewed with the loss of the benefit of better treatment and a cushion for overloads. It is recognized that many plants today are providing acceptable results because of some added reserve

capacity. Eliminate this capacity and you eliminate the buffer due to unknowns in quantity and quality and the interaction of industrial and domestic loads.

For sewer construction, we agree that construction for a 50 year period is excessive. However, a 30 to 40 year period does not seem excessive when one considers the overall cost of the sewer. The pipe itself is probably the lease costly portion of the job when comparing increases in capacity. The cost of construction, therefore, would dictate an increase from the 20 year requirement proposed.

As an example, if an 18" sewer is adequate for 20 years, a 24" sewer would be satisfactory for 35½ years, under the same design parameters, Putting in a 24" sewer initially would be far less costly than two 18" sewers 20 years apart. In addition, this would eliminate the traumatic experiences of a municipality during periods of sewer construction, not mentioning the hazards of construction such as explosions, CO_2 poisioning, or reducing of water tables where well points are required. This latter hazard is a real one in parts of Milwaukee County where lowering the water table to conduct sewer construction left many homes without a water supply. A traumatic experience like this should not be experienced every 20 years, not to mention the reduction in property values in areas affected.

We do not feel the limits being recommended are realistic and recommend Federal funding for 20 years growth for treatment plants and 30 to 40 years growth for sewers. We further recommend that the response be for more accurate population and industrial growth forecasting to obtain better cost benefit designs.

3. Restricting the Types of Projects Eligible for Grant Assistance

Although consideration is being given to restricting the types of projects eligible for construction grants, we question the advisability of eliminating grants for storm generated flows from this eligibility.

It has been shown that once you go to secondary treatment, the bulk of pollution is from storm generated flows. You have to compare this load to that eliminated by "tertiary" or advanced waste treatment. We do not feel that there is a payoff in

advanced waste treatment until the storm generated flows are taken care of. We also feel that these flows do not necessarily require the total degree of treatment required of the normal domestic waste flow, but adequate enough to reduce the shop load on receiving bodies of water. Storm generated flows are high volume and high intensity, and can wipe out our resources to the point where they can't recover unless some treatment is given to these flows.

We feel that urban areas must be looked at as a totality and priority given to those sources of pollutants which must be addressed to meet local needs. Elimination storm generated flows in favor of tertiary or advanced treatment can be a step backward in the preservation of some of our water resources.

We also feel that additional time be allotted to establish reasonable requirements for partial treatment and disinfection of storm generated flows. We think that, because of the unfamiliarity of solving this problem and the time required to report on the requirements for treating storm generated flows, the figures submitted to EPA could be very conservative.

We realize that Congress does not want partial treatment, but an assessment of the overall problem may lead to this as being a very viable solution to storm generated flows of which Congress should be apprised.

4. Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

We agree that the requirement for meeting the water quality standards be extended. The 1977 requirement is logistically impossible. We suggest a five year extension to 1983 with Federal funding, but Congress should assure adequate funding to meet this deadline. (This is Alternate No. 6, not mentioned in EPA's recommendations.) Maintaining the 1977 date with provisions for exceptions is a subterfuge. Let's recognize that the original time frame was not workable and get on with the job.

Let's not extend the time requirements to 1983 without assurance of the Federal financing. This will create problems with cities who could not get Federal funds due to no fault of theirs. The result will be no action and a multitude of court suits. In the end the Federal Government will finance these profects at a greater cost and with an added delay.

5. Delegating a Greater Portion of the Management of the Construction Grants Program to the States

Since the result expected when delegating a greater portion of the Management of Construction Grants Program to the States is one of accelerating the program, we endorse the concept. However, we do believe this must be done carefully. A great deal of caution must be exercised in this delegation and caliber of manpower should be assessed. There is a potential force for reducing uniformity in requirements with 50 different interpretations of the regulations. Therefore, even though the bulk of the detail work will be assigned to the States, we endorse the principle of project officers in the region to closely monitor the States' efforts.

As to compensation to the States, we do not subscribe to the concept that the administrative costs should come out of the States' grant allotments. Although on the surface the maximum of 2% does not appear significant, 2% of $6 billion grant program means a significant amount in plant and sewer construction.

Our company appreciated the opportunity to submit this statement. We will be pleased to amplify our remarks and to work with anyone in the Environmental Protection Agency to assist the Agency in making recommendations to Congress on amendments to the Federal Water Pollution Control Act.

Sincerely yours,
/s/ William N. Konrad
Director- Market Development

My name is Richard Rosen. I am the chief scientist at Energy Resources, a large environmental and research and engineering firm. For the past ten years, I have studied the problems of municipal waste treatment for EPA and its predecessor agencies. Additionally, I have worked extensively on this problem in my own research. For the past two years, our firm has been under contract to EPA to perform a cost-effectiveness analysis of the municipal waste treatment program.

I appear here today to present a summary of some of the important findings of this work effort which has involved an analysis of the performance of almost 200 waste treatment plants throughout the United States and all of the water treatment plants within the State of Connecticut which data have been collected independently of the treatment plant operators. Data on efficiency of operation was collected on BOD and suspended solids removal, capital costs versus treated flow, other costs versus treated flow, capital costs versus design flow, and operation and maintenance versus design flow. The latter effort was required because it was found upon analysis of the performance data, the sample of 200 plants, that many of the plants were reporting performance beyond that which was technologically achievable. A careful review of their data found that it was either improperly reported, reported in a misleading fashion, the result of inintelligent sampling procedures, or derived from the employment of incompetent analysts. The data from the State of Connecticut, collected independently, was needed to provide some meaningful estimate of real world treatmentplants operating chatacteristics so that these could be compared to their designed objectives.

The analysis of both the national data with the inflated estimates of performance and the Connecticut data have many things in common. It is very hard to explain high quality performance by any single major design or operating parameter; plants for which capital costs per million gallons of treated flow were very high frequently exhibited poor operating performance while many plants with low capital costs displayed high level of operation and performance. (See Figures 3-2, 3-3, 3-11, 3-12, 4-4, 4-5, 4-12, and 4-13.) Over sixty percent of the plants report removal in excess of eithty percent, a figure in the national survey, which is uncomformed by independent analysis of the data. Professor Joseph Harrington of Harvard University has noted that many plants report on the quality of their effluent by means of a sample taken at a time of day when the plant is likely to be operating at its peak performance level rather than taking random samples. The latter methodology would be more likely to reflect the real performance of a plant and would also permit sensible estimation of average plant performance.

A large sum of money both in and of itself, and relative to all other environmental programs and relative to total capital investments on the United States is required presently to satisfy the needs of municipal waste treatment facilities and will extend dramatically in the future to meet the requirements already elucidated to the Environmental Protection Agency. Investments of this magnitude must be carefully scrutinized so that the public can be assured that these funds will be usefully expended. A variety of questions can be asked in this respect: Do the plants we have work? Are they the right technology? And, if they work, does their operation lead to improve water quality? At what locations? And to whose benefit?

It is fair to say that a large number of the plants that are presently in operation do not work. This is attributable to poor operation, silly design, lack of control of industrial effluents, overloading and underloading. The question of design choice is a very important one. At the present time, two general forms of technology, activated sludge and trickling filters together with land intensive methods, are considered accepted forms of secondary treatment which has been made mandatory for municipal waste discharges. A wide variety of other options have been ignored. EPA definitions of secondary treatment, which emphasize end of pipe treatment preclude effective low-capital cost alternatives. Some of these, such as instream technologies, and systems-wide management, have been especially evaluated as optimal by waste treatment experts for many situations but have been effectively excluded by the criteria which the EPA has established for the supply of funds to municipalities. As a result, not only have potentially less expensive technologies been sacrificed for more expensive ones, but technologies which could produce direct improvements in water quality along several dimensions have been eliminated for administrative reasons.

A related question is whether or not, if the technology selected is appropriate for a particular location, its total design contributes to improve water quality. Our analyses have shown that in many places, the fundamental reason for the construction of treatment facilities is the maintenance of diversified, balanced, aquatic communities suitable for sports, fishing. The insistence by EPA on the chlorination of the treated effluent frequently leads to the demise of the aquatic community which the investment itself is designed to protect. This was seen rather clearly in the analysis which our firm undertook for EPA for a number of specific rivers in the State of Connecticut.

The present system fails to recognize that water quality is a user dependent phenomenon, that is to say, the needs of a swimmer are completely different from those of an industrial user of water, and their needs may be materially different from

those of the fish. Basic hydrologic regimes differ measurably from those of the fish. Basic hydrologic regimes differ measurably from location to location in a variety of engineering and chemical characteristics. For administrative simplicity, EPA has failed to take these many differences into account with the result that a standardized set of procedures are employed nation-wide to deal with a problem that is classically non-uniform in its behavior.

For the past year, ERCO has been under contract to the EPA, CEQ, and USGS to analyze and evaluate the nation's water quality. Both the EPA's STORET system and USGS's WATSTORE system have been employed to examine the water of rivers and lakes nationally.

We have concluded that there has been some improvement in the nation's water quality over the last 15 years. This improvement is attributable to control of industrial discharges. Only a miminal component of the improvement can be attributed to control of municipal discharges.

There are three trends in water quality data which demonstrate this point. First, measurement of drinking water, aquatic life, and recreation trends shows significant improvement between 1961 and 1974. Third, there is the trend of sanitary parameters contributed by municipal sources which shows little improvement from 1961 to 1974.

What can be done to remedy this situation? The first thing is to understand what we want where, to have a proper evaluation of the various hydrologic types and uses and to establish priorities and select appropriate technologies to achieve these goals. The second issue which must be addressed is the general question of resource allocations and an appropriate level of investment decisions. In this respect, the material contained in the document which is attached here as an appendix to my testimony contains considerable analysis which deals with two fundamental issues, namely the specific characteristics of the planning period and the extent to which the existing system imposes in improper subsidy providing unfortunate incentives which mitigate the basic intent of the legislation. The present system may be reducing water quality rather than improving it. The third basic issue which can be dealt with is the question of the proper supervision of treatment plant performance. By establishing appropriate performance standards for municipal treatment plants and by regulating these with an intelligently conceived monitoring program, massive improvements in treatment plant performance can be achieved with a concomitant reduction in the requirements for capital investment for the construction of these municipal treatment facilities.

1262 Bordeau Drive
Lexington, Kentucky 40504
June 19, 1975

Mr. David Sabock
United States Environmental
Protection Agency
401 M Street, S. W.
(WH556)
Waterside Mall
Washington, D. C. 20460

RE: Public Hearing on
Proposed Amendments
to PL 92-500 (FWPCA)

Dear Mr. Sabock:

Enclosed are two (2) copies of my comments addressed to Proposal No. (4), Extending the 1977 Deadline for Meeting Water Quality Standards, as outlined in your Notice of Public Hearing dated May 15, 1975.

Very truly yours,
/s/Penelope J. Evans

Enclosures (2)
cc: Joseph R. Franzmathes, P.E.

PROPOSAL NO. (4) - EXTENDING THE 1977 DEADLINE FOR MEETING WATER QUALITY STANDARDS

Even though the achievement or 1977 Water Quality Goals is virtually impossible, I strongly oppose the extension of this deadline. Such an extension can only prolong the implementation of the water pollution abatement program, as well as undermine those small advances which have been made in cleaning up the waters of America.

Perhaps the 1977 goals could have been achieved if municipalities, industries and engineers responsible for complying with the law had not become entangled in the mamoth administrative bottlenecks existing both on the federal and state levels.

Municipalities fortunate enough to have obtained approval of Step I Grant application have had to proceed in the ascence of long-awaited EPA regulations addressed to such integral portions of the work as effluent limitations, user charge regulations, standards on toxic materials and the permit issuance program. Additionally, the 208 and 303 (e) Areawide Waste Treatment Management Programs, which serve as a base for 201 Facilities Plans, are incomplete.

I support the retention of the 1977 goals and offer the following comments:

1. The Environmental Protection Agency should make a concerted effort to alleviate the administrative delays on both federal and state levels;
2. Timely publication of guidelines should be accomplished by EPA;
3. Strict enforcement of the NDPES permit program, together with an acceleration in the rate of issuance of permits should be implemented. The harshness of the penalties is not as severe a deterrent to violations of the Act as is the certainty of enforcement. The provisions and penalties should apply to all permit holders with no laxity afforded to any concern. Extreme enforcement provisions such as the application of Section 508 of the Act should limit violations on the part of large industrial concerns, coal mine operations, etc. to a minimum.
4. A case-by-case review should be conducted for those permit holders found to be in violation ot the Act.

Investigations should determine if violators are engaged in an active water pollution abatement program to comply with the provisions of the Act, with the burden of proof falling upon the violator to show cause why the penalties should not be imposed, in the event suit is filed.

5. Immunity from citizens' suits should be granted in cases where the Regional Administrator determines a good gaity effort foward compliance with water quality goals.

In summary, I oppose the extension of the 1977 deadline for the reasons that the water pollution abatement program will be further delayed, the program costs will be escalated due to inflationary trends in the construction industry, and the only advantage of the proposed extension would be proof that the work will expand to fill the time alloted.

PRESENTATION TO THE ENVIRONMENTAL PROTECTION AGENCY
REGARDING PROPOSED CHANGES TO PL 92-500
June 19, 1975

Introduction:

The East Bay Discharger Authority (EBDA) is a joint powers agency, consisting of two cities and three sanitary districts, established for the express purpose of constructing a $92 million subregional wastewater management project along the southeast side of San Francisco Bay. Its service area encompasses a total of five cities plus intervening unincorporated areas with a total present population of about 1/2 million people. The EBDA project is quite a way down the "pipeline" in spite of several grant administration delays that will preclude the project's completion by the 1977 deadline.

At the present time, we have a Step 1 grant to complete a Federal EIS and preliminary engineering of $405,000. That work is now about 50% complete. We have concept approval and a Step II grant for about $5 million of treatment plant improvements. One small contract is now out to bid and final plans and specifications for the remainder of the work are expected to be certified by the State by June 20, 1975. Final design of about $25 million of outfall and interceptor pipeline will be completed within the 1975-76 fiscal year and the remaining $60 million of a consolidated treatment plant and interceptors to transport treated effluent to the outfall should commence in 1976-77, subject to a satisfactory EIS.

This project has received outstanding public support largely because of its reclamation and reuse potential and the efficient balance of upgraded treatment and strategic disposal that will obviously enhance the San Francisco Bay environment. The extent of State and Federal grant funding has precluded emergence of the issue dependent upon multi-million dollar bond issues, however, to finance their local shares of the program and the real test of public support and willingness to pay even a 12-1/2% share of such an ambitious and expensive program will be made at the polls this fall and next spring.

1. Reduction of Federal Share of Grants:

To reduce the Federal share of construction grants under P.L. 92-500 at this time would be an unconscionable act on the part of legislators. Communities have been coerced, through the imposition of stringent regulations and the threat of heavy penalties for non-compliance, to commit themselves to programs not necessarily in accord with local priorities, and for which

they are totally incapable of paying the costs.

The staggering costs reported by the 1974 Needs Survey balanced against the appropriations made by Congress under P.L. 92-500 point up the inconsistencies between the objectives of the Act and the realization of the magnitude of the problems that must be resolved to meet those objectives. The Needs Survey estimates are, no doubt, inflated because of the manner in which the survey was conducted. We suggest that the survey estimates may reflect the unrealistic requirements and time schedules mandated by the Act and the frustrations, uncertainties and red-tape procedures experienced by local administrators in implementing the Act.

A reduction in the Federal share of financing would most certainly widen the credibility gap between local administrators and the Federal programs and would create significant delays in attaining the objectives of P.L. 92-500 and meeting the requirements it now dictates. Water quality projects now under way would have to be severely curtailed for lack of funds and projects which do not, as yet, have public approval would never materialize because of the exhorbitant price tags attached to them. Many local agencies must depend upon the approval and sale of bonds in order to obtain the resources necessary for implementation of the required water quality programs and it is extremely difficult to justify the programs to the voting public in terms of the economic/environmental tradeoffs and benefits received. Some of the standards and requirements have gone beyond reasonable limits and the benefits are too intangible and too distant for the average taxpayer to be able to weigh them against expenditures.

If water quality objectives are to be mandated at the Federal level, then the resources necessary for obtaining those objectives should be substantially provided at the Federal level also. If available resources are not sufficient to meet those objectives, then the objectives should be re-evaluated and adjusted and priorities and deadlines established which represent a cost-effective tradeoff or compromise between the ideal and the attainable.

The issue of cost-effective management of the grant funds would probably not be greatly affected by a reduction in the Federal share of participation by 20 or 25 percent. While the local share of construction funds may appear insignificant in relation to the Federal share, it is usually a rather awesome figure in relation to other local expenditures and attracts sufficient public attention to encourage close scrutiny and prudence in management activities. The administrative costs of managing grant funds and complying with the myriad red-tape procedures of

the grant program represent a significant additional local cost that has been grossly underestimated by Federal legislators. Perhaps the most effective way of insuring more adequate project management would be to assist in relieving the financial burden of that management, either by reducing red-tape, making administrative costs grant-eligible or providing Federal personnel to assist and monitor on-going projects.

2. Limiting Fderal Financing to Serve the Needs of Present Population

The proposal to limit Federal funding of reserve capacity further points to the inconsistencies in the Federal approach to water quality problems. On the one hand, communities are being required to make economic/environmental tradeoffs or sacrifices with very little immediate or tangible benefit to insure the environmental quality of future generations as defined by national priorities. On the other hand, the community which chooses to insure future environmental quality by economically providing facilities with adequate capacity to insure that same degree of quality to future orderly growth are being penalized by limited funding.

The only consistent and reasonable approach to this problem is an all-out commitment to providing a quality environment for present and future generations. This must logically include provisions of adequate sewage facilities at the most economical cost and, therefore, funding of reasonable limited reserve capacity. A reasonable design period should be established (i.e., 10/20 years from completion of construction) for which growth patterns can be determined with some degree of accuracy. The reasonable design period should be determined on a project-by-project basis, taking into consideration the ability and degree of accuracy of projecting reasonable growth patterns and changes in land use policies in light of other environmental concerns and the economics and relative risk of providing for future capacity. There is no substantial evidence that would justify reducing sewage treatment and transport capacities to meet environmental goals, i.e., air quality, and such an approach constitutes irresponsible management and violation of the public trust. Air quality conditions or reserve capacity restrictions should not be appended to water quality grants indiscriminately, such as was done in California. The California effort to limit and condition grant funding has significantly delayed large projects and weakened confidence and support of the overall program at the local level. This nation has a responsibility to project to the future, plan for and provide facilities for continued prosperity if it is to maintain its high standard of living and leadership position in the world. Restriction of the flexibility to make determinations on

an individual basis is a detriment to water quality and to the goals of national prosperity and a clean environment.

3. Restricting Types of Projects Eligible for Grant Assistance

The limited appropriations for implementation of P.L. 92-500 obviously dictate establishment of a priority system for funding. Such a system would probably be necessary to meet objectives of the law even assuming that a re-evaluation of requirements, time constraints and cost effectiveness could reduce the necessary amounts reported in the 1974 Needs Survey.

Those projects providing the greatest water quality improvement at the least overall cost should receive top priority. Generally, the funding of treatment plants (primary and secondary) and then interceptor sewers with a 10/20 year design capacity would satisfy this criteria. However, this decision is, again, one in which it is necessary to retain the flexibility to make determinations on an individual basis if the water quality objectives of the Act are to be achieved. Limiting of funding to specific categories of facilities would tend to promote those types of facilities as the solution to water quality problems in all situations when there might, in fact, be a more appropriate and cost-effective solution. No hard and fast restrictions on types of facilities funded should be written into the Act.

4. State Administration of the Construction Grants Program

The proposed amendment to delegate a greater portion of the management of the construction grants program to the states is a step toward providing the flexibility in implementing the Act to allow interpretation and application of its standards to individual situations. Individual needs should be determined more effectively and better understood with closer proximity to the problems. Delegation to the State level would also retain the close control and coordination necessary to insure the coherence of the national program. We applaud EPA's recent efforts to delegate more administrative authority here in California and feel that they should be supported by amendment to P.L. 92-500.

5. Extension of the 1977 Deadline

Extension of the unreasonable 1977 deadline for achievement of secondary treatment standards will serve to make the solution of water quality problems and the Act more credible at the local level, however, an across-the-board extension which does not consider the reasons for non-compliance could jeopardize achievement of water quality standards. The only equitable extension is one which

considers on a case-by-case basis, the magnitude of the non-compliance problem the resources available to correct it and allows reasonable planning and construction time. We strongly support extension of the 1977 deadline to be applied on an individual basis and to include the above considerations.

SUMMARY

In order to meet the water quality objectives of P.L. 92-500, the most important vehicle is consistent and reasonable Federal policy with sufficient flexibility so that it may suitably be applied to varying situations across the nation. Any significant changes to the intent or application of the Act at this time would have a disruptive influence on the entire water quality program. Local agencies are just beginning to develop viable programs consistent with the elements of the Act. Amending the basic procedures of the Act at this time would render worthless the three years of experience we have all had in its implementation and further delay attainment of its objectives. The only revisions that can now expedite achievement of the objective of clean water is reduction of the bureaucratic red tape, scrutiny of the discharge requirements and re-evaluation of the reasonableness and cost effectiveness of these requirements.

JACK D. MALTESTER
Chairman

By
L. N. Landis
Vice-Chairman

JC:mn

STATEMENT BY
EAST BAY MUNICIPAL UTILITY DISTRICT
FOR PRESENTATION AT
THE ENVIRONMENTAL PROTECTION AGENCY PUBLIC HEARING ON
POTENTIAL LEGISLATIVE AMENDMENTS
TO THE FEDERAL WATER POLLUTION CONTROL ACT

San Francisco, California
June 19, 1975
By JOHN S. HARNETT, General Manager

Gentlemen:

The East Bay Municipal Utility District appreciates this opportunity to comment on the proposed amendments to the Federal Water Pollution Control Act, PL 92-500.

The proposed amendments to the Act, which are the subject of this hearing, appear to reflect a concern on the part of the Office of Management and Budget as to ability of the Federal Government to finance the present program which, as stated in the Public Hearing Notice, is currently estimated to cost in excess of $350 billion. The effect of the proposed amendments to reduce the Federal share, limit Federal financing to serving the needs of existing populations, and restricting the types of projects eligible for grant assistance, would be to shift a greater proportion of the financial burden for this Federally mandated program from the Federal government to the local taxpayer who is already overburdened by the costs of Federal and State mandated environmental and social programs.

The full financial impact of the present program has not yet been felt at the local level. When the facilities now under construction are completed and placed in operation, the users, already burdened by demands at the local level, will be faced with substantial increases in use charges to defray the operating maintenance and debt service costs of these facilities. Reduction of the Federal share, as proposed, would require still further increases in the user charges to finance the additional long term debt service costs of this Federally mandated program.

Progress toward the achievement of the goals of PL 92-500 would undoubtedly be slowed if the Federal share was reduced. Publicly elected officials of communities whose projects were funded at the higher level due to priorities, delays caused by changing Federal regulations, impoundment of funds, and other causes beyond their control, would understandably be reluctant to ask their electorates to pay a larger share of the costs of their projects.

Progress would also be slowed, and some communities would undoubtedly have difficulty raising the additional funds due to statutory limitations on bonded indebtedness.

A more realistic solution to the financing problem would appear to be to scale-down or stretch-out the present program and institute a system of funding priorities which would insure that the projects most urgently needed and which would provide the greatest benefits in terms of water quality improvement receive the highest priority.

Limiting Federal financing to that required to serve existing populations, as proposed under the second amendment, would also increase local costs by forcing the communities to pay the full capital cost of any capacity that was provided for future growth. Some reserve capacity must be provided in all wastewater treatment facilities to insure that they will not be overloaded by the time they are completed and to provide the lead time necessary to expand them before they are overloaded. Facilities provided under the proposed funding limitation would likely not have adequate reserve capacity to insure that NPDES requirements would be continuously met. For the foregoing reasons it is recommended that Federal funding be limited in the case of treatment plants to that necessary to serve the projected industrial, commercial and industrial flows within 10 years of the start of construction. In the case of interceptors, outfalls and sewer lines, the cost of capacity for 20 years' growth should be allowed. Population projections should be coordinated statewide and based on approved fertility rates and other criteria. This would provide greater assurance that the 1983 and 1985 goals would be achieved than would be the case if Federal funding were to be limited to that necessary to serve the needs of present populations.

Restricting the types of projects eligible for grant assistance (proposed amendment No. 3) would appear to be unnecessary and undesirable. Unnecessary because EPA and the States through the authority they presently have to assign funding priorities to projects, can effectively restrict the types of projects that are grant funded. It would be undesirable because it would limit flexibility by prohibiting the funding of certain types of projects which might in a given instance be more cost effective in terms of pollution control than those eligible for grant assistance.

Extension of the 1977 date for meeting water quality standards (proposed amendment No. 4) is a practical necessity. Public Law 92-500 now requires municipalities to meet the secondary treatment requirement by July 1, 1977. In some cases secondary

treatment is already being provided; in others, there is still sufficient time to comply before July 1, 1977. However, in most instances the July 1, 1977 date is no longer realistic. The inadequacy of construction financing and the Administration's impoundment of funds have made nation-wide compiance with this date impossible. It is therefore recommended that the 1977 compliance date be extended and made contingent upon the availability of Federal funding.

The District supports proposed amendment No. 5 which would delegate to the states a greater proportion of the responsibility for managing the Construction Grants Program. One of the most frequently heard criticisms of PL 92-500 has been the paperwork demands that it has imposed upon the local agencies. The present and ever increasing administrative burden on local agencies seeking grants could be significantly reduced if the states were delegated a greater role in its administration. The State of California which has successfully played a major role in the administration of the Construction Grants and Permit Program for several years, is in the process of assuming essentially full responsibility for these programs.

In addition to the foregoing, we would like to take the opportunity to recommend several other amendments to PL 92-500. First, we recommend amendment to provide for the exercise of professional discretion in the application of the secondary treatment requirement. The Act presently requires municipal waste treatment works to achieve effluent limitations based on secondary treatment. This requirement is unrelated to the quality of receiving waters and to the enormous costs of achieving that objective, with the result that in some instances treatment is being provided because it is required, not because it is needed. For example, coastal municipalities have questioned the wisdom of this requirement for discharges into an ocean environment, and other situations exist where the characteristics of receiving waters are such that secondary treatment will not achieve any measurable benefit.

The financial impact of the present secondary treatment requirement is illustrated by the situation the District is facing in complying with this requirement. We presently have under construction facilities which will provide biological secondary treatment for 98.6 percent of the wastewater flow in its service area. The capital cost of these facilities is $70 million. To fully comply with PL 92-500 it will be necessary to provide secondary treatment for the remaining 1.4 percent of the flow which overflows untreated from the sewage system during the three

month winter season. This will require the expenditure of an additional $167 million.

The benefit that will be derived from this additional investment in plant will be very small since these overflows occur only 10 to 12 times per year; they occur only during the winter months; and each episode averages 6 hours in duration. In view of the high cost and limited benefit, it would be difficult to convince the taxpayers that they should approve this expenditure if they were required to pay all or a major portion of the cost.

The District's situation, which is probably not unique, suggests that the $350 billion cost of the program could be substantially reduced without significantly compromising the goals of the Act, if it were amended to provide flexibility in the application of the secondary treatment requirement that would allow lesser degrees of treatment where circumstnaces warrant.

It is therefore urged that PL 92-500 be amended to provide administrative flexibility and to specifically allow for standards other than secondary treatment where the nature and frequency of the discharge and the characteristics of receiving waters do not reasonably require the disproportionate expenditure of public funds.

Secondly, we recommend that the Act be amended to permit the use of ad valorem taxes or combinations of ad valorem taxes and use charges to finance the operation and maintenance costs of wastewater treatment facilities, provided it can be demonstrated that the requirements of the Act are satisfied. As interpreted by the Counsel for the Solicitor General, Section 204 of the Act presently prohibits the use of ad valorem taxes to finance the operation of wastewater treatment facilities. Unless it is amended to permit their use, many municipalities will be required to completely revise their financial programs. The costs of infiltration, stormwater, and the capacity that is provided for future growth are properly chargeable to property and the community as a whole, and should therefore be paid by the property owner as part of his taxes wherever possible.

Finally, the effect of NPDES permits issued for municipal water treatment plant discharges prompts us to make the following comments and recommendations:

(1) Federal grant funding should be broadened to cover the design and constructions costs and facilities for disposal of sludge from municipal water treatment plants. Such plants are now deemed to be in the industrial category but should more properly be changed to the municipal facility category. It is inconsistent to consider sewage sludge projects eligible for

Federal grant funding on the one hand and on the other to consider that sludge processing projects for municipal water treatment plant discharges are not eligible. If, as has been determined, both sludges contribute to water pollution then there is no clear logic why Federal grant funding should not be provided for both types of projects.

(2) Due to delays in interpretation of NPDES requirements for some water plants, the July 1, 1977, compliance date should be extended.

(3) In limited situations under very special circumstances where the municipal jurisdiction concerned can demonstrate that compliance with the NPDES is not required to achieve the objectives of PL 92-500, discretion on the part of the regulatory authorities should be permitted or the law itself should be amended to allow such discretion. For example, in the case of this District, the Regional Water Quality Control Board presently is requiring an NPDES permit for the District's Orinda water treatment plant discharges. These discharges flow a short distance down a creek owned by the Utility District into a reservoir also owned and operated by the District. All water withdrawn from this reservoir is completely treated at two filter plants. Continued insistence of an NPDES permit and complying with the present standards would result in an expenditure of several million dollars for treatment of these wastes before the backwash water is released into the creek and the reservoir and then would be treated once again. EPA has stated it is bound by the law to require an NPDES permit and the Regional Board insists that it must require some type of treatment of filter backwash water from this plant. A return to standards based on receiving waters rather than on the discharge itself would at least result in this instance of reduced cost of compliance and provide a more rational solution. Unless the law is changed or some flexibility applied in its application, this situation could result in an expenditure of funds totally unwarranted and be a flagrant case of a waste of taxpayers money. It is strongly recommended that flexibility on permits be provided in cases such as this or standards modified so as to preclude the necessity of expenditure of public funds which are not justified or warranted.

In conclusion, I would again like to state that the opportunity to appear before you and discuss these extremely important questions is greatly appreciated.

* * *

24 June 1975

Mr. Russell E. Train, Administrator
United States Environmental Protection Agency
Washington, D. C.

Re: Potential Amendments to the Federal Water Pollution Control Amendment Act of 1972

Dear Mr. Train:

The Erie County Department of Environmental Quality (DEQ), speaking on behalf of itself, Mr. Edward V. Regan, County Executive, and the various communities within the County, wish to go on record regarding the proposed amendments to the Federal Water Pollution Control Amendment Act of 1972. Our comments are subdivided in accordance with the five papers prepared by the Environmental Protection Agency as published in the Federal Register on 28 May 1975.

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

ERIE COUNTY POSITION

The County does not support reduction of the Federal share for construction grants from the current level of 75 percent to any lower amount. State of New York Department of Environmental Conservation policies have caused Erie County residents, and others around the State, to, in effect, receive less than 75 percent funding under the Federal Water Pollution Control Act.

DISCUSSION

A reduction in the Federal share of funding wastewater handling facilities will, in effect, cause an increase in the local tax burden. This will likely be paid out of a static property tax base. These local taxes are too high already, and reimbursement should be based on an elastic income tax such as is formulated through Federal revenue sharing.

In the State of New York Federal funds have been utilized for the construction of treatment plants, outfalls, major interceptors, major pumping stations, and facilities related to the treatment of non-excessive infiltration/inflow. No Erie County project, however, has yet been certified by the State for the full Federal share of

75 percent; because of State policy, Erie County has received grants of only 52 and 65 percent of eligible costs. The apparent reason for this unwillingness to certify certain necessary portions of treatment works (such as collector sewers, for example) is the State's recognition of the fact that the 18 billion dollars provided under P.L. 92-500 is insufficient to pay for 75 percent of all sewerage projects needed in the State. If the administration proposals are adopted, the projects in the State of New York may well receive far less than the proposed 55 percent reimbursement.

In all likelihood, New York State will be unable to assume the increased non-Federal burden which would result from a decrease in the Federal share. Moreover, even in states which can afford such an increased burden, certain communities will find themselves unable to meet the increased local cost. It appears that in either case, a reduction in the Federal share of these costs could prevent the more urgent water pollution control needs from being met. Any reduction in assistance is considered catastrophic.

It is our opinion that a reduction of the Federal share would not, as is supposed, lead to an increased probability of cost-effective designs being presented. A better way of ensuring accountability for cost-effective design is to fund operation and maintenance costs at the same effective level as construction costs. In New York State, for example, up to 87½ percent of certain portions of construction costs are eligible for funding, but portions of operation and maintenance costs are funded only up to 33 1/3 percent. This practice has been known to cause an emphasis during the design stage on plants which have low maintenance costs, with less attention given to the monitoring of construction costs. We feel that an overall reduction in the Federal share of total project cost would not remedy this situation. It could be remedied only by funding operation and maintenance at the same effective level as construction.

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

ERIE COUNTY POSITION

Reserve capacity in plants should be limited to that which will serve ten years of estimated growth, with funding limited to this level. Reserve capacity in interceptors should reflect current engineering practice; namely, that which will serve 50 years

of projected growth, including reasonable estimates of future industrial flow. Funding of interceptors should occur at this level.

DISCUSSION

It is our opinion that funding of reserve capacity in sewage treatment plants could be limited to a ten-year estimated population increment would not hinder future capacity of wastewater handling facilities. Treatment plants are modular in construction, and can therefore be easily expanded. We do not recommend less than a ten-year design period, however, as many projects would then be under almost perpetual redesign and/or construction.

Our expressed position with respect to funding of reserve capacity is based on the assumption that Federal assistance will likely be forthcoming whenever projected population growth figures show the need for providing additional capacity.

With respect to the funding of interceptor sewers, the County agrees with the Environmental Protection Agency analysis, which indicates that the incremental cost of providing reserve capacity is relatively small in comparison to the cost of providing capacity for the population existing at the time of construction. The County, therefore, feels that interceptor sewers as well as collection systems, force mains, and trunk sewers should be funded in such size as will serve 50 years of estimated growth.

We feel that elimination of funding of reserve capacity would not pose a serious financial hardship to a community's ability to finance needed projects. We do not, however, see how the elimination of reserve capacity funding will materially aid the nation's efforts in funding a greater number of projects. The monies which would be made available by this mechanism would probably not approach the amounts necessary to abate pollution as required by Public Law 92-500.

PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

ERIE COUNTY POSITION

Sewerage treatment plants, interceptors, pumping stations, collection systems (new construction and rehabilitation), and treatment of combined overflows and non-excessive infiltration/inflow should continue to be eligible for assistance.

The costs associated with the separation of combined sewers,

massive reconstruction of separate systems, and treatment or control of storm waters should not be considered eligible at the present time.

Funding priorities should reflect benefits expected. That is, money should be placed in areas where the maximum benefit will be achieved. Treatment plants and interceptors should receive first consideration; new collection systems, second; treatment of combined overflows, third, rehabilitation, last.

DISCUSSION

We attach to this statement a paper presented by the Erie County Department of Environmental Quality to the New York State Department of Environmental Conservation in March of this year which indicates quite clearly that the financial burden of providing collection systems in some areas ranges between 200 percent and 1,000 percent of the cost of providing the necessary treatment plants and interceptors, and of operating and maintaining these facilities. The paper goes on to predict that pollution will not be abated in areas which presently require collection systems because the formation of new sewer districts necessary to the construction of such systems is subject to referenda; we feel that such referenda will usually have a negative result due to the extremely high initial burden of providing collection systems.

We strongly object to the elimination of collection systems from eligibility. To do so would not only increase the taxpayers' burden, but would seriously weaken current enforcement and corrective programs aimed at pollution abatement.

The County could support the elimination of the eligibility of the treatment of storm waters or separation of combined systems from funding, provided that the law was amended to delete any statutory requirements for such treatment facilities or separation of systems. We feel that this is the only practical approach. There is not enough money available to provide for necessary treatment plants, interceptor sewers, collection systems, and major sewer rehabilitation. Treatment of storm flows and separation of combined sewers is even of lesser priority. Storm flows and combined sewer overflows occur infrequently, and usually at times when the streams and rivers are best able to assimilate such loading. Moreover, primary treatment and disinfection is a potentially better solution to combined overflows than is separation of combined systems.

It is our feeling that combined sewer overflows should take

a secondary position to the elimination of the more frequent sources of sanitary wastes. When the construction of treatment plants, interceptor sewers, collection systems, the treatment of combined sewer overflows, and the rehabilitation of existing collection systems has been fully accomplished, the nation might justifiably consider embarking upon the more lofty goals of treating storm water or separating combined sewers.

PAPER NO. 4 - EXTENDING THE 1977 DATE FOR PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS

ERIE COUNTY POSITION

The compliance date should be extended to 1983 for municipalities and should be contingent on Federal funding availability.

Industry should work to the same schedule as municipalities even though their budgetary constraints are different.

DISCUSSION

We feel that the target dates for compliance, as presently contained in Public Law 92-500, are unrealistic. Since it is our further opinion that pollution abatement efforts cannot be financed by states and local communities alone, it appears to us that a modified combination of alternatives 4 and 5 (listed in the Federal Register) would present a reasonable answer to this question. A combination of alternatives 4 and 5 would extend the compliance date to 1983 and would allow the Administrator of the Environmental Protection Agency to grant compliance schedule extensions based upon the availability of Federal funds. We do not feel that any of the other three alternatives or alternatives 4 and 5 independently present realistic choices to the communities, States, or Federal government whether from funding or enforcement points of view.

Industry's cost of eliminating water pollution is financed totally out of the private sector and is not dependent upon the Federal, State, or local budgets. Therefore, it is our opinion that industry could meet a compliance schedule differing from that required of municipalities. However, despite industry's relatively independent economic base, we feel that other factors should be taken into consideration. It seems to us unjust that industry should be be required to comply with abatement schedules considerably more restrictive than those required of the municipalities into which they discharge.

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANT PROGRAMS TO THE STATES

ERIE COUNTY POSITION

Environmental Protection Agency should terminate duplicate reviews of work already done by individual states. Environmental Protection Agency should review and approve plans of study, environmental impact, and facilities plans. Each state should administer its own construction programs.

DISCUSSION

We feel that the Environmental Protection Agency should be involved in the technical review and approval of Plans of Study, Facilities Plans, Infiltration/Inflow Studies, and Sewer System Evaluation surveys. However, once such plans are approved, the State agencies should assume complete control of these projects. We do not feel that it is necessary or desirable for the Environmental Protection Agency to perform a double review of Construction plans or for the Environmental Protection Agency to approve payments except as a final audit process.

Since the State of New York presently reviews all reports, plans of study, construction plans, and certifies as to their acceptability, and since the State of New York presently approves payments of the State portion of the project cost, it would seem that there would be advantages if the Environmental Protection Agency were not providing these duplicate services, we would expect that many more projects could be reviewed and approved in a given year.

GENERAL COMMENTS

While the five papers specifically address various areas of concern, we would like to point out to the Environmental Protection Agency that there are other significant areas of concern to the residents of Erie County.

NEW STATUTORY REQUIREMENTS

Many provisions of Public Law 92-500 are now becoming effective. Some of these provisions require Federal approval of Step 1 and Step 2 Grants. This presents an unnecessary delay to some communities which may not need or desire Step 1 or Step 2 assistance, and this should be modified.

DELETION OF INDUSTRIAL COST RECOVERY

Industrial cost recovery provisions should be deleted entirely from the Federal Water Pollution Control Act. If these regulations remain unchanged, they will stimulate the construction of many industrial treatment plants. Some of these will further degrade the nation's watercourses and some will undoubtedly be maintained improperly.

Many industries which are marginal at the present will be unable to afford either to construct their own treatment facilities or to repay a significant portion of the proposed Federal grants. Therefore, many may be forced to cease operations. In this day of an unstable economy, we do not feel it is reasonable to place industries in a position where they may have to cease or restrict operations.

ALLOW ADVALOREM TAXATION FOR USER CHARGES

Advalorem Taxation should be allowed, when justified as a means of collecting equitable user charges.

This completes the presentation of the Department of Environmental Quality and the Erie County Executive. If there are any questions pertaining to this material, please feel free to contact us.

Very truly yours,

Robert A. Fluegge, P.E.
Acting Commissioner of
Department of Environmental Quality

RAF/jh

cc: Mr. Kemp
Mr. Nowak
Mr. LaFalce
Mr. Regan
Mr. MacClennan
Mr. Friedman
Mr. Martens
Mr. Reid
Erie County Legislature

cc: Senator Buckley
Senator Javits

Attachment

27 March 1975

Mr. Ogden Reid, Commissioner
NYS Department of Environmental
Conservation
50 Wolf Road
Albany, New York 12202

Re: Increasing Financial Burden
of Constructing Lateral Sewers

Dear Mr. Reid:

On Friday, March 14, Mr. Robert R. Martens, an Assistant Deputy Commissioner of this Department, and I met with Mr. Larow of your Department in relation to a number of projects. After our scheduled business was complete we suggested to Mr. Larow that DEC must, in the immediate future, give very serious consideration to certifying the eligibility of trunk, sub-trunk, and lateral sewers for federal assistance. This was suggested because of the very substantial tax burdens which are being placed upon many homeowners, not through the need for new treatment plants, but through the need for collection systems.

Although we are raising this issue for your evaluation and intervention on behalf of our own County Sewer Districts, this problem is undoubtedly of state-wide significance.

Briefly the situation may be described as follows:

1) The DEC has heretofore determined that most trunk sewers and all lateral sewers will not be certified for federal assistance even though they are eligible for that assistance under Federal Law.

2) The EPA, in making grant offers to projects (for example to Erie County Sewer Districts 2 and 4) has included special grant conditions which stipulate that lateral sewers must be constructed.

3) Article 5A of the County Law which governs County Sewer Districts requires that the full cost of a lateral sewer be charged to the abutting property.

4) Construction costs have escalated to the point where we

now estimate the total cost of 8" sewers at $35 per foot.

5) Municipal bond rates have increased to the point where approximately 9% of the total cost ($35 per foot) is the principal and interest payments in the first year.

This means that in areas which are developed except for the availability of public sewers, homeowners can expect public collection systems, exclusive of treatment or any operation and maintenance cost, to cost the following annual amounts:

House Lot Widths	One Sewer Servicing Both Sides of Street	One Sewer On Each side of Street
60 feet	$94	$188
100 feet	$158	$316
150 feet	$250	$500

With treatment and interceptor construction and operation costing $60 to $80 annually, which is our experience, the collection system at best doubles that cost and at worst increases the cost almost tenfold.

Based upon the above costs and the inflexibility of the County Law, it becomes impossible for us, as responsible public officials, to propose projects to the general public which will increase their tax burden by more than a maximum of $250 annually. Roughly speaking this means that if the homes are spaced more than 100 feet apart, or if we must provide lateral sewers on both sides of the street we consider the financial burden too great, and the project should not be built. Thus, in existing villages, cities, or sewer districts which require the construction of new collection systems, pollution could and should be abated if the cost does not exceed the above amounts.

From a different but equally practical point of view, if the total annual costs exceed $100 to $150 we would not expect the public to vote "yes" on the question of abating pollution if a new district is proposed and a permissive referendum is requested.

A decision by the DEC to certify trunk sewers and laterals as eligible for state and federal aid would virtually guarantee that water pollution will be eliminated in the major remaining areas of Erie County not now having, but badly needing, modern sewerage facilities, namely the Armor-McKinley and Water Valley Section of

the Town of Hamburg, the Towns of Holland, Boston, Alden, Collins, Elma, Lancaster, Eden, and Evans and the hamlet of Lawtons in the Town of North Collins (and in similar other areas of the state). Conversely a decision to maintain the currect state policies will create a situation where new sewer districts will almost certainly be defeated in referenda and pollution will not be abated for many years to come.

Since it will be necessary for your office to evaluate the impact of funding collection systems on the amount of aid available, we have attempted to abstract pertinent data from two recently funded Erie County projects (Erie County Sewer District 2, funded 1973, and the Erie County Sewer District 4, funded July 1974) and one project for which we expect funding (Erie County Southtowns Sewage Treatment Agency, grant expected July 1976).

Total estimated cost of projects	$98 million
Estimate of currently eligible costs	$80 million
Estimate of ineligible costs which have not yet been bid	$14.2 million

Thus, if the state were to certify for grant assistance the ineligible trunks, sub-trunks, and laterals, the eligible project costs would increase from 81% to 97% of the total costs of the projects. State and federal assistance would increase by about 20%.

Three major factors exist why the state should certify collection systems for funding; abatement of pollution now, substantial reduction in tax burden, and stimulation of the economy. I have discussed the first two above and would lastly like to comment on stimulation of the economy.

Immediate stimulation of the economy will result because construction of laterals can start within the next few months. Sewer districts now being formed so that modern sewerage facilities can be constructed within the next 3-5 years would also have their lateral systems constructed over that time. Thus, there would be a continuous construction program proceeding over the next five years, beginning now, to construct these necessary lateral sewers. This will be an additional stimulation of the economy and provide continued employment for the construction trades people.

One major issue not addressed in this letter, mainly for sake of

brevity, is the implication this proposal for eligibility of lateral sewers would have on land use and on the encouragement of urban and suburban sprawl. I believe with proper guidelines and review of proposals it would be possible to insure that improper land use and extensive, undesired sprawl could be eliminated. However, that subject should be left to a more in-depth discussion among the several of us who may be interested in discussing this matter further.

I offer my assistance and that of my staff to meet with members of your Department to discuss this matter. I urge you and your staff to consider this matter rapidly and to reach a conclusion within two months in order to have an effect on the two Erie County projects which have already begun bidding sewers and which are not yet eligible for aid and in order to provide jobs here and throughout the state.

Very truly yours,

Theodore L. Hullar, Ph.D.
Commissioner

TLH/ch

xc: E. Seebald
E. Trad
W. Larow
R. Martens
C. Spencer
E. Regan

June 11, 1975

Mr. Davis Sabock
Environmental Protection Agency
401 "M" Street SW (WH556)
Washington, D.C. 20460

Re: Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act.

Dear Mr. Sabock:

We are unable to send a representative to the hearings, but as an interested entity, we want to express the following comments regarding the five items on the agenda:

1. The reduction of the Federal share:
   This could possibly be necessary due to the exceptionally large amount of the cost, although the grants for the cities that have voted bonds and have grants committed, that grants should remain at 75%, otherwise they might not be able to construct their projects.

2. Limiting Federal financing to serving the needs of existing population:

   This would certainly be the wrong approach. If a project is limited to the present population, the project would have to be enlarged before it is completed.

3. Restricting the types of projects eligible for grant assistance:

   Our opinion is that the type of project should be decided by the City and their engineers to conform with local conditions.

4. This is a must as this date is too close now for the cities to meet.

5. Delegating a greater portion of the management of the

construction grants program to the states:

We believe that this would be an advantage to the program. The state has a great deal of knowledge of the local conditions, the engineering personnel and the needs of the people.

Our past experience on Federal sewer and water grants which were processed and supervised by the state was very satisfactory, and we believe that this method would expedite the projects and reduce the cost.

We are submitting these comments for your review and consideration.

Very truly yours,

Wesley A. Cox
Mayor

June 1, 1975

Administrator
Environmental Protection Agency
Office of Water and Hazardous Materials
Washington, D. C. 20460

Dear Sir:

Enclosed is a copy of the comments of the City of Fort Worth with respect to potential legislative amendments to the Federal Water Pollution Control Act, P.L. 92-500. The comments are in response to the publication of the Federal Register, May 2, 1975 (40-FR-19236)

Very truly yours,

R.N. Line
City Manager

RNL:ss
Enclosure

City of Fort Worth, Texas
1000 Throckmorton Street
Fort Worth, Texas 76102

COMMENTS

Potential Legislative Amendments to the Federal Water Pollution Control Act, P.L. 92-500

These comments are in response to the publication in the Federal Register on May 2, 1975 (40-FR-19236) announcing public hearings to discuss possible administration proposals to amend the Federal Water Pollution Control Act Amendments of 1972. The Federal Register, dated May 28, 1975, presented five papers for public review.

Paper No. 1 - Reduction of the Federal Share

We oppose the reduction in the Federal share for the construction grants from 75 per cent to 50 or 55 per cent. The reduced Federal share participation would probably delay construction of needed facilities and it is almost certain that the State of Texas would not absorb any of the larger portion of the financing by local agencies. Texas cities would have more difficulty in raising the additional funding needed to absorb the greater percentage of cost. We do not feel that a reduced Federal share of funding of projects would result in greater accountability on the part of the Grantee for effective design, project management and post construction operation and maintenance. The only real effect on the cost of the program could be achieved by changing the requirements for plant effluent quality and receiving stream quality.

The 1974 Needs Survey reflected that approximately $350 billion would be needed for construction under eligible projects of P.L. 92-500. If the Federal share of the cost is reduced without any other changes in the law, we feel confident that the water quality goals of the law would be adversely affected and that the goals would not be attainable as now specified.

The people of the nation through their congressional representatives have decided that the waters of the United States need to be returned to virtually the quality of existence before communities and cities developed. It is felt that generally the same citizenry pays the cost of improving the quality of the water, whether it is

state and local funding, Federal funding, or a combination of each. Since it is a Federal law that requires such vast expenditures, all of the citizens should share the cost of the water quality enhancement through the Federal tax program.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

A reasonable growth projection should be funded under the Federal grant program. Treatment plant projects should be funded for the anticipated growth for at least a 10-15 year projection of population. Plants can be designed and built for some future expansion without an appreciable increase in cost. However, the financing of large collector-sewers to meet a longer period of projected growth is feasible and should be continued. The duplication of large sewer lines usually results in economic waste. An acceptable amendment to the present policy for interceptor sewers would be for the Federal grant to apply to the cost of the facility to meet current conditions plus a 20-year growth projection provided the local entities would be permitted to increase the size of the project at its own expense. However, each project should be evaluated on its merits and the engineering-design factors unique to that particular project.

Paper No. 3 - Restricting the Types of Grants Eligible for Grant Assistance

The funding under the grant program should be limited to secondary and tertiary treatment plants, interceptor sewers, correction of sewer infiltration/in-flow and major sewer rehabilitation.

The Needs Survey showed that $235 billion would be needed for stormwater treatment and/or control. We feel that this is not economically feasible and should be the subject of review for the purpose of amending P.L. 92-500 since it is extremely unlikely that Congress or local entities will be financially able to stand this huge financial burden.

Paper No. 4 - Extending the 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

It is simply not possible for municipalities to meet the 1977 deadline for secondary treatment plants. The administrative delays and inadequate Federal funding of $18 billion by Congress to provide grants on secondary and tertiary treatment plants and.

collector sewers make the 1977 deadline unattainable from a practical standpoint. The cost of these types of projects is estimated to be $46 billion. In the case of Fort Worth the construction of the new plant cannot be completed by 1977. In addition, a new plant will usually not attain full efficiency until after some operating experience.

A procedural change that should receive consideration would be that the target date or the deadline for completion of a treatment facility should be based on the date of approval of the Step Three Grant by the EPA and a reasonable construction time allotment thereafter.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

We urge that the management of the Construction Grants Program be delegated to the states in a similar fashion to the delegation which was used under P.L. 660, Grant Fundings. At the present time, there is an obvious duplication of effort which is costly to the people of this nation by having the funding process to proceed through the state governments to the EPA. We feel that the states can employ qualified staff and are just as responsible and technically qualified to meet the requirements of the Water Pollution Control Act as the Federal staff.

July 3, 1975

U.S. Environmental Protection Agency
Office of Water and Hazardous Materials (WH 556)
401 M street, S.W.
Washington, D.C. 20460

Attention: Mr. David Sabock

Subject: Proposed FWPCA Amendments
U.S. EPA Paper No. 4

Gentlemen:

Reference is made to the Notice published in the May 2, 1975 Federal Register (40 FR 19236) soliciting comments from the public on five position papers prepared by the U.S. EPA discussing possible amendments to the Federal Water Pollution Control Act (FWPCA). This letter is submitted in response to that request with respect to EPA Paper No. 4 published on May 28, 1975 (40 FR 23107).

On November 26, 1974, Mr. Henry Ford II wrote to Mr. Russell Train concerning inequities in the FWPCA. In his letter, Mr. Ford requested that any delays or other relief, with respect to existing statutory time constraints, given to discharges from publicly owned wastewater treatment works be broadened to include industrial discharges. (A copy of that letter to Mr. Train and his response is attached for your information as Exhibits I and II.) Essentially the points raised comprise the position of Ford Motor Company with respect to the issue at hand; what follows will expand upon the major issues by example, and will specifically address EPA Paper No. 4.

Of the five alternatives cited by EPA with respect to Paper No. 4 (Extending 1977 Date for Publicly Owned Treatment Works to Meet Water Quality Standards), we believe that alternatives 3 and 5 are the most workable -- provided that like consideration is given to industry faced with similar problems in meeting "best practicable control technology currently available" (BPCTCA), by July 1, 1977. We think that amending the FWPCA to provide the EPA Administrator with the necessary discretion to grant compliance schedule extensions, on an ad hoc basis based upon real-world construction timing and good faith efforts to comply (alternative 3), would give the law sufficient lattitude to allow for special cases (both municipal and industrial). Similarly, we believe that sufficient relief would be provided under alternative 5 as long as industry is

included in any such across-the-board extension of the 1977 deadlines to 1983.

The discussion surrounding these two alternatives included in EPA Paper No. 4 (40 FR 23112) with respect to the "fairness" of limiting application of the proposed FWPCA amendments to only publicly owned treatment works, while continuing to enforce the 1977 deadline against industry regardless of practicability or other site-specific problems, hits the nail on the head. In fact, the present situation facing Ford Motor Company at our Cleveland Manufacturing Complex is the classic example discussed by EPA in the second paragraph appearing on page 23112 (see Exhibit III for specific details).

Just as the FWPCA has not permitted consideration of the engineering and economic complexities of certain publicly owned treatment works in meeting the 1977 secondary treatment standard, the inflexibility of the FWPCA has caused similar dilemmas in industry. One such case is at the Ford Rouge Manufacturing Complex in Dearborn, Michigan, where the complexity of the site coupled with uncertainties relating to the thermal component of the discharge from the powerhouse will make compliance by July 1, 1977 physically impossible. Even if the facility's NPDES permit were to be successfully adjudicated today (the matter is now before the Michigan Water Resources Commission), and a successful Section 316(a) thermal demonstration performed, sufficient time would not be available to complete necessary engineering and to construct needed facilities by July 1, 1977, regardless of available funding (see Exhibit IV for specific details).

We believe that the FWPCA is based upon a too simplistic view of the relationship between BPCTCA (industry deadline July 1, 1977) and BACTEA (deadline July 1, 1983). Most industrial plants cannot divorce consideration of the 1977 degree of control from the 1983 standard. Further, the no pollutant discharge goal by 1985, which may be required by EPA before that time under the law, must also be taken into account. In other words, the engineer cannot design only for 1977 and disregard 1983/85 without incurring possible enormous cost penalties for what well may be redundant or short-lived facilities. Added to this major problem is the fact that the engineer does not know yet (nor does EPA) what control

parameters he has to design for in 1983/85.

As already noted above, consideration No. 2 on page 23112 is most relevant and should be answered with a resounding No!

In conclusion, we urge that the FWPCA be amended to extend the 1977 deadline to 1983 or to allow the EPA administrator discretion to grant compliance schedule extensions on a case-by-case basis -- provided that good faith efforts to construct facilities for known conditions are made.

Sincerely,

Victor H. Sussman
Enclosure

November 26, 1974

Mr. Russell Train
Administrator
Environmental Protection Agency
401 M street, SW
Washington, D. C. 20460

Dear Mr. Train:

I have been informed that the Environmental Protection Agency is giving consideration to proposing amendments to the Water Pollution Control Act and that there is a good likelihood that Congress will take some action to revise the Act in its next session.

Accordingly, I wish to bring to your attention and comment upon those portions of the Act that presently are of especially serious concern to Ford Motor Company.

Some EPA officials have publicly noted the problems surrounding the legislatively-mandated deadlines to bring municipal treatment plants into compliance with requirements for "secondary treatment" and "best practicable" treatment. It has been reported that consideration is being given to relaxing these deadlines, because many municipalities do not have sufficient funds to construct appropriate facilities to meet the requirements of the Act.

If deadlines for municipal treatment plants are revised, it

appears only equitable and proper that the July 1, 1977 and July 1, 1983 deadlines applicable to direct industrial discharges into streams also be correspondingly modified. A delay in the construction of municipal and area-wide waste treatment facilities would suggest that the implementation of industrial pretreatment facilities similarly be delayed. It is essential that construction of municipal systems and installation of industrial pretreatment facilities be coordinated in order to avoid unnecessary duplication and possible obsolescence.

Moreover, any industry discharging into the same body of water as a municipal treatment plant should not be required to attain high levels of control years before the municipal plant. Particularly, in instances where such industrial discharges have relatively little impact on receiving waters, compared to that of the municipal discharges, such early compliance would not be justifiable in relation to benefits derived.

I therefore urge that you consider the need for and appropriateness of amending the Act to establish revised deadlines for industrial sources that would parallel any recommendations you may make with respect to the dates by which municipal treatment plants must be brought into compliance.

I cannot close this letter without speaking to the issue of the severe economic conditions presently facing the automotive industry which, in my opinion, underscore the urgent need for adopting a more rational approach to the goals of the Water Pollution Control Act and its amendments.

Beyond the highly visible problems of reduced sales, schedule cutbacks, and massive layoffs, we face a serious shortage of funds necessary to conduct our business. In those areas where we still have managerial discretion, we have reduced fixed and operating costs and have cancelled many forward product programs -- a decision we may well regret in the future but for which there was no alternative. Unreduced, however, are forward expenditure plans for programs to meet federally-mandated standards, including water pollution abatement.

Our present forecasts for water pollution control for the four-year period 1974-77 are budgeted at $134 million, an investment level that we can ill afford to sustain at this time and one that will generate no return for us and no contribution to the call-back

of laid-off employes.

The Water Pollution Control Act was enacted when industry was profitable and the economy enjoyed relatively full employment. Industry's ability to take costly abatement measures with accelerated timing may have been financially containable at that time. This is no longer true.

I hope that you will give consideration to the serious economic condition of this and other industries as you consider a stretch-out of the financial and timing implications of the Act.

I would be pleased to arrange for members of our Environmental and Safety Engineering Staff to discuss more specific aspects of this important matter with you or members of your staff.

Best Regards,
Henry Ford

Dear Mr. Ford:

This letter is in response to your letter of November 26, 1974, regarding your views on the need for an amendment to extend the deadlines applicable to industrial discharges under the Federal Water Pollution Control Act (FWPCA). I would also like to comment on the suggestions included in your November 27 letter to the President on the need for extensions of deadlines applicable to air and water pollution from stationary industrial sources. I appreciate your having a copy of that letter to the President delivered to me.

I believe that working towards our environmental goals during this period of economic difficulty requires a delicate balancing of sometimes conflicting objectives. Hence, I am concerned about the current troubled condition of the automotive industry and the relationship between environmental standards and the economic welfare of the industry. Though I may not always agree with you on where the balance should lie, I assure you that I intend to give full consideration to economic and energy impacts in making regulatory decisions to the extent allowed by our legislation and in making legislative proposals.

I think it is important in balancing economic and environmental

factors that we not allow short-term economic concerns to alter our long-term environmental goals. Consequently, I am pleased that your suggestions are focused on extending the timetables for compliance with stationary air and water regulations rather than altering the regulations themselves.

With regard to your suggestion in the November 26 letter, I do not agree that industrial sources should receive delays in pretreatment compliance dates until municipal facilities are available. Nor do I agree that equity considerations justify a delay in attainment of BPT standards for sources which discharge directly into streams. However, in cases where an industrial source with a firm commitment to discharge into a municipal system finds that construction of the municipal facility will be delayed for a short while, it would be reasonable to require the source to go to pretreatment for removal of incompatible pollutants, which would not be adequately removed by municipal secondary treatment facilities.

These distinctions are important because I think it would be inappropriate to require specific sources to spend significant additional resources for permanent improvements under the circumstances outlined above, but fiscal delays in constructing certain municipal plants do not justify delaying construction of pretreatment facilities to achieve much-needed reductions of incompatible pollutants. I would point out though that sources have up to three years for compliance with pretreatment standards. With most pretreatment standards scheduled for promulgation in 1975, many compliance dates may be extended into 1978.

With regard to your suggestion to President Ford that stationary source air and water regulations be deferred, I am told that Congressional oversight hearings will be held during the coming session of Congress for both the Clean Air Act and the Federal Water Pollution Control Act. These hearings are likely to cover proposals such as those you are making.

I think that Congressional consideration of amendments related to the timing of FWPCA standards is likely to follow the report of the National Water Quality Commission, which is scheduled for publication this fall. EPA will wait for the Commission to finish its findings before reaching final conclusions on the deferral issue. It appears though that much of your problems may stem from State (particularly Michigan and Ohio) water quality standards, in which case you should direct your request for relaxation to the States, not to EPA. Section 302(b) of th FWPCA

offers a means of easing water quality related effluent limitations, but this relief is available only for the 1983 standards on best available technology (BAT).

Although I do not agree with your suggestion that Clean Air Act (CAA) compliance dates for stationary sources be delayed across the board, I do share some of your concerns with the CAA. The emissions limits for sulfur oxides from fuel burning sources set by the States in the State Implementation Plans (SIP's) are in the aggregate impossible to meet due to limited supplies of low sulfur fuels and control technology. Consequently, EPA has adopted a "Clean Fuels Policy" which attempts to get the States to ease regulations more stringent than needed to meet Federal primary ambient air-quality standards. A number of states are currently relaxing their sulfur oxide emissions regulations in accordance with this policy, and the changes now in process in Michigan and Ohio might possible give your company some relief. Also, a review of the SIP fuel regulations for each State required by Section 4 of the Energy Supply and Environmental Coordination Act of 1974 should exert further pressure for easing of these State regulations.

Because the overall macroeconomic impacts of the air and water regulations are very small (as discussed in the enclosed testimony I gave before the Joint Economic Committee), if relief from environmental regulations is needed, it is needed primarily for those industries that are particularly weakened. This seems especially true with today's unusual mixture of inflationary and recessionary tendencies in which the performance of various sectors of the economy is quite different. By adopting an across-the-board delay in the implementation of environmental regulations, rather than a more narrow approach to specific problem areas, we would be foregoing a great deal of important clean-up by industries which may not be in need of relief.

Hence, I hope that you would focus your attention on specific regulations that you feel are having undue economic impact at this time, rather than suggest across-the-board delays of the programs. I realize that this may cause you some difficulty because of the great diversity of your industrial operations, but I think it would be a more constructive approach to seeking a reasonable economic/environmental balance.

Thank you for sharing your thoughts on these issues with me. I

hope that my comments are helpful, and I would welcome further discussion of issues related to problems with specific regulations which you think merit my attention.

Sincerely yours,

Russell E. Train

Mr. Henry Ford, II
Chairman of the Board
Ford Motor Company
The American Road
Dearborn, Michigan 48121

Exhibit III
July 3, 1975

Situation at the Ford Cleveland Manufacturing Complex With Respect To Meeting July 1, 1977 Discharge Limitations (BPCTCA)

Background

The Cleveland Manufacturing Complex consists of two (2) engine manufacturing plants and one(1) casting plant situated on a common site near Cleveland in Brook Park,Ohio. Ohio EPA NPDES Permit No. S 327 *AD authorizing the plants to discharge approximately 4.0 MGD to Big Creek (a tributary of the Cuyahoga River) will take effect on July 16, 1975. An adjudication hearing concerning various disputed permit conditions and compliance schedule requirements has been granted by OEPA, but will probably not be held until fall 1975 at the earliest.

Sanitary Sewer Availability

A major expansion and upgrading of the Cleveland Regional Sewer District is now underway. Completion of a new Southwest Interceptor Sewer serving CRSD's Southerly Treatment Plant is anticipated by 1980 (assuming federal funding). The route of the proposed interceptor is to run along the west side of railroad tracks adjoining Ford property, and will have adequate hydraulic capacity to meet the plants' needs.

The Dilemma

The NPDES permit as presently written allows for Ford to ultimately comply with OEPA requirements by electing one of two options:

- Option A
  Discharge to Big Creek and construct wastewater treatment facilities to meet specified discharge limitations based on Ohio stream quality standards by July 1, 1977. (EPA effluent limitations guidelines for these industries have not yet been promulgated.)

- Option B
  Ultimately discharge to CRSD after modifying existing facilities to meet "interim" discharge limitations (secondary treatment standards) by July 1, 1977.

Although Company policy had been to generally favor discharging to area-wide publicly owned treatment works, the NPDES permit requirement stipulating an "interim" discharge standard for the period July 1, 1977 - July 1, 1980 would create an enormous burden on the plants. Not only would funds allocated to meet such a requirement be "throw away" after diversion to CRSE, at a time when such funds are so scarce, it is questionable whether such "interim" discharge limitations would, in fact, result in attainment of stream standards. Considering that the Ford discharge is effectively the total flow in Big Creek during dry weather, it would appear that any "solution" tied to electing Option A over Option B would only result in future difficulties in meeting 1983 discharge limitations as well as the 1985 national goal of "no pollutant discharge."

Exhibit IV
July 3, 1975

Situation at the Ford Rouge Manufacturing Complex With Respect To Meeting July 1, 1977 Discharge Limitations (BPCTCA)

Background
The Rouge Complex, initially built in 1918, is an old, diverse, complicated and totally unique manufacturing complex located in Dearborn, Michigan. Manufacturing operations conducted at the Complex include:

- Iron and steel making from raw materials to final products.
- Gray and nodular iron making and casting operations.
- Metal stamping and component assembly operations.
- Automotive frame manufacture.
- Motor vehicle engine manufacture and assembly.
- Radiator manufacture.

- Body and final automotive assembly operations.

In addition to the above, electric power, process steam and compressed air are generated in the Rouge Complex for internal use. The Rouge Complex also operates a millwater pumping, treatment and distribution network, security service, fire station, hospital and other support services.

On December 31, 1974 the Michigan Water Resources Commission (MWRC) issued NPDES Permit No. MI 000361 authorizing discharges in excess of 500 million gallons per day (MGD) from four outfalls to the Rouge River, which flows southeast to the Detroit River approximately 3 miles downstream. An adjudication hearing on the NPDES permit will be held later this year in an attempt to resolve outstanding issues.

Thermal Discharge

Approximately 180 MGD of the total Rouge Complex flow is discharged via the powerhouse tailrace to the Rouge River. Mill water is withdrawn from the Detroit River and is pumped via tunnel the three miles to the complex. Because the dry weather flow of the Rouge River is very small in comparison with the 500+ MGD discharged, dry weather flow consists almost entirely of the Ford discharge. A problem therefore exists in meeting existing MWRC stream temperature standards (in addition to other stream standards) several months of the year, and a Section 316(a) thermal demonstration seeking relief from NPDES permit conditions is planned.

Dilemma

Any control program contemplated with respect to the thermal component of the discharge will have a major bearing on our control program for the remaining wastewater constituents discharged. Recognizing that any 316(a) demonstration performed will take at least one year, the existing NPDES permit requires that the permittee present his successful 316(a) demonstration by June 30, 1976. Even if this compliance milestone date were to be met (which is questionable), it would be physically impossible within only one year to engineer, construct, and launch whatever wastewater treatment facilities will be needed to comply with permit requirements by July 1, 1977.

June 10, 1975

Environmental Protection Agency
Office of Water and Hazardous
Materials (WH-556), Room 1033
West Tower, Waterside Mall
401 "M" Street, SW
Washington, D. C. 20460

Gentlemen:

Submitted herewith for your record are two copies of a statement concerning proposed amendments to Public Law 92-500 which was presented at a public hearing in Atlanta, Georgia on June 9, 1975.

Fulton County officials appreciate this opportunity to express an opinion concerning proposed changes to this vital legislation.

Very truly yours,

H. A. Frandsen
Asst. Director & Chief Engineer

shw

cc-A.T. McDonald
Jack Ravan
J. Leonard Ledbetter
John Langsfield
Charles Jones
Bob Sutton
David Brown

ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARING - PL 92-500
STATEMENT - FULTON COUNTY, GEORGIA
JUNE 9, 1975

My name is Howard Frandsen; I am Chief Engineer for Fulton County, Georgia.

As the Fulton County representative, I respectfully submit the following comments concerning five potential legislative amendments to Public Law 92-500.

Amendment #1 provides for a reduction in the federal share of construction grants from the current level of 75% to a level as low as 55%.

Since the inception of Public Law 92-500 in fiscal year 1972, Fulton County, the largest county in Georgia, has been awarded only one construction grant; that for a 3 MGD wastewater treatment project which was originally submitted under Public Law 660. This means that Fulton County must depend heavily on local funds.

Currently, Fulton County has a $30 million backlog of sewerage projects which are designed and ready for construction if the funds were available.

Fulton County has issued revenue bonds in an amount equal to our financial capacity; however, we are unable to fund all of the sewerage projects necessary to serve our developing communities. The covenants of the bond resolution do specify 75% federal funding where construction grants are contemplated.

Fulton County has historically assumed a responsible attitude toward the treatment of wastewater; therefore, we are victims of our own good work and are not eligible for construction grants under the priority system as established by the Department of Natural Resources, Environmental Protection Division, and the Environmental Protection Agency. Further reduction in funding for sewerage projects - from whatever source - can only result in delay.

I understand this situation is unique among southeastern states, but the State of Georgia does not participate financially in the sewerage program; therefore, an increase in required local funding must be assumed by the individual county or municipality.

If the federal government cannot raise monies to fund sewerage projects, I seriously doubt that local government - with its multitude of problems in all areas of responsibility- can raise the necessary funds.

Amendment #2 proposes limiting federal funding of reserve capacity to serve projected growth. The 7-county metropolitan Atlanta area has a current population of approximately 1,600,000 people. According to the Atlanta Regional Commission, that population is projected to increase by two million people to 3,500,000 during the 25 years between now and the year 2000.

Local government cannot ignore these statistics. We must be prepared to handle our responsibility which is to provide those services which the people cannot reasonably provide for themselves.

Fulton County is designing wastewater treatment plants for ultimate need; however, we <u>construct in phases</u> with each phase

having the capacity to handle estimated wastewater flows for a period of approximately ten years.

Fulton County is designing the underground interceptor and outfall sewer systems to handle ultimate needs based on projected population densities.

Our experience is that an increase in pipe size will add a substantial increase in flow capacity at modest cost. For example, in a recent contract, the cost of installing a 36" reinforced concrete pipe was only 6% more than the cost of installing a 30" pipe; yet, the flow capacity was increased by 44%.

Fulton County has found that paralleling or relieving existing sewers can be very expensive. When we must resort to the right of eminent domain for property acquisition, the courts have awarded judgments for permanent easements according to the purchase value of the property; judgments for temporary easements are approximately one-half the purchase value of the property. The courts also find that the county is responsible for substantial consequential damages.

By comparison, when we install sewer lines in developing areas, the necessary easements are usually dedicated because the property owners are anxious to gain the benefit of sewerage service.

During times when construction costs are annually increasing at double digit rates, we question the wisdom of deferring the construction of underground sewerage when modest additional current investment will satisfy projected needs. As a general statement, I have never seen a sewer line that is too big.

Amendment #3 restricts the type of project eligible for construction grant assistance.

The primary thrust in Fulton County is to provide interceptor sewers and wastewater treatment facilities; however, we must recognize that the cost of drainage and treatment for infiltration and inflow is approximately the same as the cost of drainage and treatment for sanitary sewage.

We firmly believe that the economics of correcting problems at the source justify the cost of controlling infiltration and inflow.

My opinion is that Fulton County would be receptive to a sliding scale of construction grant percentages as propsed by the moderator during the morning session.

Amendment #4 extends the 1977 date for meeting water quality standards. I suspect that I could live in a $150,000 house and have an expensive automobile in the driveway if I

assigned my entire income to this objective.

Similarly, local government could move more rapidly with efforts to meet water quality standards if it assigned a disproporionate share of its revenue to this one effort.

We all recognize that our family has more needs than simply a big house and a large automobile; likewise, local government has needs other than a desire to satisfy the water quality standards.

We believe that the delays as proposed are realistic.

Amendment #5 delegates a greater portion of the management of the construction grants program to the state.

We believe that the state environmental protection organization is closer to local government and, therefore, more cognizant of local government problems. Therefore, we support the proposed amendment.

In summary, Fulton County submits that the success of our mutual efforts to provide clean water is influenced primarily by the availability of funding. Good economic judgment is necessary to use every available dollar as wisely as practicable.

With this consideration, we firmly believe that amendments #1, #2 and #3 should be defeated and that amendments #4 and #5 should be adopted.

June 19, 1975

Statement of Connie Parrish, California Representative of Friends of the Earth, on proposed amendments to the Federal Water Pollution Control Act, Environmental Protection Agency Hearing, San Francisco.

Thank you for this opportunity to comment on these proposed revisions of the grant program for construction of municipal sewage treatment facilities. Friends of the Earth is in firm support of EPA's efforts to maintain water quality.

We believe the action that comes out of today's hearing should reflect the agency's commitment to clean, unpolluted water. Keeping in mind the motivation behind consideration of new amendments -- the Office of Management and Budget -- we hope the goals of EPA will take precedence over the money-minded concerns of a financially troubled Administration.

We have a few recommendations for each of the five areas of discussion: 1) A reduction of the Federal share of grant money is acceptable to Friends of the Earth, if it is truly necessary and providing such a reduction of funds will not have a detrimental impact on the construction program. We feel that the option of granting up to 75% of the cost, though, should remain open to EPA administrators, for there surely will be areas of the contry where the larger federal share will legitimately be required.

2) Federal funds should be limited in all cases to facilities designed to meet present needs. Projects that are built for expected future population increases create an incentive for growth and urban sprawl. In the Seattle area, for example, sewers are planned to handle 40 times the present need. When EPA helps fund projects like this, which are far beyond the need of the existing community, the agency becomes an increment of growth (and its accompanying environmental impacts).

Economically, this limit makes sense, also. The money not granted can be used in other, more important Federal actions. The benefits accrued from using this money elsewhere should outweigh the claimed savings due to economies of scale in larger plants. The benefits of not promoting growth, though less tangible, are none the less real. Land acquisition and plant design, however, should maintain an option for future expansion.

EPA should under no circumstances fund sewage treatment facilities in excess of present population needs in cities where transportation control strategies are required for the area to meet the standards of the Clean Air Act. It is proving difficult enough to implement these strategies aimed at coping with the air

pollution generated by existing populations without providing further impetus for growth the air basin cannot handle.

3) Restricting the types of eligible grants to secondary and tertiary treatment plants sounds reasonable as it will not impinge upon the essential mandate of Public Law 92-500. Although interceptor sewers are necessarily included also, we would urge more careful consideration of small treatment plants as an alternative.

4) Recognizing the problems EPA faces in enforcing the 1977 deadline, we support alternative "3" as a solution. We believe the 1977 date should be complied with where possible, however EPA should be able to exercise case-by-case administrative discretion in granting extensions.

5) FOE has no objection to allowing the states to assume a greater role in managing the grants program, as long as the intent of the act is not subverted.

In closing, a word of warning to EPA. This grant program is destined to become the biggest public works project in the world, larger than even the Highway Program. We must be wary of a "sewer lobby" forming, made up of trade unions, businessmen, and banks--similar to the infamous Highway Lobby--that may push us into building outsized facilities and plants in areas that have no need for them.

Thank you.

July 9, 1975

Mr. D. Sabock
United States Environmental
Protection Agency
Washington, D. C. 20460

Dear Mr. Sabock:

Our office would like to make the following recommendations on five proposed amendments to the Federal Water Pollution Control Act, which will be discussed at four public hearings, relating to municipal waste treatment grants.

1. In general, it would probably work a hardship on many communities to have the Federal share reduced. However, if the authority for grants could be placed with the States so that it would be much easier to process the grants, there would probably be enough savings in project costs so that it would take most of the impact out of a reduction of Federal share.

2. Limiting Federal financing to serve needs of existing population is ridiculous. Normally, it cost very little extra to oversize a facility. Therefore, if it were built only for today's needs, as soon as another facility is needed, the cost would probably be double or more than double. Very likely, there will probably be a Federal program in the future that will participate in the cost of duplicating the facilities. The idea of trying to control population growth through control of utility extensions sounds good but in actuality, it is not practical.

3. Restricting types of projects eligible for grants would reduce the flexibility of local governments in implementing clean water goals. However, if it is a restriction, the grants should at least cover wastewater treatment plant expansion, interceptor sewers, trunk sewers over 12 inches in diameter and separation.

   Generally speaking, if a project is to be borne 100% costs by a community without special benefits to selected property owners, we feel it should be grant eligible.

4. Because of delays in implementing the sewer facility

projects due mainly to the problems in processing grants, the 1977 date is not practical and should be definitely extended.

5. This office by experience in processing Federal grants feels that EPA Regional Office has been very cooperative. However, it is our opinion that the main problems that we have had is the dual role being played by the Federal and State Offices. It is our suggestion that if the State could have absolute authority in processing the grant applications, there could be gained a considerable amount of efficiency. If this arrangement could not be worked, it would be recommended the State be bypassed and processing be directly through the EPA Office and the only review by the State would be for the normal permits.

We appreciate this opportunity to comment on proposed changes to the Federal Water Pollution Control Act.

Very truly yours,

John L. Hornbach, P.E.
City Engineer

June 24, 1975

Mr. James L. Agee
Assistant Administrator For Water and Hazardous Materials
Environmental Protection Agency
Room 1033, West Tower Waterside Mall
401 "M" Street, SW
Washington, D. C. 20460

Dear Mr. Agee:

On 19 June, 1975, I attended the public hearing on Municipal Waste Treatment Grants in San Francisco and although I was present from the beginning until the 3:15 recess, I did not present my position before the board because I felt that it was quite satisfactorily expressed by many of those who spoke.

Most of the input from sewage agencies at the hearing came from large metropolitan areas throughout the west. Since the Gilroy plant presently serves a much smaller area, about 26,000 people, perhaps a summary of our concerns will be of benefit to the hearing record. The comments which follow speak to papers published in the Federal Register of May 28, 1975:

Paper 1: Reduction of Federal Share. We strongly urge that the level of Federal participation remain at 75%. The concept of increasing local share to improve the design economy (i.e. create a more cost effective design) is erroneous. Cities, large and small, are experiencing serious economic problems. Increasing their share would not necessarily increase how responsibly they approach the design of their plant, while it would create a financial burden which could kill many worthwhile and needed projects.

Paper 2: Limiting Reserve Capacity Pertaining to Growth. California has already implemented a program which limits capacity projections in two ways: 1) growth expected after 10 years will not qualify for grant funding of treatment facilities (20 years for interceptor sewers), and 2) population projections for fundable capacity are limited to growth rates established for the service area. These rates are related to the air basin characteristics of the service area. Since most of the areas who testified are in critical air basins; reference was often made to the E-zero growth rate. Please note that areas of different air basin characteristics are permitted to estimate future growth on the basis of somewhat less stringent

parameters.

We believe that the California plan is an acceptable means of spreading the benefits of this program so long as it only limits fundable capacity and it does not prohibit the agency from providing additional capacity as it may feel necessary and independently finance. Active plant capacity should be realistic and not limited to that fundable. The local community should not be punished for or prevented from providing the capacity that it feels that it needs.

Paper 3: Restricting Types of Eligible Grants. We are opposed to eliminating types of projects, but would support the prioritizing of the types. Using the reference numerals published in the paper, I would favor the following in terms of decending priority: I*, IVB, IIIA, V, IVA, II, IIIB, VI. *Except that I agree with the several agencies who opposed secondary treatment in cases where no great benefit to the receiving water is expected to result from the treatment. Most of these situations occur along the coastline.

Paper 4: Extending 1977 Deadline. I believe that the 1977, deadline is unrealistic and that none of the proposed alternatives provide the solution. I favor a modification of alternative 5 which would recognize a community which is diligently trying to comply with the requirements of the program and which would not punish them if Federal funding were not available.

Paper 5: Delegation of Program Management to State. We favor the State taking lead role in the program management and the elimination of duplication by the Environmental Protection Agency.

We also encourage the provision for ad valorem taxes as a method of local funding.

Thank you for the opportunity to have a voice in this most important program.

Very truly yours,

David Hansen

Director of Public Works
City Engineer

DWH:cw
cc: Fred Wood
Dick Foss

REMARKS FOR THE EPA HEARING ON JUNE 9, 1975, ATLANTA, GEORGIA

My name is Linda Billingsley and I am representing the Georgia Conservancy, Inc.

When we were first advised of this hearing, we were not aware that it would be for comments only on the proposed legislative changes in Public Law 92-500. By law, because of our tax-exempt status, we are not permitted to comment on proposed legislation or to try to sway public opinion on such legislation. Therefore, I must restrict my comments to the present law and its capabilities. Also I would like to ask some questions about the proposed amendments.

First, I would like to say that there have been some problems in implementing P.L. 92-500. The blame can be spread to a lot of different areas. Some of the problems are:

1. Shortages and changes in both State and Federal personnel handling the program cause the planning requirements to take a long time.
2. Confusion over specifics of the regulations and lack of education of public officials by EPA on the Law.
3. Most states and local political jurisdictions do not have available the critical information--on land use, population projections, and environmental information. This should be mandatory. Overlapping drainage basins in different political areas and controversies over growth projections have compounded these problems.
4. Public participation is inadequately addressed. This requirement is being ignored in many states.
5. Little consideration is being given downstream water users who have to increase their drinking-water treatment costs because of lack of enforcement upstream; i.e., removal of sediment, toxic pollutants, etc.

General comments I would like to make on P.L. 92-500:

1. Granting construction grants for new sewage treatment plants should be planned concurrently with an update to the sewage collection system, sometimes antiquated and leaky.
2. Engineers, preparing required considerations of alternatives of waste water disposal systems, should be directed to include not only cost, but also resource depletion and environmental degradation in their analysis.
3. Much improvement is needed in the regulations for meeting the toxic pollutant requirements of the law.
4. The NPDES notices are difficult to evaluate. Therefore, we do not have the expertise to monitor them.

5. The goals of 1983 and 1985 must and can be achieved by greater implementation and enforcement of the Law by EPA. The elimination of the red tape would aid EPA in achieving this purpose.

6. Greater emphasis should be put on the use of Section 208 by EPA.

7. We do not believe that non-point discharges are being addressed adequately. Even if the streams meet the 1983 standards, urban run-off will completely downgrade their water quality.

8. We hope the July 1977 deadline can be met by both municipal dischargers and industry, with a little speed-up in administrative details.

Questions on the proposed amendments:

1. Without further legislation, can Step I and Step II grants be combined timewise to speed up the small construction programs?

2. Why are the Public Works Committees of Congress not waiting for the National Commission on Water Quality's report due in October, 1975, before proposing changes in the law?

3. Has EPA investigated or proposed the intermedia approach to multiple use of advanced wastewater treatment plants, such as burning solid waste to fuel the incineration process used extensively in AWT plants? Would this require legislation also, in view of the interagency agreement of coordination of the land-use related provisions of EPA's 208 and HUD's 701 comprehensive metropolitan planning grant program?

4. On the use of ad valorem taxes as a means of assessing user charges, would it be legal to use this for residents and small businesses and yet collect a user charge from industry on the basis of the quality and quantity of their wastes?

5. On the subject of transferring the construction grants program to the states for administration, what is a realistic figure in years for accepting certification by state water pollution control agencies? Is the 2% figure for administrative costs too high or too low? Since only two states, Georgia and Mississippi, are now handling NPDES permits, would this happen under the grant administering, too?

6. What is the feeling on the transfer of construction grant money to the states? Would this speed up the processing or slow it down?

7. On limiting Federal aid to certain types of projects, would this possibly penalize the urban run-off research in the storm-water control program?

8. Would a reduction in the Federal share of grants (1)

penalize small municipalities further, which are presently our biggest pollution problems in Georgia?

9. Does the limiting of Federal aid to serve only the needs of the existing population mean that only the present systems that need up-dating would be financed, not the new systems for projected growth in undeveloped territory?

10. Is the 1977 deadline unreachable, without further legislation? With the proposed amendments, will it then be reachable?

11. Under the Law now, since half of the pollutants present in streams is the result of urban run-off, can NPDES permits be used to limit this as some of it comes from point sources--parking lots, subdivisions, highways? Would new amendments be needed to control this?

Atlanta, June 9, 1975
Hearings on Potential Legislative Amendments
to the Federal Water Pollution Control Act

Panelists, ladies and gentlemen:

I am Jim Morrison, Executive Director of the Georgia Wildlife Federation, the state affiliate of the National Wildlife Federation. It is a pleasure to appear here today to present our views on the five issues outlined in the Federal Register, Volume 40, Number 103, pages 23107 to 23113, which are scheduled for discussion at this public hearing.

Issue Number One
Proposed Reduction of Federal Share

We do not believe it would be any more practical to reduce the Federal share for construction grants under Public Law-92-500 than it would be to reduce the federal share on interstate highway grants and still expect the roads to be built. Local resources, without the generous return of federal tax monies through grants, are insufficient for the task of cleaning our nation's waters.

While recognizing that the 1977 goal of secondary treatment or better for all municipal treatment works will not be met, we do not believe that the rate of federal funding should slacken until at least the 35 billion dollar share needed to construct the secondary treatment, advanced treatment, and interceptor sewers reported in the 1974 Needs Survey has been authorized and appropriated.

Issue Number Two

Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

We believe that federal funding should be limited to that capacity of sewer plants or sewer lines needed to serve 20 years of growth estimated using the OBERS projections with census bureau input from their series E (or the lowest) growth calculations. However, communities should be allowed to fund 100 per cent of the cost of additional capacity calculated on a marginal cost, or incremental cost analysis which allows for economies-of-scale in construction.

Issue Number Three

Restricting the Types of Projects Eligible for Grant Assistance

We feel that the six categories of projects presently eligible for funding should remain. In most cases in the Southeastern United States, the state water pollution control agencies have effectively restricted fundable projects to categories I, II, and IVB. This means that a much more equitable distribution of funding by Congress would be obtained if funds were primarily allocated among states according to a formula which placed heavy weight on these needs expressed in categories I, II, and IVB. This is especially true because Congress is unlikely to ever appropriate a significant portion of the 235 billion dollars that it is estimated is needed for storm water treatment and/or control, yet this huge amount is included in the need allocation formula.

Issue Number Four

Extending the P. L., 92-500 1977 Deadline

Because the initial effect of the tremendous expansion in the requirements necessary to qualify for grants under 92-500 has had the effect of slowing actual wastewater treatment plans construction, a three year extension of the deadline should be granted. This would eliminate the need for much complex and ineffective legal action when the July 1, 1977 deadline approaches and 60% of our nation's population is found to be served by a facility that won't meet the mandated goals.

Issue Number Five

Delegating Greater Construction Grants Responsibilities to the States

This would be a mistake as the program would be slowed even more as the states attempted to staff up with adequate manpower to meet greater responsibilities. Procedures and customs are just now beginning to be established regarding the handling of the Title II regulation and if they are soon rewritten again we believe that a year or more of momentum gained will be lost again.

Finally, one issue not scheduled to be discussed today, but one that the members of our organization who like to fish frequently find to be a problem is the failure of treatment plants to work after they are constructed. In EPA's 1974 "Clean Water

Report to Congress" 30 per cent of treatment plants adequately sampled during routine project follow-up were found to be not meeting the effluent quality criteria they were designed to meet. Here in our area we believe the percentage to be even higher. And unfortunately for both the fish and the fisherman the organisms in the stream are killed by the extremes of pollution eminating from these plants, not their average weekly or monthly project.

An amendment should be added to the Water Pollution Control Act to enforce much stricter controls on operation and maintenance of federally funded plants. Perhaps O and M grants should be authorized and made in some cases.

Thank you for this opportunity. I am submitting two copies of this statement today and reserving the right to submit an expanded statement during the period the record is open.

June 20, 1975

Mr. Alvin Alms
Assistant Administrator for
Planning & Management
U.S. Environmental Protection Agency
Waterside Mall
4th & M Street
Washington, D.C. 20460

Dear Mr. Alms:

We are enclosing a copy of the Georgia Statement presented at the EPA Hearing in Atlanta on June 9, 1975. We request that this statement be made a part of the record of the Atlanta Hearing. We appreciate the opportunity to present Georgia's position during the hearing.

As you know, the National Commission on Water Quality is conducting a hearing in Atlanta on July 9-10, 1975. It is my understanding that Governor Busbee will attend that hearing and address these same points in his statement to the Commission and in discussions with them.

Thank you again for conducting the hearing in Atlanta and we trust that in the future, you will consider Atlanta for such type hearings. It seemed to me that you had a good turnout and participation in the hearing.

Sincerely,

J. Leonard Ledbetter
Director

JLL:seh
Enclosure
cc: Mr. James L. Agee
Mr. Jack E. Ravan
Mr. John T. Rhett
Mr. Joseph R. Franzmathes
Mr. George F. Kopecky

STATEMENT OF J. L. LEDBETTER, P.E., DIRECTOR
ENVIRONMENTAL PROTECTION DIVISION
GEORGIA DEPARTMENT OF NATURAL RESOURCES
FOR
PUBLIC HEARING ON POTENTIAL LEGISLATIVE AMENDMENTS
TO THE FEDERAL WATER POLLUTION CONTROL ACT
ATLANTA, GEORGIA
JUNE 9, 1975

The Georgia Environmental Protection Division appreciates the opportunity to make this statement of Georgia's position on potential amendments to the Federal Water Pollution Control Act. We have recommended amendments to PL 92-500 as early as February 1974. In the hearings conducted by the Investigations and Review Subcommittee of the House Committee on Public Works and Transportation, we urged significant amendments be made to PL 92-500. Most of the issues being discussed today have been reviewed during those hearings as well.

With regard to the five critical amendments mentioned in the May 2, 1975 Public Notice for this hearing, we have the following comments:

1. Reduction of the federal grant share:

No change should be made in the federal grant share. The optimum share should be high enough to reduce the financial strain of capital costs for construction, and high enough to insure a strong local interest. The present 75% federal share is appropriate to accomplish these things. The history of delays and grant withdrawals on projects receiving P.L. 84-660 grants, due mostly to the inability of local governments to finance their 67% or 70% local share, should be sufficient documentation that the federal share must remain high. In addition, skyrocketing construction and equipment costs will casue even greater hardships on grant recipients if the federal share is reduced.

A reduction of the federal share below 75% would result in gross inequities to communities adjacent or similar to others which receive a full 75% grant, thus greatly damaging the credibility of EPA and State water pollution control programs. In addition, local governments which presently have Step 1 or Step 2 work underway, or which will embark in the grants process in the near future, are proceeding on the assumption that they will be able to receive a federal grant for 75% of eligible project costs. Reduction of the federal share could render severe hardships and inequities to these communities. It must be emphasized that many applicants do not receive a 75% grant at the present. The eligible portion of the project can result in a significant amount of the total portion

being funded 100% locally.

In Georgia where we have approximately 486 municipalities of which about 450 are under 10,000 population, we have a large percentage of the population with relatively low income. Water and sewer rates must be reasonable for these people to afford the monthly user fees. The recently enacted Federal Safe Drinking Water Act will add additional costs to this same utility bill. This factor, along with the escalating costs for the operation and maintenance of water and sewerage systems, necessitates a continued high percent Federal grant.

The States cannot adequately plan and prioritize disbursements of PL 92-500 construction grants without stability in the source of the funds. It is recommended that the Congress authorize at least $5 billion per year to the construction grants program for the next five years to provide this stability.

Many municipalities across the country have wastewater treatment facilities, some constructed only in the last few years, which, as a result of EPA's arbitrary regulations and policies regarding secondary treatment and stream standards will have to upgrade those facilities or abandon them and construct new ones. These municipalities are unwilling enough about making "improvements" to their facilities to comply with arbitrary federal dictates; a reduction of the federal grant share will virtually make it impossible to bring about compliance in many cases.

Considering the extremely long lead time between initial planning and construction of wastewater treatment systems, it is recommended that planning costs (Step 1 Grants) be funded 100% by the federal government. When facilities are constructed, the federal share could then be adjusted so that the applicant pays 25% of the total costs of Step 1, Step 2, and Step 3 work. This would ease the financial burden on smaller communities and would greatly simplify the solicitation of "intent to cooperate" statements from municipalities lying within 201 planning boundaries.

State budgets across the Country are currently encountering problems. Many States are required to live within their income; therefore, it is unlikely that significant increases in present State grants or loan programs will occur. Any amendment requiring States to match a grant will greatly disrupt the program and destroy the credibility of the EPA and States.

Our evaluation of the consideration to reduce the 75% federal grant is that in Georgia we would have fewer projects capable of moving forward. Consequently, we must urge that the federal share remain at the 75% level.

2. Limiting federal financing to serve the needs of existing populations

Grant eligibility should not be limited to serving the needs of existing population only. If local governments are not allowed to construct adequate sewer and teratment plant capacity to provide for normal growth and to attract some industry and other development, there will be little incentive to build new facilities or expand old ones until required to do so by enforcement action. Limiting federal financing to the needs of existing population will have the same effects as reducing the percentage of the federal share below 75%.

Many of the same points emphasized regarding the 75% federal share issue apply to the reserve capacity issue.

Any over-design in Georgia to date has occurred in a few small isolated communities. Generally the consultants have been too conservative and growth has been greater than estimated with the result being overloaded sewerage systems. In recent years, we have prohibited additional sewer connections in communities to control the overload; however, adequate protection of water quality requires the development of a realistic plan and implementation of that plan. For the reasons listed under Issue I, the federal share at the 75% level is crucial to provide the implementation. This is another example demonstrating the importance of EPA, and particularly the States, having the flexibility and authority to approve through the 201 planning process a design life that is consistent with sound economic and engineering principles, which will not be a rigid period such as 10/20.

3. Restricting the types of projects eligible

The types of projects eligible for funding should not be restricted. Although nearly all of Georgia's grant allocations thus far have been assigned to Category I, II, and IVB projects, there has been some legitimate need for funding projects in other categories. For example, some communities do have areas where it can be documented that runoff from failing septic tank systems is violating water quality standards and creating public health hazards. If such communities have treatment and transport capacity available but are financially incapable of funding collector sewers, then collector sewers should be grant eligible.

EPA has declared the Chattahoochee River as one of the ten top priority rivers in the United States for upgrading to meet water quality standards. However, if treatment or control of combined sewer overflows and other urban stormwater is never to be grant eligible, it will not be possible to meet the water quality standards all of the time.

If the correction of sewer infiltration/inflow and major sewer rehabilitation are declared ineligible for grants, there will

conceivably be a number of communities which will not be able to develop the most cost effective solutions shown in their 201 Facilities Plans.

If the goals of PL 92-500 are to be met, the flexibility to fund projects in all categories provided for in PL 92-500 must be maintained. The real issue here is whether we should change the goals of the Act-not restrict the type project eligible.

4. Extending the 1977 date for meeting water quality standards

It is quite obvious that the July 1, 1977 date for achieving secondary treatment at all municipal facilities on effluent limited streams and higher effluent standards at all municipal facilities will not be met. The time consuming and duplicate procedures required by the grant regulations, the impoundment of grant funds during the Fiscal Years 1973, 1974, and 1975, and the lack of realistic foresight on the part of the Congress have made the treatment goals unattainable.

We urge that the 1977 deadline for publicly owned treatment facilities be rescinded and replaced with the requirement that the NPDES permit establish a compliance schedule consistent with the availability of the 75% federal grant. The State's project funding list could be coordinated with the permit to provide a realistic schedule. We oppose extending the date to just another arbitrary date. We must have the authority and flexibility to use the permit program and the available federal grant funds to abate pollution effectively. Our recommended approach would allow us to force reluctant dischargers to move forward with their program. We have not encountered any court willing to be lenient on public officials when a pollution problem exists and federal grant funds are available to assist them in correcting the problem.

We urge the Congress to retain the 1977 deadline for industries. Georgia industries have already installed modern water pollution control facilities and with some modifications will meet the 1977 deadline. If the program is to maintain any credibility and equity, it is imperative that these Georgia industries that installed expensive water pollution control facilities in good faith be able to approach the market place with competitors that are being required to meet the same effluent limitations and deadlines.

The 1983 and 1985 dates could be more realistic if the Congress established wiser goals than presently proposed.

5. Delegating a greater portion of the management of the construction grants program to the States

It is urgent and imperative that EPA comply with Section 101(b) of PL 92-500 which states, "it is the policy of the Congress to recognize, preserve, and protect the primary responsibilities and

rights of States to prevent, reduce, and eliminate pollution -----". As presently written PL 92-500 is not consistent with Section 101(b) and often requires the Administrator to conduct certain functions. Title II should be amended to be consistent with Section 101(b) and authorize the States to conduct the construction grants program.

We are willing to accept more responsibilities in administering the construction grant program provided that the conditions under which those responsibilities go to the States are made clear and are reasonable. We desire to expedite the construction of needed facilities without getting entangled in red tape. We recognize and would accept the responsibility of assuring the wise use of these funds.

In closing we urge EPA to review the records of hearings conducted by Committees or Subcommittees of Congress which contain additional information on several of these issues. Also, the Association of State and Interstate Water Pollution Control Administrators, the Water Pollution Control Federation, the National Governor's Conference, and others have proposed language regarding greatly needed amendments to PL 92-500. We strongly urge that you review and consider these recommendations.

June 23, 1975

Honorable Russell E. Train, Administrator
U.S. Environmental Protection Agency
Waterside Mall
401 M Street S.W.
Washington, D.C. 20460

Dear Mr. Train:

Attached please find the original and two (2) copies of our comments which were mailed to you on June 20, 1975. The original of Page 4 was inadvertently left out of the original packet.

Thank you.

Yours truly,

JOHN B. FERNSTROM
Program Manager
Groundwater Program
Water Supply Section

JBL:cl
Enclosures

Page 4

SUBSECTION 35.615

The State's annual program plan requirements must be formulated on realistic and practical objectives and results. The required elements of the program plan should not require excessive and voluminous paperwork. Required elements should be directed toward obtaining program results.

SUBSECTION 35.618

The program elements requirements for carrying out a public water system supervision program are generally satisfactory.

SUBSECTION 35.620

As long as the Federal grant money is as low as projected, eligible costs have limited significance. The philosophy of requiring all laboratory costs to be borne by the small utilities is unrealistic. If the State does not assume this responsibility, the monitoring will not be accomplished by the small water system who cannot afford their own laboratory facilities or trained personnel or commercial laboratory services. There are few, if any, private laboratories which can do the bacteriological, chemical, organic, pesticide and radiological analyses. Additional commercial and water system laboratories will have to be established and certified and this cannot reasonably be accomplished within two years. The cost, time and effort to enforce this section would be impossible, whereas the present system of the State's monitoring program is at least practical.

June 9, 1975
STATEMENT OF
Stan Weill
President
GEORGIA WATER AND POLLUTION CONTROL
ASSOCIATION

Gentlemen:

I am Stan Weill, President of the Georgia Water and Pollution Control Association, an organization with approximately 2,000 members in Georgia. Our membership is made up of a broad cross section of people knowledgeable of local, statewide and national aspects of water pollution control and the workings of PL 92-500.

We have had the experience of being involved in the "National Water Pollution Experience" from the early days of the U.S. Public Health Service involvement to the present state of affairs. We look upon that alphabetic evolution with mixed emotions.

Our organization supported the development of Public Law 92-500 and thought that the concept and intent of Congress was truly responsive to problems with which we had personal experience. We did however feel that the timetable allowed was overly ambitious and questioned the final concept of "zero discharge" when the current state-of-the-art was considered. We recognized however that little is accomplished without ambitious goals.

Our membership has reviewed the basic language and postion papers associated with proposed amendments to PL 92-500. We have carefully considered past and present experience with the existing law. We have assigned representatives to participate in numerous forums which considered problems associated with implementation of the Act. This statement is intended to reflect our judgments growing from this involvement.

The Georgia Water and Pollution Control Association believes that our present problems and those forecast for the future derive from a number of causes. We believe that the primary problem, however, is the lack of stability in the basic implementation of an essentially good law.

We feel that problems attributable to an overly ambitious Congress, a maze of environmental constraints, a general lack of understanding on the part of critical parties in the development chain are paled in comparison by the problems attributable to the continuing proliferation of guidelines, program guidance memoranda and guidance from on-high.

When such changing policy is coupled with misguided impoundment of funds, there is little reason to look elsewhere for a

means to improve the program and accomplish the desirable objectives of the act in our lifetime.

The basic concept of our recommendations and comments is that the program must have stability. Stability of attainable goals. Stability of program procedures. Stability of program funding level. Stability of administration and Stability of commitment.

With these thoughts in mind, our specific comments on the five proposed amendments are as follows:

Amendment No. 1. Reduction of the Federal Share.
We are unalterably opposed to such an action.
We would suggest instead adoption of SB 1216 and HR 4161 which will provide a more equitable allocation of present and future funds and place a badly developed "needs formula" in better perspective.

Amendment No. 2. Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.
We are opposed to the amendment.
We feel that the concern indicated is not justified and that existing procedures relating to cost effective analysis and alternative analysis for such facilities is a more intelligent means of administering public funds.

We offer the suggestion that HR 3658, which would require Congressional Review of guidelines and administrative rules, be incorporated into PL 92-500. Such an amendment would be far more constructive in providing needed stability rather than overreacting to a mythical needs number.

Amendment No. 3. Restricting the Types of Projects Eligible for Grant Assistance.
We are opposed to the proposed amendment.
We believe that each of the possible project types are related to sources of pollution that in a given instance can prevent attainment of the fundamental objectives of the act.

We feel quite strongly that intelligent cost effective analysis required by existing regulations provides a proper device for decision making to allow a businesslike approach to project eligibility. We should attack the pollution sources that give us the most benefits for the dollar spent without regard to the type of project involved.

Amendment No. 4. Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards.
We concur with the concept of the proposed amendment.

We would propose however, that the lanquage of such an amendment would provide for attainment of a more conventionally accepted version of Secondary Treatment by 1980. That the goal of attainment of fish and wildlife quality be established for 1985 and that a decision on the issue of "zero discharge" be reserved until after 1980.

The rationale for such a proposal is that acceptance of a well operated trickling filter plant or waste stabilization pond effluent as, "secondary treatment", would markedly reduce wasteful early replacement of such economically operated treatment systems.
Beyond 1980, the ultimate receiving water quality would control type of treatment required.
Amendment No. 5. Delegating a Greater Portion of the Management of the Construction Grants Program to the States.
We concur.
We believe that adoption of HR 2175 (Cleveland) coupled with recommendations outlined for Amendment 2 will deal with the fundamental program flaws. The Levitas Bill will complement the proposed Cleveland Bill and greatly improve the chance for desired program stability.

Gentlemen, we thank you for an opportunity to express these views and would like to file a copy with you for the record.

The Tennessee Municipal League assembled in its 36th Annual Conference, opposes the amendments to the Federal Water Pollution Control Act proposed by the Environmental Protection Agency for submission to Congress in July, 1975, including the following specific proposals:

1. Reduction in the federal share from 75% to 55% of project costs;
2. Limitation of federal aid to serve only the needs of existing population instead of aiding facilities to serve future growth;
3. Restricting the types of projects eligible for EPA grants to tertiary and secondary treatment plants and interceptor sewers only, eliminating certain collection system components.

June 27, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(W.H. 556) Room 1033, West Tower
Waterside Mall
401 "M" Street S.W.
Washington, D.C. 20460

Dear Sirs:

We concur with the testimony of John L. Maloney given at the public hearing, San Francisco, California, June 19, 1975. Copy of his address is attached.

Sincerely,

A. B. Anderson

ABA/ag
Attach.

June 17, 1975

Industrial Association of the San Fernando Valley
P.O. Box 3563
Van Nuys, Calif. 91407

E.P.A. Public Hearing. S.F. Cal.
Re: Proposed congresssional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

Gentlemen:

Our remarks are addressed to parenthesis four (4) as one of the proposed amendments setforth, namely extending the 1977 date of meeting water quality control standards.

We believe this is the only proposition that should be enacted, and it should provide for indefinite extension of the date to meet water quality control standards.

E.P.A. has developed an embryo of knowledge and experience in this water quality control field during its brief existence. It does

not appear that it has as yet learned of the economic impact of its program on the communities affected when said program is too hastely applied.

Herewith is our assessment of the adverse economic impact in the San Fernando Valley community.

Jobs

Our 13 high schools, 3 colleges, and 1 university have enrollment of over 100,000. Almost all these students are preparing to enter the labor market. The workers now in the Valley labor market (approx) 300,000 will not be retiring when these students seek jobs. What do we do without growth?

Housing

The students, now seeking work, will nevertheless be forming family units. Where do we house them without growth?

Capital Investment

Our Valley industrial plant investment is $3 billion and the figure for commercial business is much more. What do we do if these sources of jobs, taxes and general properties are atrophied by "no growth?"

In our opinion this is pretty much the predicament of established communities throughout the nation.

Give us time to adjust economically while a workable clean water program is soundly developed. By 1985 we should be able to embrace such a program.

Respectfully,

John L. Maloney
President

JLM/bm

June 5, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(WH-556)
Room 1033, West Tower, Waterside Mall
401 "M" Street, SW
Washington, D. C. 20460

Attention: Mr. David Sabock

Gentlemen:

Subject: Public Hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act

In response to the proposals enunciated by the Office of Management and Budget to amend the Federal Water Pollution Control Act Amendment of 1972, Public Law 92-500 (Act), we have the following comments. Inasmuch as we will not be able to attend the public hearing on June 19, 1975, at San Francisco, California, we request that these comments be considered as part of the record.

Proposal to Reduce the Federal Share

Section 201 (a) of the Act provides the rationale for the participation of the Federal Government in the construction grant program for treatment works. The purpose of Title II of the Act is "to require (emphasis added) and assist the development of waste management plans and practices which will achieve the goals of this Act" as stated in Section 101 (a). In raising the Federal grant participation from the maximum of 55 percent under PL-84-660 as amended, to 75 percent in the Act, Congress must have felt obligated to provide for a greater financial support because the Act requires many stringent water quality goals.

There is a chronological trend of the Federal Water Pollution Control Act which implied that as Congress mandated more and more requirements, it felt obligated to assume a larger proportion of the construction cost of treatment works. Section 202 of the Senate bill would have provided a minimum Federal grant of 60 percent with a maximum of 70 percent if a State contributed 10 percent of the cost. The House amendment increased the Federal share to 75 percent, provided the State contributed 15 percent of the cost, otherwise, the basic Federal share will be 60 percent. The final version of Section 202 provided a 75 per centum of the

construction cost without State participation.

If the Federal share is reduced, there should be a concomitant reduction in water quality goals and commitments if the aforementioned rationale is maintained. Elimination of uniform standard effluent limitaitons based on a minimum of secondary treatment should be considered as a part of any reduction effort. This requirement is wasteful because receiving waters from effluent discharge in inland fresh water basin are different than coastal and oceanic saline waters.

Effluent limitations as established by EPA and the NPDES permit system for waste discharges are binding on State and local governments. Violation could result in civil and criminal penalties as provided for in Section 309 and Section 505 of the Act. By establishing specified effluent limitations which are binding on local municipalities and then withdrawing or reducing Federal Financial support is unreasonable when the large majority of the proposed treatment works in the State of Hawaii have yet to be built. The City and County of Honolulu has received only two grants under the Act to date. Twenty-three projects cannot proceed to the step 3 or construction stage pending certification by the State Department of Health and/or the availability of matching Federal funds. The other counties in the State of Hawaii have seventeen projects pending and have little or no prospect of receiving grant offers from EPA because $81.9 million of the $92,388 million Federal Allocation for Hawaii for Fiscal Year 1975 and 1976 will be earmarked for the Sand Island and Honouliuli (both primary only) treatment and disposal systems. Reducing the Federal share now would be unfair to those municipalities whose projects have a lower priority and have not received any Federal allotment.

Insufficient Federal allocation for the State of Hawaii is the principal factor for delays in implementing needed treatment works. Out of the twelve higher ranking projects of a total of 41 on the State Priority List, eight projects cannot proceed to the construction stage because of the lack of Federal funds. State laws provide funding of ten percent of the treatment and disposal costs are no immediate funding problems for counties under this funding arrangement.

With a reduced Federal share, and depending on the magnitude of the reduction, the counties of the State of Hawaii could be placed in an uncomfortable position of not being capable to finance

needed treatment works because of rising local government costs and severe cash-flow problems.

Summarizing, the City and County of Honolulu is opposed to the reduction of the Federal share under the Act without a general de-emphasis of the entire water pollution program and a concomitant reduction in standards, penalties, deadlines, and other conditions. To extend the coverage of the Federal allocation to more projects, unrealistic national requirements should be amended. For example, if secondary treatment was not necessary for the two deep oceanic discharges for Sand Island and Honouliuli, $20 million of the Federal share could be saved and utilized for other projects in the State of Hawaii. Cost effectiveness of treatment goals under regional area conditions should be adopted to prevent unnecessary expenditure of Federal funds.

Proposal to Limit Federal Financing to Serving the Needs of Existing Population

Section 204 (a) (5) of the Act provides for sufficient reserve capacity for treatment works on the basis of present and deferred construction cost comparisons. This provision should be retained but its application should be judicially administered on an individual project basis. Some components of the treatment works can be built in increments, others cannot because of spatial restrictions and economic reasons. Unit treatment facility and equipment are amenable to phased construction provided basic structures and sites are adequately sized.

Phased construction for treatment and pumping capacities are widely practiced already. Interceptor lines within existing urban areas, particularly gravity mains and ocean disposal systems are not amenable for phased construction. Existing public right-of-ways in highly urbanized centers are physically restrictive and are already occupied by many utility lines and cannot accommodate additional future pipelines. For recent or less densely urban areas, phased construction for pipelines is feasible provided there are agreements and cooperation between utility companies and local government agencies. Usually, however, space in the public right-of-way cannot be reserved ad infinitum for any one agency.

Construction of ocean disposal system in increments is not advisable. Construction activities can result in the destruction or alteration of (1) coral reef which provides habitat for marine organisms, (2) the benthic flora and fauna, and (3) other valuable resources. Other adverse effects could include the disturbance and release of trace metals, nutrients, and chlorinated organics, including hydrocarbons in the bottom sediment into the water column.

Another objection in limiting Federal financing to existing population needs lies in the time needed to implement and construct treatment and disposal facilities. The time required to plan and complete a sewer system locally has taken from 15 years or longer. If the main interceptor and collection systems were sized initially for the existing population, it would become inadequate before the final component of the treatment works was completed. One local example of several cases will illustrate the protracted time required to complete treatment works. In Windward Oahu, planning for the Kailua sewer system was started in 1958. In 1965, the plant and ocean outfall sewer were put into operation after receiving a federal grant. Today, in 1975, the Olomana-Maunawili interceptor sewer, a main component of the system, has not advanced beyond the design phase because of the lack of Federal funds. If Federal funds were available, construction could have been initiated, since local funds were available and four interim treatment plants discharging into inland waters would have been eliminated. Prospect of receiving a Federal grant for this interceptor now is still not promising because of its ranking on the State Priority List. If the Kailua treatment works were constructed for the then existing population, the system would be inadequate today since the population of the drainage area has increased by 35 percent during the 1960-1970 decadal period.

By limiting Federal financing to serve the needs of existing population, the Federal government would be indirectly promoting planned obsolescence of sewer systems throughout the country. If local government is forced to finance capacity beyond the needs based on existing population, their financial resources will be strained especially in rapid growing communities such as the City and County of Honolulu. As a result, maximum sized facility consistent with economic considerations will not be built.

Proposal to Restrict the Types of Projects Eligible for Grant Assistance

Section 212 of the Act has broadened, by definition, the number of projects eligible for the Federal grant by adding sewage collection and storm water runoff systems. Within the City and County of Honolulu, the traditional method of financing a sewage collection system for improved unsewered areas has been with City funds, together with the benefited property owners' sewer assessments. The City now pays about eighty percent of the total cost of the projects and the property owners pay the balance. This method of financing had been working very well in the past when the project cost was prorated on the basis of 1/3 City's share and 2/3 property owner's share. Because the sewer assessment rates have not kept pace with rising construction costs, the City bears a disproportional higher share of the construciton costs at the present time. This trend, however, can be reversed by increasing sewer assessment rates.

The municipal sewer system within the City and County is a separate system. As such, there is no eligible project requiring treatment of combined storm water runoff and sanitary sewage.

We have no objection to the proposal to restrict the types of project eligible for grant assistance as long as such restriction does not eliminate funding for treatment works that are necessary to meet Federal imposed pollution control mandate. The elimination of sewage collection and storm water runoff systems as eligible projects will not adversely affect us.

Proposal to Extend the 1977 Date for Meeting Water Quality Standards

Extending the 1977 date for meeting water quality standards would be a desirable and constructive measure. The date as originally legislated was overly optimistic. Experience from the time the Act was passed in late 1972 to the present has shown that the pace of progress toward the stated deadlines of the Act has been unavoidably slower than anticipated and that many areas would find it extremely difficult to meet the deadline. None of our twenty-four projects will become operational and meet the 1977 date inspite of the fact that preliminary planning for those projects began in 1970.

As an alternative to extending the 1977 date, or as an additional measure to such extension, we suggest giving EPA Regional

Administrators discretionary power to grant individual exemptions to legislated deadlines.

Proposal to Delegate a Greater Portion of the Management of the Construction Grant Program to the State

We support delegating a greater portion of the management of the construction grants program to the States. The States ideally should have full authority to expend the State's allocation of PL 92-500 funds annually, and should have complete latitude to approve all plans, specifications, grants, amendments, and other documents. The communication process would be speeded up. Delays which we are experiencing from six months and longer with EPA Regional Office would be minimized. Decisions would be reached quicker. Questions and requests could receive responses more promptly because the State Water Pollution Control Agency is familiar with local problems and conditions. The entire grant process could be shortened in time.

We urge that the Act be amended to authorize EPA to delegate major portions of its administrative responsibility under the construction grants program to States and to reimburse them out of the construction grant allotments (wording similar to the "Cleveland Bill", HR 16505.

We thank you for the opportunity to share our comments on the proposed changes to the Act with you.

Very truly yours,

KAZU HAYASHIDA
Director and Chief Engineer

June 27, 1975

Mr. James L. Agee,
Assistant Administrator for
Water and Hazardous Materials
Environmental Protection Agency
401 M Street, S. W.
Washington, D.C. 20460

Dear Mr. Agee:

On June 17, 1975 Mr. Horace L. Smith, Assistant Director of Public Works and Manager of the Wastewater Division of the City of Houston, presented our comments with respect to possible Administration proposals to amend the Federal Water Pollution Control Act Amendments of 1972. Mr. Smith left two copies of the attached position paper with you prior to his verbal presentation of most of its contents. He was unable to deliver all of it within the time allocated.

The purpose of this transmittal is to formally transmit this position paper and to emphasize our major concerns with the proposed legislative change to PL 92-500.

(1) The Federal mandate established water quality standards and level of treatment as a national goal and consequently caused the municipalities to embark upon massive construction programs in order to comply with the law. We have raised our sewer service charges 400% in order to meet local obligations for our share of eligible projects and to meet increased operation, maintenance and management expenses and to totally finance ineligible construction projects. We have informed our citizens that the federal involvement in terms of financing our projected 500 million dollar construction program will be significant. We strongly urge that the 75% financing be retained.

(2) We recognize that priority for funding should be directed to the construction of facilities required to bring systems into compliance with the standards of the law although we do not agree with the arbitrary provisions of the law relating to the degree of treatment and the quality of effluent discharged. We are also concerned that the federal financing of environmental control facilities not be used to control local growth policy. We conclude that the so-called "10/20 program" adopted by California might be an equitable break

point between federal and local responsibility but we object to state and federal supervision of the projection of local growth with respect to the design of wastewater and water pollution control facilities.

(3) Wastewater and water pollution control efforts are accomplished by a system of facilities which collect, contain, intercept, treat, and finally disposes of effluent and separated wastes. If there is not a balanced system, then wastewater tributary to that system will not be controlled. We do not feel that the Federal burden of wastewater and water pollution control is limited to the interception and treatment of wastewater.

(4) It is the opinion of the City of Houston that PL 92-500 should be amended to extend the date by which publicly owned treatment works are to achieve compliance with section 301 of the statute. We would favor extending the deadline from 1977 to 1980 and further provide the Administration with discretion to grant compliance schedule extensions through the NPDES permit program based upon actual time required to construct necessary facilities considering funding and construction constraints.

(5) Delegating administration of the construction grants program to the states will avoid much duplication of effort and should expedite the process and would be a proper step in more efficient management of the program. We do feel, however, that the funds necessary should not come from the construction grants appropriations.

Thank you for this opportunity to comment upon these proposed changes and in conclusion we urge that the flow of federal funds be accelerated to decrease the backlog of projects and to minimize the inflationary impact. We further urge that immediate steps be taken to provide for federal funding to the extent necessary to satisfy projects identified in the "Needs Survey."

Sincerely,

Fred Hofheinz

General Observations to be made as a prelude to the discussion of the EPA identified issues.

1. Irrespective of the governmental level of the source of construction funding for wastewater and water pollution

control facilities, it is the people of the United States that foot the bill. Reducing the federal share will not have a material impact upon the magnitude of construction required and consequently will not significantly decrease the fiscal impact upon the people as a whole.

2. There has been a traditional concept that property within local jurisdictions be assessed for capital improvement. Generally, these assessments have been related to benefits received by the property and, also, benefit$s have been interpreted to be an increase in the value of the property. There is legal background which says that property can't be assessed in excess of the benefit received from an improvement. In the absence of a legal requirement to provide a level, degree or standard of treatment then it is impossible to establish benefit to property being served by a treatment facility. Therefore, it is submitted that the backlog of water pollution control facilities is directly related to the previous lack of standards of water quality control and not to benefit.

It is conceded that some states, including the State of Texas, have set standards for water quality control prior to the federal concern in the matter, but the emphasis of the mandate for the construction of water pollution control facilities to a prescribed performance level was provided by federal legislation.

EPA Identified Issues:

1. Would a reduced Federal share inhibit or delay the construction of needed facilities?

It is submitted that there is not a proper "yard stick" to relate to in the response to this issue. The administration of the implementaion of PL 92-500, to date at least, has certainly fallen short of expectations and for that matter has fallen short of the congressional mandate. Impoundment of authorized and appropriated monies coupled with EPA's inability or lack of enthusiasm to administratively implement the act is not much of a track record to compete with.

Realistically and appropriately the federal government can be more expedient in the generation of money to accomplish national goals established by the Congress. What is needed is an equal expediency and efficiency in the implementation of the goals.

2. Would the States have the interest and capacity to assume, through State grants or loan programs, a larger portion of the financial burden of the program?

It is a matter for speculaiton, but not for projection. State legislatures would not be overjoyed with such an opportunity.

3. Would communities have difficulty in raising additional

funds in capital markets for a larger portion of the program?

Yes. The major metropolitan cities have an abundance of worthy programs, many of which are presently unfunded.

4. Would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management, and post-construction operation and maintenance?

This is an issue begging question rather than as issue raising question. If Congress and the EPA really want cost effective programs, then a major part of the analysis and evaluation process must be to consider local conditions with respect to discharge standards, limitations and degree of treatment required. A cost effective analysis based upon secondary treatment as a given parameter is an academic process when one considers that the selection of the level of treatment was arbitrary. A true, and therefore realistic cost effective study must consider all factors that affect cost and certainly the ability of the environment to absorb a pollutional load without adverse effects relates to the level of treatment selected and is, therefore, germane to the cost effective analysis.

Irrespective of the inconsistency of logic reflected upon in this example, it is submitted here that for the most part the professional engineers charged with the responsibility of performing these studies are capable, competent and honorable people, and the source of funds will have no bearing whatsoever upon the conclusions of their studies.

5. What impact would a reduced Federal share have on water quality and on meeting the goals of Public Law 92-500?

The 75% Federal share is a justifiable level based upon the magnitude of the backlog of facilities required to "catch-up" with the standards established by the Federal Government. It is submitted that the fact that the needs survey has projected more construction requirements than first anticipated by the Government is more of a justification than ever for the 75% share. The demands are so great that local and state governments will not be able to readjust their existing priorities for local funds without unduly effecting their local goals. The resulting economic impact upon the people would certainly moderate their desire for environmental quality.

Paper #2. Regarding Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.

General:

Proper planning and prudent financial management dictates that reserve capacity be projected for growth which will be served by wastewater and water pollution control facilities.

It is the City of Houston's position that the Federal government is committed to financing the lion's share (75%) of the construction of the facilities required to improve existing wastewater and water pollution control system wherein they can collect, contain, intercept, treat and otherwise control wastewater sufficient to discharge an effluent which is in compliance with the water quality and discharge standards of the law. Additionally, Houston's position is that the Federal government is equally responsible for the financing of the facilities required to adequately dispose of wastes removed in the treatment processes.

With respect to the obligation of the Federal government to finance reserve capacity for future growth, the City of Houston recognizes that the priority for funding should be first directed towards the construction of facilities required to bring systems into compliance with the standards of the law. We recognize the argument that once the standards have been set and the system has been brought into compliance that then the financial burden for the future might be that of the community. We hasten to add, however, that we do not agree with the arbitrary provisions of the law relating to the degree of treatment and the quality of effluent discharged. Further, we are of the opinion that the Federal government and the States must establish a compatible policy or standard relating to the disposal of wastes removed by treatment processes upon the land and into the air in order to finally establish a total environmental quality relationship or standard.

The concern that Houston has with respect to the financing of environmental control facilities and the provision of reserve capacity is that the level of financing and the level of environmental standards not be used to control local growth policy.

Discussion of EPA Identified Issues.

1. Does current practice lead to over-design of treatment works?

Population and waste load projections are the basis of design of reserve capacity facilities and not financial capability. The magnitude of these factors are arrived at by professionals that have experience in such evaluations and the results are related to many factors, the least of which is not local policy. As stated previously, we would hope that the primary purpose of the Act is to control pollution and not growth.

2. What could be done to eliminate problems with the current program, short of a legislative change?

The problem implied in the question has to be anticipated rather than defined because most experience to date is that overloaded sewers and treatment plants are the rule and that is the major problem. We certainly couldn't agree with State or Federal

supervision of the projection of local growth. We foresee that the next step would be the control of sewer connection permits to the extent that growth would not exceed those arbitrary projections. We submit that the locality is the best judge of the factors relating to its future, and that they must make the final decision relative to provision of reserve capacity based upon local conditions and policy.

The City of Houston, for example, has been, is, and is projected to continue to be a dynamic growing City and it is unreasonable to even consider, for example, the projection of its short or ultimate growth upon the historical averages of the State of Texas. We would hope that arbitrary or inflexible criteria for projection of growth is not established.

3. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

In its own descussion of this question the EPA implies that over design is a fact. We submit that there is no basis for such speculation. Irrespective of this fallacy in thinking, an objective analysis and response to the question leads us to conclude that the so called "10/20 program adopted by California might be an equitable break point between federal and local responsibility.

4. What are the merits and demerits of limiting eligibility for growth-related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

We responded to this question previously.

5. Are there other alternatives?

There is the need to proceed immediately with the implementation of the law as presently written to the extent of presently authorized and appropriated funds, and the need for immediate financial planning by the EPA and Congress in order to make additional monies available to finance 75% of the cost of the facilities identified in the needs survey.

Paper #3. Restricting the Types of Projects Eligible for Grant Assistance

General:

Wastewater and water pollution control efforts are accomplished by a system of facilities which collect, contain, intercept, treat, and finally deposes of effluent and separated wastes. If there is not a balanced system, then wastewater tributary to that system will not be controlled. An orderly and systematic approach to a pollution abatement program of a community or locality considers all components of the system including the establishment of priorities on a realistic basis. We do not feel that the Federal burden of wastewater and water pollution control is limited to the interception and treatment of wastewater.

The basic questions posed by the EPA to be explored in evaluating the issue of restricting the types of projects eligible for grant assistance are vague and confusing to us, at least the answers would be speculative and philosophical. Our general response to this group of so called "basic questions" is: that there would be little change in the net environmental impacts; the administration of the program would be just as complex as it is presently; and there would not be a material change in investment and employment patterns. We qualify our answer on the basis that the needs survey reflects, for the most part, upon requirements to bring existing systems into compliance with PL 92-500 and, therefore, the inventory identifies deficiencies by classification of system components. Restricting Federal grant assistance to some components of a system and emphasizing grant assistance to others will not make the system as a whole sufficient.

"Closely Related Questions"

1. What impact do different eligibility structures have on the determination of need for a particular facility?

Restricting the eligibility structure would not provide the flexibility required to establish priority of construction based upon need. This restriction would provide another arbitrary provision in the way of implementation of abatement action through the construction of needed facilities.

2. Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of Federal financial assistance?

Local officials are generally responsible people with a good understanding of what the needs of their communities are. They are, also, responsive to the priorities established by their constituents. The basic reason that communities have not, on their own, actively reconciled pollution problem is that local funding was and is limited, and other programs were and are more important to the majority of their citizens.

3. Is there adequate local financial capability to undertake investment in different types of facilities?

For the most part, citizens of localities are willing to be assessed an additional amount on their taxes and service charges to implement a pollution control program. Local officials, however, have related to their constituents that the federal involvement in terms of financing is significant. Local officials have told their citizens that their increase in costs of wastewater service, or taxes, is to secure the 75% federal share for eligible construction projects, and to pay for increased operation and maintenance expenses. Future growth can probably support its facility requirements.

This is an appropriate point to remind the EPA and the Congress, for that matter, that the only issues and the only costs involved in the realization of the national anti-pollution goals, established by Congress, are not just the types of projects eligible for federal grant assistance, but also a multitude of other costs which the grantees, the localities, must absorb. These costs are, for the most part, new to the communities and, therefore, another burden.

The implementation of the national goal, mandated by PL 92-500, for all intent and purpose, has caused communities to organize and operate wastewater service utilities. Costs associated with planning, engineering, operation and maintenance, capital improvements ineligible for Federal grant assistance, administration and management, and research and development will exceed the costs recovered through Fderal grants and provides localities with sufficient incentive to seek cost effective systems.

Paper #4

It is the opinion of the City of Houston that PL 92-500 should be amended to extend the date by which publicly owned treatment works are to achieve compliance with section 301 of the statute. Pl 92-500 imposed extensive new planning and design considerations upon the municipalities. Further, it has taken EPA extensive periods of time just to write the guidelines and regulations to effectuate these new planning and design considerations. As a result, the planned construction program of a majority of the cities has been severely hampered and delayed. During this same period, the county has experienced rapid inflation. To maintain the present deadline would cause further unnecessary inflation in the extreme rush to construct needed facilities. Additionally, it will be physically impossible to meet the deadline in many cases since there is not sufficient time remaining for construction completion.

The City of Houston would favor extending the deadline from 1977 to 1980 and further provide the Administrator with discretion to grant compliance schedule extensions through the NPDES permit program based upon actual time required to construct necessary facilities considering funding and construction constraints.

Considerations

1. The City of Houston would support an amendment permitting prefinancing subject to Federal reimbursement. Many cities have the funding capability and could proceed to construction, thus enhancing the nation's water pollution abatement program.

2. Municipalities operate under many more restrictions regarding capital expenditures and construction of public facilities, and it is not unfair to extend the deadline solely for municipalities.

3. Same as number 2.

4. Construction and funding requirements and constraints are

not uniform from city to city or from project to project, therefore, the Administration should have discretion to make the compliance schedules realistic.

5. The economic and construction completion problems make an extension not only reasonable, but absolutely necessary.

6.

7. EPA should certainly consider changing the present nationwide definition of secondary treatment. A single definition does not recognize or deal with the fact that natural stream conditions and uses are not uniform throughout the nation. An arbitrary standard, therefore, is certainly not cost effective or responsive to local conditions. State and local governments should establish stream standards and treatment levels that are cost effective and responsive to local conditions.

8. Compliance extension should be made according to realistic funding and construction schedules.

9.

Paper No. 5

PL 92-500 mandates a massive water pollution abatement program upon the municipalities of this country. In order to cope with this program, it is mandatory that the construction grants program be streamlined insofar as possible so that the Federal funds can flow to the municipalities as efficiently and rapidly as possible. Delegating administration of the constuction grants program to the states is, in the opinion of the City of Houston, a proper step in more efficient management of the program. Such delegation will avoid much duplication of review and approval of grantee responses to grant requirements. The City of Houston is confident that the State of Texas could very quickly and effectively assume administration of the construction grants program. We do feel, however, that the funds necessary should not come from the construction grants appropriations. It has already been pointed out that the construction grant funds are far short of funding the needed construction necessary to meet the goals of the Act.

Issues

1 & 2. It is our opinion that all functions in the review and approval of construction grant applications should be delegated to the states. EPA should only retain an overview to see that the quality of the State's performance is proper.

3.

4.

5. The State of Texas has evidence that it has a highly professional and qualified staff and in our opinion, delegation to the State of Texas would not compromise environmental concerns.

June 19, 1975

Mr. James L. Agee-Assistant Administrator
Water & Hazardous Material
U.S. Environmental Protection Agency
Room 1033 West Tower
Water Side Mall
401 "M" Street, S.W.
Washington, D. C. 20460

Dear Mr. Agee:

Re: Municipal Waste Treatment Grants

We urge you to consider the following comments prior to taking action to amend the Federal Water Pollution Control Act Amendments of 1972, 33USC 1251 et. seq.

We have read the five papers written by your agency and feel the following comments are valid:

Paper 1 - We recommend that grant monies to the critical categories (secondary treatment, tertiary treatment, and interceptor sewers) not be reduced.
Paper 2 - Both collection systems and treatment plants must have reserve capacity in their design to take care of some growth. The 10-20 year policy used in California seems reasonable.
Paper 3 - Eligible projects should be prioritized to:
1. Secondary treatment plants
2. Interceptor sewers
3. Corrections of sewer infiltration
4. Collector sewers
5. Tertiary plants when necessary

Paper 4 - A realistic date for compliance should be set.
Paper 5 - The states should be allowed to administer grants.

Very truly yours,

ERVIN RENNER, Chairman
Board of Supervisors
cc: Humboldt County Wastewater Authority
North Coast Water Quality Control Board
National Association of County Officials

County Supervisors Assn. of CA, Washington, D.C.
Senator John Tunney
Congressman D. Clausen
Public Works Department
Clerk, Board

June 10, 1975

United States Environmental Protection Agency
Office of Water Programs
Washington, D. C. 20242

ATTENTION: Office of Water Programs
Re: Waymart Municipal Authority

Dear Sir:

I represent the Waymart Municipal Authority concerning their EPA grant under Federal Act 92-500. It has come to my attention that recent hearings are being conducted concerning this federal grant which is presently at 75% federal funding. The purpose of these hearings, it is my understanding, is to reduce this grant to a 55% grant. This reduction would completely eliminate the possibility of the Waymart Municipal Authority of gaining financial wherewithall to construct their sewer project.

Furthermore, Waymart Municipal Authority has in reliance upon the past practices an existing law committing the Borough to a $115,000.00 loan relying upon the above criteria of 75% reimbursement from the federal government.

Should such a reduction be approved by the legislation, this money would be virtually wasted in design and engineering costs which would never be realized as the project could never be completed. I cannot emphasize Waymart's position any stronger than to demand that the legislation refuse to amend the present PL 92-500 in order to save not only the Waymart Sewer system but the other hundreds of applicants who have also applied and relied upon the same criteria as set forth in the existing law.

I might suggest that if an amendment is to be made to reduce the percentage allowed by the current law, that any reductions only take effect concerning all projects which have not been commenced or applications filed prior to relying upon the present laws that exist.

Sincerly yours,
HOWELL, HOWELL & KRAUSE
LCK/rkc
cc: Senator Hugh Scott, Senator Richard S. Schweiker, T. Newell Wood, Representative

July 1, 1975

Mr. Paul DeFalco, Regional Director
Region IX, Environmental Protection Agency
100 California Street
San Francisco, CA 94111

Subject: Proposals to Amend PL 92-500

Dear Mr. DeFalco:

A recent bulletin from the California Association of Sanitation Agencies discussed the recent hearing on administration proposals to amend PL 92-500. Although I was unable to attend the hearing, I felt it important to share my views on a principle of the Water Pollution Control Act which seems to have few defenders, the principle of disallowing ad valorem taxes for sewage treatment financing. Many municipal administrators have decried the portions of PL 92-500 which prevent them from continuing a practice which has adverse effects. The general prohibition against use of ad valorem taxes is, with few exceptions, definitely in the public interest.

At recent city council meetings in a Northern California city, industry representatives expressed considerable disapproval over higher sewage treatment service charges (required by inflation and higher discharge requirements). This is understandable! However, several of those representatives stated that the doubling of rates would stimulate their firms into analyzing factory water conservation and process modification.

There might be a considerable reduction of demand for limited sewage treatment grant monies if all industries discharging to public facilities would have to pay for treatment services on the basis of quantity/quality charges. In the words of the economists, ad valorem taxes create a diseconomy by separating wastewater charges from wastewater discharges.

In most cases, ad valorem taxes enable large treatment users to ignore the impact of their discharges to the sewer system. Discussions with other consulting engineers, who, like I, have produced "fair and equitable" revenue programs for cities, convinces me that the present law is having a strong and beneficial impact.

It may be that there are a few cities and sanitation districts in which overriding factors outweigh the disadvantages of ad valorem. Perhaps a degree of flexibility could be introduced into the law which permits ad valorem. Nevertheless, ad valorem should be the exception, if allowed at all.

A hypothetical example demonstrates the inequity in the use of ad valorem taxes. Two competing companies in a city each discharge 10% of the total flow to the municipal sewage treatment plant. The first company significantly reduces its discharge, thereby saving the city operating expenses and postponing a planned expansion. Under an ad valorem system, the benefits (reduced taxes) will be spread to everyone, including the competition. The cost of discharge reduction will be borne by the civic-minded company. Under user charges, the first company only would receive the benefits of reduced discharge through a lower user charge. The city would have the benefits of treatment capacity available for a third company or some other user, as needed.

In summary, I encourage you to retain the principle whereby users pay for services in proportion to their use of the services. This principle should remain the backbone of all revenue programs. Special cases may be considered for exemption.

Thank you for this opportunity to present my views.

Very truly yours,

Howard L. Hoffman, P.E.
HLH:hrm

HUMBOLDT BAY WASTEWATER AUTHORITY
P.O. BOX 1449
Eureka, California 95501

June 26, 1975

Mr. James L. Agee, Assistant Administrator
Water and Hazardous Material
U.S. Environmental Protection Agency
Room 1033, West Tower
Waterside Mall, 401 M Street, S.W.
Washington, D. C. 20460

Subject: Municipal Waste Treatment Grants

Dear Mr. Agee:

In response to your notice of public hearings on potential legislative amendments to the Federal Water Pollution Control Act, we are submitting this letter of comments and concerns for your consideration.

The Humboldt Bay Wastewater Authority is a recently established agency which has the responsibility for the planning, financing, construction and operation of a regional wastewater treatment and disposal system in the Humboldt Bay area. The Authority was created on January 8, 1975 by a Joint Exercise of Powers Agreement entered into by the County of Humboldt, the City of Eureka, the City of Arcata, the Humboldt Community Services District and the McKinleyville Community Services District. With the cooperation and assistance of the EPA Regional Office in San Francisco and the California Water Resources Control Board we are moving forward by means of the current Federal and State grant programs to solve wastewater treatment problems of the Humboldt Bay area.

It is in this context, having read the five papers written by your Agency, we are submitting the following statements of concern:

Paper 1. Because of continually increasing cost pressures on local agencies it is becoming increasingly more difficult to maintain the status quo level of funding. Therefore, we recommend that the Federal grant share not be reduced, but be continued at 75 percent. Should a reduction in Federal grant share actually be enacted, provision should be included for "hold harmless" protection of those local agencies which are already engaged in water pollution con-

trol projects based upon the 75 percent Federal grant share. This should apply to those projects which have received concept approval, as from that point firm commitments of project financing and construction are made.

Paper 2. The system established by the State of California limiting grant eligibility to treatment plants with reserve capacity for 10 years of growth and for interceptors, outfalls and sewers with a reserve capacity for 20 years of growth is workable and reasonable. Therefore, we recommend this approach to reserve capacity eligibility limitations.

Paper 3. The California system of priorities appears to be a workable method for approving only those projects which produce significant improvement in water quality. We recommend that the current authorization in P.L. 92-500 remain unchanged, and that other states follow the California system in establishing priorities.

Paper 4. Since it is quite evident that the 1977 date for meeting water quality requirements cannot be attained by most wastewater dischargers due to the limitations, to date, of the grant funding program, we believe that the current provisions of the law must be amended. We favor adoption of the fourth alternative, to maintain the 1977 date, but providing the Administrator discretion to grant compliance schedule extensions on an ad hoc basis, based upon the availability of Federal funds. This recognizes the responsibility of local dischargers to continue to pursue the clean water objectives of the Act, while also recognizing the other basic premise of the Act, which is the responsibility of the Federal Government to financially assist local agencies in order to meet the objectives.

Paper 5. Delegation of management authority to a level closer to the required end product can eliminate a great deal of bureaucratic red tape, time delays and costs. Therefore, we highly favor the delegation to the states of a much greater degree of grants management responsibility.

In addition to our direct response to the five EPA Position Papers, this letter is also intended to express our concern in the following matters:

1. Either by amendment to the law, or by change in administra-

tive regulations, eliminate or reduce the great amount of administrative processing and red tape necessary to achieve construction of water pollution control projects. This will aid in achieving the goals of clean water; cost savings at the Federal, State and local levels; and speedup of projects, which will aid in economic development. In general, more administrative flexibility is needed.

2. The law should be amended to eliminate restrictions on methods of financing local costs of construction, debt financing and operation of wastewater facilities. Local agencies should be allowed to use any combination of financing which is legal and acceptable within the jurisdiction of the State and the locality. This will allow opportunity for elimination of many hardships and inequalities in paying for local costs.

Very truly yours,

CHARLES F. GOODWIN, JR., CHAIRMAN
HUMBOLDT BAY WASTEWATER AUTHORITY

cc: County of Humboldt
City of Eureka
City of Arcata
Humboldt Community Services District
McKinleyville Community Services District
Senator John Tunney
Congressmah Don Clausen
California Water Resources Control Board
North Coast Region, California Water Quality Control Board
Senator Alan Cranston

July 2, 1975

Mr. James L. Agee
Assistant Administrator for
Water & Hazardous Materials
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

The Illinois Environmental Protection Agency (the Agency) is submitting these comments on behalf of the State of Illinois to be included in the record of the hearings on proposed amendments to the Federal Water Pollution Control Act, which were announced in the Federal Register of May 2, 1975. The Agency's comments are presented in the order in which the papers were presented in the Federal Register of May 28, 1975.

Paper No. 1 - Reduction of the Federal share

The Agency opposes reduction of the Federal share from its current level of 75%. At least until the developmental financing of projects in the Needs Category I, II, and IV-B are essentially met, it is inequitable to create a situation in which certain applicants receive 75% and other applicants receive less.

In response to the specific questions being discussed at the public hearing the Agency's responses are as follows:

1. A reduced Federal share would inhibit and delay the construction of needed facilities, for reasons described below.

2. The States would have difficulty taking on a larger proportion of the construction grant program. Although in Illinois the electorate of the State overwhelmingly passed a $750 million dollar bond issue for water pollution abatement in 1970, there is no interest at this time to pass another. In addition, the State prefers to finance additional facilities at 75%, rather than return to the original arrangement of supplementing Federal grants. The Agency is of the opinion that other States, as a rule, confront greater budgetary problems in raising funds for capital investment in such programs as pollution abatement than does the federal government.

3. The Agency believes that communities, especially small communities, will have special difficulty in raising additional funds in capital markets for a larger portion of the program. It might be necessary for projects to be phased or artificially segmented if communities were required to raise a larger portion of the funds, thus possibly delaying compliance or increasing costs. Several small communities in Illinois, and one major city (East St. Louis) have already encountered severe problems in raising a 25 percent local share. These problems can be expected to increase in number and in severity if communities are required to raise a larger local share.

4. The Agency does not believe that a reduced Federal share would lead to greater accountability on the part of the grantee for cost-effective design, project management and post construction operation and maintenance. As for cost effective design, the Agency believes that, particularly in the case of the smaller communities, the most effective cost analysis of proposed design can be made not by the applicant but by State or Federal review. The same situation may also be true as far as project management is concerned. Post construction operation and maintenance may be kept under control by adequate enforcement of specific NPDES permit requirements.

5. The Agency believes that a reduced Federal share would have an adverse impact on water quality and on meeting the goals of Public Law 92-500, not only for the reasons already stated but because of the problems which are bound to arise when any further changes or instabilities are introduced into the program.

Paper No. 2 - Limiting Federal funding of reserve capacity to serve projected growth.

The policy of the State of Illinois, as expressed in Section 2(b) of the Environmental Protection Act. is "that adverse effects upon the environment should be fully considered and borne by those who cause them." Consistent with this philosophy of internalization of abatement costs, the Agency believes that in the long run growth-related expansion should be financed by the users of the increased capacity. The Agency agrees that in light of the fact that population has been growing at a rate lower than any of the Census Bureau's projections for fertility rates, it probably does make sense for population projections to be limited to the lowest of the Census Bureau's projected growth rates.

The funds available to a State to finance growth-related expansions should be limited to the total amount expected to be necessary to handle the State's expected population at an established cutoff point. The Agency sees considerable reason to support the California plan. It would assist in accomplishing the goal of spreading available funds further among applicants, and it has the following additional advantages:

> The land use issue would not be as apparent; subsidized construction would not encourage suburban sprawl to the extent that it sometimes now does.
>
> There would be more immediate pollution abatement for the same number of dollars. Unlike reducing the Federal share, this approach would not decrease the incentive of units of local government to seek and secure construction grants and abate pollution. This generation would be paying for less unused reserve capacity than otherwise. Since this generation is already paying for abatement of the pollution which occurred during previous generations, it should not be called upon also to provide and pay for pollution abatement for future generations.

The Agency recognizes that there would be administrative problems in determining the incremental cost of the growth portion of a proposed project. The Agency suggests that small communities where very limited or no growth is expected during the coming 10, 20, or more years should be allowed a 10 percent reserve (10 years' growth or 10 percent of capacity, whichever is greater), simply for the purpose of covering the possibility of error. It does seem necessary to allow certain margin of safety for no-growth communities and there should be very little cost attached to that precaution.

It should be remembered that another form of capacity present in sewage treatment plants is represented by the assumptions made concerning per capita water use. The Agency believes that construction grants projects should not assume increases in per capita water use and automatically be designed for these assumed increases. Increased water use should be discouraged because of the energy costs both of treating clean water and reclaiming wastewater. With respect to possible increases in industrial water use, the Agency points out that the industrial effluent guidelines are emphasizing recycling and reuse. If these guidelines are implemented and industrial abatement follows that approach, the water use of the typical direct discharging industry should decline.

Another area in which hidden excess capacity might be said to exist lies in the diurnal fluctuation of flows. Flow equalization at the beginning of the system or somewhere along the system prior to the treatment plant will increase the capacity of a system by a considerable amount.

The Agency is not prepared to estimate the savings that might occur by limiting Federal funding to present day or 10 year needs (or in case of interceptors, 20 year needs). Almost all of the sewage treatment projects in growth areas of Illinois are already commited and covered by grant. Many, if not most, of the facilities not within available funding in Illinois would fall into the category of no-growth or limited growth small communities. The saving of going from financing 20 years to financing 10 years, therefore, would be minimal for those projects which remain in Illinois.

In reply to the specific issue questions included in Paper No. 2, the Agency states:

(1) Current practice does lead to overdesign of treatment works in some cases, thus placing the cost of future abatement on existing taxpayers.

(2) Some problems with the current program should be dealt with by using the lowest of the Census Bureau's population projections, as already mentioned. Projected per capita domestic water use and projected industrial water use should be critically evaluated. Systems should be designed with flow equalization and other features to increase capacity.

(3) The greatest merit of prohibiting or strictly limiting the practice of financing growth-related expansion through current Federal (or State and local) funds is the fairness of requiring users to pay abatement costs. Other merits and demerits are incidental to this fundamental principle, which is basic to the general philosophy of Public Law 92-500.

(4) The Agency believes that, as a rule of thumb approach, the California plan has considerable merit and can be administered in other states. There are administrative problems in determining the growth-related costs of a particular project but careful assessment of the alternatives by the applicant, its consultant, and reviewing agencies should enable reasonable estimates to be made.

Paper No. 3 - Restricting the types of project eligible for grant assistance.

The Agency is opposed to restricting the eligibility of particular types of projects. In its opinion, whether or not a project should be considered eligible should be judged only by whether or not and to what extent it will have a desirable influence on water quality.

The State desires to maintain flexibility in the construction of its priority list. In Illinois, the priority system handicaps but does not exclude projects such as treatment of combined sewer overflows or storm runoff. If the water quality impact of such projects is sufficiently great, they may fall within funding under the Illinois system. We believe that that is the way it should be done. Where water quality impact is so severe as to overcome a bias against financing collector sewers or combined sewer overflows or stormwater treatment, the project should, in fact, be funded.

The Agency recognizes that State priority systems are subject to Federal approval. The Agency suggests that priority systems which emphasize Categories I, II, and IV-B and de-emphasize the other categories should probably be the systems which are approved. But the opportunity should nevertheless be open to fund other types of projects where necessary to protect water quality.

Recognizing, as Paper No. 4 does, that State allotments are based on total State needs without regard to priority, and that therefore low priority types of needs may be funded in one state earlier than in another, does not imply that these needs should be made ineligible. If the allocation formula were changed to allow bonus points for the high priority needs the same purpose would be accomplished.

On the arguments presented in favor of declaring certain categories of needs ineligible, the Agency has the following specific comments:

> The proposed approach would not ensure that Federal funds would provide greatest water quality benefits. Many strategies, including those proposed to be made ineligible as well as some already ineligible, may in specific cases, be the strategies with the best payoff in certain circumstances. Applicants should be encouraged to consider all feasible alternatives in order to secure greatest water quality benefits. Flexibility is basic.

The reduction of Federal budgetary commitments is not, in the Agency's view, a desirable objective at this time or for the next several years.

The proposal would not encourage State and local self-sufficiency. It would probably merely discourage ineligible approaches even if they were otherwise desirable. The water quality goals have been set by Congress; states and localities do not have the option of "setting water quality goals that more accurately reflect their perceived benefits."

Wiser investment decisions can best be encouraged if all options are available. Certain strategies should not be prejudged by making them grant-eligible or grant-ineligible.

Paper No. 4 - Extending 1977 date for the publicly-owned treatment works to meet water quality standards.

The Agency endorses the fourth of the five proposed alternatives -- seeking statutory amendments that would maintain the 1977 date but would provide the Administrator with discretion to grant compliance schedule extensions on an ad hoc basis, based upon the availability of Federal funds.

The Agency does not believe the deadline should be extended on an across-the-board basis for the following reasons:

1) A substantial number of industrial dischargers, estimated to be as high as 90%, either are in compliance or can be in compliance by July 1, 1977. Those industrial dischargers who, often at great effort and substantial expense, have installed pollution abatement facilities to meet the 1977 deadline should not be put at a competitive disadvantage by the granting of further extensions to their competitors. On the other hand, to grant extensions on an across-the-board basis to municipal dischargers and not to industrial dischargers seems inequitable.

2) The Agency strongly believes that to retain deadlines without enforcement causes severe credibility problems to continue to exist.

3) The Agency does not believe the Administrator should have the discretion implied in alternative 3--to grant compliance schedule extensions on an ad hoc basis based upon

actual time required with good faith efforts. Nor does the Agency believe that the deadlines should be extended to 1983 under any circumstances (alternative 5). To do so would penalize all dischargers, both industrial and publicly owned, which have made efforts to comply earlier than 1983.

In its support of alternative 4, the Agency is assuming that in states with NPDES authority the state water pollution control agency rather than the Administrator would have the discretion to grant the proposed compliance schedule extensions. NPDES permits would be modified, the Agency assumes, to require that the permittee take all necessary steps to secure available funds but compliance with final effluent guidelines would be contingent upon receipt of those funds.

The Agency notes with some concern some implications in the discussion concerning alternative 4. The paper suggests that projects are eligible which may achieve effluent reductions far greater than required for the 1977 deadline. There appears to be an implication that the effluent reductions required for the 1977 deadline are only the 30/30 secondary treatment limitations. That is, of course, not the case. More sophisticated facilities are necessary to achieve the 1977 deadline in water quality limited segments since Section 302 required that effluent limitations be established on such segments that are sufficiently stringent to "reasonably be expected to contribute to the attainment or maintenance of water quality." In addition, Section 301(b) (1)(C) states that by July 1, 1977 dischargers are required to meet "any more stringent limitation, including those necessary to meet water quality standards established pursuant to any state law ... or required to implement any applicable water quality standard established pursuant to this Act." Therefore, the Agency does not believe that, at least in the case of Illinois, facilities are being constructed which are more sophisticated than necessary to meet water quality standards. The Agency, therefore, does not see that the adoption of alternative 4 requires in any sense that eligibility be redefined.

In answer to the specific questions raised in Paper No. 4, the Agency has the following comments:

Public Law 92-500 should be amended to permit prefinancing subject to Federal reimbursement.

It is fair to require industry to meet the 1977 deadline while extending it for municipalities. This position assumes that

construction grant funds are a Federal obligation and the abatement of pollution from publicly owned treatment works is a national responsibility, at least for this "catch-up" program.

If extensions are tied only to funding, no outside limit need be provided to the Administrator for such extensions.

The Environmental Protection Agency will lose credibility if it supports an across-the-board extension for municipal compliance which would include cases where the extension is unnecessary.

The extent to which there would be differences in local funding or State financing, depending upon which enforcement alternative is chosen, would be highly variable. It is conceivable that if alternative 1 is chosen, municipalities with adequate resources to finance their abatement facilities themselves might choose to do so. The Agency estimates that relatively few municipalities are in that fortunate position. In addition, some municipalities which receive conservative legal advice and have the resources to build the facilities might choose to do so rather than to gamble on continuation of a selective enforcement policy. As is pointed out in Paper No. 4, it is always possible that a municipality relying on alternative 2 might confront an enforcement case brought by a complainant other that USEPA.

The Environmental Protection Agency should not, under any circumstances, consider changing the definition of secondary treatment in midstream. Playing around with definitions to accomplish indirectly what should be accomplished directly, if at all, creates unending confusion.

Alternative 5--extending the deadline to 1983--is unnecessarily lenient. However, no blanket extension for any period of time is desirable.

The Agency finds no authority in Public Law 92-500 for a document known as a "letter of authorization." It seems perfectly clear, particularly under NRDC v. Train, that a discharger requires a permit under the NPDES program, and not some other document. If USEPA wishes to propose amendments excluding dischargers from NPDES permit requirements, amendments of Sections 401 and 402 would be necessary.

Paper No. 5 - Delegating a greater portion of the management of the construction grants program to the States.

The Agency has supported and expects to continue to support H.R. 2175, the Cleveland Bill, which would permit the Administrator to delegate to the States a broad range of grant processing functions, and to compensate the States for this service from the States' allotments for construction grants. The Agency supports the concept of delegation of all of the activities listed in Paper No. 5. However, the Agency does have some concerns about this delegation. Among them are these:

1) The cost of the review of these key documents and requirements is an inescapable cost. If it is paid out of construction grant funds, the necessary implication is that 2% less pollution abatement facilities will be built. If, on the other hand, it is paid out of program grant funds, the proportion paid by the Federal government or by the government of each State will depend upon the percentage of the State's water pollution program which the 106 program grant represents. This percentage varies from under 25% to over 70% in different States. Therefore, the financial impact of delegation to States of this responsibility would vary significantly among the States.

2) The Agency is sensitive to the considerable complexity of requirements having to do, for example, with bidding procedures, user charges and industrial cost recovery requirements, and others. Obviously, sufficient time would have to be provided to the States to develop and train sufficient staff to evaluate compliance of these requirements in a sophisticated manner.

3) The Agency has a basic concern with efforts to shift activities and responsibilities from the Federal level to the State level when such proposals are made in the guise of saving money. What is really happening in most such circumstances is that the cost of engaging in the activities is being shifted rather than minimized. On a national basis, it is quite possible that the administration of the construction grants program could more economically be done by a sophisticated, well-trained staff at USEPA, rather than by 51 state staffs, each independently attempting to become acquainted with and to apply these very difficult and complicated guidelines.

Concluding Remarks:

The Agency wishes to compliment the anonymous authors of the discussion papers for the skill with which they highlighted the very complex issues involved. Their work has contributed significantly, we are sure, to intelligent discussion and evaluation of those issues.

Finally, the Agency wishes to express its support of USEPA's approach in developing its legislative position on these issues. We are certain that the publication of the issue papers and the encouragement of public comment at the hearings and in writing cannot help but result in a more logical, well-developed position than would otherwise have been the case.

Very truly yours,

L.D. Hudson
Manager
Division of Water Pollution Control

BHS/gd

June 24, 1975

Mr. Edwin L. Johnson
Acting Assistant Administrator
for Water and Hazardous Materials
U.S. Environmental Protection Agency
Washington, D.C. 20420

Dear Mr. Johnson:

Re: Public Hearings on Potential
Legislative Amendments to
PL 92-500

We have reviewed the five papers published in the May 28, 1975, Federal Register concerning potential amendments to PL 92-500 and have the following comments to submit for the official record of the public hearings:

Paper No. 1 -- Reduction of Federal Share

We believe reducing the Federal grant from 75 percent to a lower amount would be a disadvantage at this time for the following reasons:

1. The reduction would be unfair to those communities that have not received a grant since the 1972 amendments and who have based all their planning and proposed financing at public hearings on 75 percent Federal and 10 percent State participation.

2. A reduction in Federal participation, unless borne by the states, would be a deterrent to municipalities which hold out for another legislative change going back to 75 percent Federal participation.

3. Many small communities needing to install all new sewers and sewage treatment in Indiana will not be able to increase their participation because sewer rates with 85 percent government participation are over $12 per month minimum rate and residents would oppose the projects.

4. This approach does not directly address the use of grant monies for construction of sewers and sewage treatment for future popoulation growth. Large communities could

still overdesign for a 50-year project period and afford the sewer rates with reduced participation; however, small communities could not. This places an unfair penalty on small communities.

5. The present philosohpies of State government is not conducive to increasing State grant participation under present economic conditions.

Recommendation: We oppose the amendment proposed in Paper No. 1 and ask that it be deleted from consideration.

Paper No. 2 -- Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

We believe reducing Federal participation to cover only the cost of solving present water pollution problems is a more reasonable approach than proposed by Paper No. 1; however, it does have disadvantages. They are as follows:

1. The small communities will have difficulties in raising the additional money needed to cover overdesign for sewers and sewage treatment for even nominal community growth.

2. There will be projects in communities such as outfall sewers from sewage treatment plants, truck line sewers to sewage treatment plants and interceptor sewers in congested areas where construction should be done at greater than 10- to 20-year design period because of high costs. Under this proposed plan a community may not, particularly if close to its bonded indebtedness, or because of high user rates, choose to proceed with the longer design project and defer cost to the future which would be adverse to cost-effective analysis.

Recommendation: We believe that this recommendation has good merit when applied to interceptor sewers that extend into undeveloped or partially developed areas and for sewage treatment plants which can be effectively constructed in modules. We believe the states should be able to act on eligibility for these projects during the Step 1 Facility Plant Phase of the grant and set the design of the project to be pursued under Step 2. Communities should be able to increase the project scope with 100% local funding which is presently prohibited. We support this proposal if amended to allow for the State making exceptions, fully justified in a Facility Plan, to utilize a longer project design.

Paper No. 3 -- Restricting the Types of Projects Eligible For Grant Assistance

We believe restricting the type of projects eligible for grant assistance has merit because at the present level of funding all the needs cannot be satisfied and treatment needs for some communities low on the state's priority rating system won't be addressed until all needs in higher rated communities are satisfied. We believe that the proper place for guiding the priorities for using the available Federal funding is through the state priority rating systems. We definitely believe that project types in categories I through V must remain eligible for grants. Category VI is the only one which we believe could be eliminated at this time. We recommend maintaining the present requirements with the requirement that the states, through their rating system, direct funds to categories I, II and IVB first and to categories IIIA, IIIB, IVA second and to categorize V third and delete category VI.

Paper No. 4 -- Extending 1977 Date for the Publicly Awarded Pretreatment Works to Meet Water Quality Standards

We support alternate No. 4 if it is amended to provide that the NPDES permit issuing authority with discretion may grant compliance schedule extensions based on actual time required with the availability of Federal funds and with the authority of the permit issuing authority to require certain minor plant improvements such as lift station pumps, chlorination facilities, phosphorus removal to be installed without availability of auxiliary funding.

Paper No. 5 -- Delegating a Greater Portion of the Management of the Construction Grant Program to the States

We support the proposed amendment to PL 92-500 contained in HR 2175 and request its early enactment.

Please enter our comments into the record of the public hearings.

Very truly yours,

Ralph C. Pickard
Acting Technical Secretary

SLM/pk
cc: Mr. Russell Train
Mr. Francis Mayo

June 19, 1975

Mr. David Sabock
Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033 West Tower, Waterside Mall
401 M Street, Southwest
Washington, D.C. 20460

SUBJECT: Potential Legislative Amendments to the Federal Water Pollution Control Act

Dear Mr. Sabock:

Please accept the following comments as the position of the City of Jacksonville, Florida with regard to the subject proposals.

Although all of the proposals substantially affect our program, we are directing our comments to those of greatest impact upon our situation, namely, papers No. 1 and 4:

Paper No. 1 - Reduction of the Federal Share

In Jacksonville's sewerage improvement program the first two phases were estimated at a total cost of $95,717,106.00 in March of 1972. Now nearing completion in June of 1975, those costs have escalated to $135,910,805.00 due to inflation.

During this period, federal grant assistance has provided a total, to date, of $49,437,994.00. The inflation experienced has, therefore, substantially reduced overall grant effectiveness. By practical application, the net benefit applied to original program cost reduced that figure to $86,492,811.00 resulting in an overall savings to our community of 9.6%. A meager savings if we consider that compliance with federal regulations may have caused some increase in contract prices.

In all fairness, we recognize that the major portion of these grants received were under the old grant system, and federal participation was substantially below the current level of 75% of eligible projects provided by PL 92-500.

The most frustrating aspect of this process is that in the previous grant program Jacksonville was substantially by-passed by available monies due to methods of funds allocation. Now, when we are in a

more favorable position to avail ourselve of increased assistance under 92-500, the proporal is made to reduce the federal share on a program we have just begun to utilize.

Compounding this frustration is the fact that compliance with grant regulations has been and continues to be difficult at best, and reduction of assistance now seems to add insult to injury. Reduction of grants at a time when inflation is straining construction capability and timely compliance with pollution control regulations depends upon current funding levels is a paradox beyond our understanding.

Therefore, we take this opportunity to voice strong objection to this proposal primarily on the grounds that our programs for financing current local shares are already strained to the breaking point and implementation of this proposal would seriously inhibit our capability to meet the requirements of the Act within the time frames established.

Paper No. 4 - Extending the 1977 Date for Publicly Owned Treatment Works to Meet Water Quality Standards.

Jacksonville has been issued over 40 N.P.D.E.S. permits based on locally established Water Quality Standards. The schedules of compliance with those standards were based on our projected regional system construction which would replace many of the point sources currently existing. Due to delays caused by tardy federal funding assistance and compliance with other aspects of the Act, we are unable to meet those schedules of compliance and must request extensions of time beyond the June 30, 1977 deadline.

Fully recognizing our delimma, E.P.A. has nevertheless notified us that they do not possess the legal authority to grant extensions beyond June 30, 1977 unless the Act is amended.

The regional concept of pollution control has been identified as the most cost-effective method of controlling pollution for our area by the E.P.A. required Water Quality Management Plan for Duval County, Florida. That Plan, with the original construction schedules has been approved by both State and E.P.A. offices and yet, due to delays totally beyond our control, cannot be implemented in time to insure our compliance under the Act.

In our situation, which we are certain is not unique, it is therefore aboslutely essential that the extension of this deadline to 1983 be approved and we submit our full approval of the fifth alterate to accomplish that goal.

Respectfully submitted,

M.L. Forrester
Utilities Planning Officer

cgp

cc: J.H. Hyatt, P.E., Deputy Director
L.W. Graves, P.E., Chief.
P.W. File

June 4, 1975

File No. 26

Regional Administrator
Environmental Protection Agency
100 California Street
San Francisco, California 94111

Dear Sir:

It is requested that this letter be entered in the record and be made a part of June 19, 1975 hearing on Potential Legislative Amendment to the Federal Water Pollution Control Act.

Any review of the Federal Water Pollution Control Act should determine how much good the historic expenditure of funds has done toward correction of the total pollution problem.

The administration of this Act has concentrated on urban problems and surface water pollution, but total pollution control must also consider agricultural problems and groundwater deterioration. The time has come to provide reasonable assistance and funding to agricultural problems.

Irrigated agriculture of the Central Valley of California uses over 90% of the water consumed in this area. In the process of growing crops, nearly all of the original salts carried by the water supply are left, in the ground, in a concentrated form. Deep percolation of additional water transports these salts to the underground water supply which are utilized by all water well users. The total pollution load resulting from normal agricultural activities can be compared with pollution from other sources on the basis of their approximate precentages ot total use; 90% from agriculture and 10% from all other sources, including municipal waste treatment facilities.

It is not equitable that agricultural producers or consumers be required to pay all such costs while urban problems receive billions of dollars in grants. Because the productive capabilities of agricultural lands in the San Joaquin Valley are being limited, our ability to meet our share of the food and fibre demands of the nation will also be restricted if State and Federal taxes are not employed to ameliorate this problem.

A portion of the subsurface pollution can be reduced through use of

"on-farm" tile installations in high water table areas; if the collected effluent can be exported from the problem.

The engineering feasibility of constructing a master collection system has been established, but the financing of this facility by only those people who are now suffering from the problem has been determined to be infeasible.

It seems only reasonable that the Act which was instituted to protect the nation's water supplies should be tailored to do the most good for every dollar spent. We therefore request that some Federal funding be dedicated to help alleviate the major water supply pollution problem of the Central Valley of California, it's groundwater degradation and the related salt imbalance. A program of State and Federal grants, similar to those for urban problems, should be established to assist local districts and agencies with data collection and planning programs. There should also be Federal and State grants and loans avialable to assist with construction of local and regional drainage works. A permanent solution to the San Joaquin Valley drainage problem will occur only when a "Master Drain" is constructed. This is authorized as part of the State Water Facilities and joint construction was authorized as part of the Federal San Luis Project. A program for joint financing and construction should be reconsidered. Farm assistance programs, under the Federal Department of Agriculture, should be instituted to provide a share of capital needed for on-farm drainage installations.

We recommend that E.P.A. research the current availability of Federal funds for the above activities and suggest what amendments to P.L. 92-500 are necessary to combat this severe but unrecognized water pollution problem in the State of California.

Yours very truly.

Stuart T. Pyle
Engineer-Manager

STP:ep
cc: Mr. Don Maughan
Mr. Ronald B. Robie
Mr. Billy Martin
Honorable William M. Ketchum
Honorable Walter Wl Stiern
Honorable Howard Way
Honorable William M. Thomas
Honorable Gordon W. Duffy
Honorable Larry Chimbole
Board of Directors, KCWA

Statement made at PUBLIC HEARING ON POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT IN SAN FRANCISCO, CALIFORNIA, JUNE 19, 1975 - Presented by - Peter R. Gadd, 2302 Sunset Drive, Visalia, California.

Mr. Chairman:

My name is Peter R. Gadd, Chairman of the Kings River Water Association, whose service area boundaries comprise approximately one million acres of highly productive farming acreage in the San Joaquin Valley. I am personally representing the Tulare Lake area that encompasses approximately 188,000 acres within the Kings River Water Association service area.

Although my remarks today are being made relative to the subject matter suggested to be discussed before this hearing group, my statement is especially directed, and will be delivered to the United States Congress.

Public Law 92-500, the "Federal Water Quality Control Act Amendments of 1972" should not be amended, it should be rewritten. It is too broad in scope. As it attempts to cover water and water pollution in all of its aspects in the United States, the differences in problems and solutions between municipal, industrial, agricultural, mining, lakes, waste treatment basin planning, oil pollution as it relates to water, marine sanitation, and ocean discharge are too broad a coverage for any one law even if certain above named problems were identical for different areas in this country. They are not.

In my humble opinion the question before this hearing group today should not take the form of possible amendments to try to alleviate the inadequacy of funding an unfundable law. It should recommend to Congress that the law be rewritten.

It is obvious that when Congress passed this law and the President signed it that the actual costs, impossible time constraints, police state surveillance, and overbearing monitoring of the private citizen was not contemplated.

Now, three years after the signing of this Act into Law, all of these unbearable factors are emerging for public scrutiny. The public, and particularly the taxpayer, does not like what he sees. He especially does not approve of the half measures, through amendment, that are offered to remedy the fatal weaknesses of this law. Amendment can only worsen an already impossible situation.

The Office of Management and Budget stated in part "This requirement is made even more pressing by the results of the most recent E.P.A. - State survey which indicates a need under current law to fund eligible projects in excess of $350 billion." I should say the figure will be in excess of $350 billion. It doesn't include any of the cost to agriculture. Naturally, nobody knows what this cost

will be but it will also be astronomical. For this reason alone this law, when rewritten, should exclude agriculture.

One of the solutions offered by the 5 papers printed in the Federal Register of May 28, 1975 and being discussed here today propose as a solution a greater monetary input by States and Local Agencies and lessor Federal funding than called for by the law "without negating the major water quality objectives of the Act." Does it really matter at what level of taxation the taxpayer's back is broken.

I give Congress and the President the benefit of the doubt. At the time they passed this law they undoubtedly thought they were doing what was best for the country. Time has proved them wrong. Give them a chance to rewrite the law in light of the mistakes that were made. One of the mistakes of course was their failure to contemplate that the cost of this Law, according to the Office of Management and Budget, would come close, if not exceed the present National Debt.

I trust that Congress will now realize that agriculture is a subject of its own and cannot be incorporated in the rewriting of this Law. Agriculture faces a number of problems to survive that may be present, but to a far lesser extent, in other spheres of enterprise. When a crop is planted the weather factor may produce disaster. When the crop is sold, the price may prove disastrous. When the total cost of 92-500 to the farmer is finally determined, the first two problems mentioned may be found to be of secondary importance.

July 2, 1975

Mr. James L. Agee
Assistant Administrator for Water
and Hazardous Materials
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

In accordance with the notice of the public hearings on the Amendment to the Federal Water Pollution Control Act, the Lexington Fayette Urban County Government submits the following constructive comments for incorporation into the record of those public hearings.

For the most part, the format of these comments is in answer to questions which were discussed in the public hearings.

Paper No. 1 - Reduction of the Federal Share

Q. 1 - Would a reduced Federal Share inhibit or delay the construction of needed facilities?

A. - Yes. This proposed amendment, unless accompanied by a corresponding change in the requirements for water quality by 1977, would place a burden on Lexington which it could not support. Local communities have developed their plans for improved water quality as determined by PL 92-500 under the assumption that 75% of federal assistance would be available. The proposed amendment of this assumption would be highly disruptive to communities which have planned already tight budgets very carefully.

Q. 2 - Would the States have the interest and capacity to assume, through State grant or loan programs a large portion of the financial burden of the program?

A. - Kentucky does not have, nor has it ever had, a state grant program to assist in local water quality projects. It is very unlikely that the state will adopt such a program in the future, unless required to do so.

Q. 3 - Would communities have difficulty in raising additional funds in capital markets for a larger portion of the program?

A. - Yes, Lexington experiences such difficulties at present. When buyers are available the interest demanded is excessive. In point of fact, the most recent bond issue received no bids at all.

Q. 4 - Would the reduced Federal share lead to greater accountability on the part of the grantee for cost-effective design, project management, and post construction operation and maintenance?

A. - In answer to this question it is perhaps best to refer to this government's past practices in relation to other federal grants. Parks developed with federal funds are treated no differently than parks developed with local funds. Consultants employed through the use of federal grants are monitored in the same manner as consultants employed with local funds. It follows that the answer to this question, in the experience of this government, is no. Please remember that 25% of the cost for projects under PL 92-500 is local.

Q. 5 - What impact would a reduced Federal share have on water quality and on meeting the goals of PL 92-500?

A. - It may not be possible to predict the effect of a reduced federal share on local financing capabilities, but it is fundamental that all the recent changes in the economy, including both inflation and recession, exist in the local communities. A reduced federal share could only inhibit or delay construction of needed facilities.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.

Q. 1 - Does current practice lead to overdesign of treatment works?

A. - Yes, if measured against current needs. No, if measured against eventual needs. The entire concept of PL 92-500 relates to regional and comprehensive planning. It is difficult, therefore, to understand how design for current needs only could be justified. At a minimum treatment works should be planned to accomodate anticipated growth during the time necessary to prepare

plans for future expansion, apply for federal grant and construct the additional facilities. Such a procedure may take as much as five years. Many of our current pressing problems are the result of such a lack of vision in prior planning.

Q. 2 - What are the merits and demerits of prohibiting eligibility of growth related reserve capacity?

A. - This proposal defeats sound municipal planning. A reputable engineer would not consider designing a trunk sewer or an interceptor for present population only, without considering anticipated future growth. The unnecessary additional cost of purchase of right of way and reconstruction at a later time can not be justified to tax payers. Under-design results and is costly.

Q. 3 - What are the merits and demerits of limiting eligibility for growth-related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

A. - This government objects more strenuously to limiting growth related reserve capacity to sewers than to treatment plants.

Paper No. 3 - Restricting the types of projects eligible for Grant Assistance.

Q. 1 - What impact do different eligibility structures have on the determination of need for a particular facility?

A. - If certain categories are deleted, it would seem that those categories would lose priority in the local implementation schedule. This could result in water quality programs that are less cost-effective. That is, if infiltration and combined sewers are not corrected, treatment plants will have to be overdesigned in order to meet the required standards. In any case, categories I, II, and IV B should retain their eligible status.

Q. 2 - Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of Federal financial assistance?

A. - There may be incentive, but it will have to vie in the political arena with other needs which may be more visible and whose advocates may be more vocal. Federal financial assistance allows local elected representatives to stand as leaders rather than politicians.

Q. 3 - Is there adequate local financial capability to undertake investment in different types of facilities?

A. - If EPA funds only categories I, II and IVB, according to the 1974 needs survey, local communities would be required to fund more than 85% of the cost of projects needed in order to meet the requirements of PL 92-500. Local funding at that level is not available.

Paper No. 4 - This paper raises the issue of whether PL 92-500 should be amended to extend the date by which publicly owned treatment works are to achieve compliance with requirements of Section 301 of this statute. It would seem that EPA should seek statutory extension of the 1977 deadline to 1983 and require compliance regardless of Federal funding. Private industry should be granted the same extension. The above course of action could not but result in justice to all local communities equally, would result in less administrative costs for EPA than any of the other four alternatives and would represent an honest reaction to the realities of the situation which could only be received by local governments with respect.

Paper No. 5 - Delegating a greater portion of the Management of the Construction Grants Program to the States.

Lexington favors the Cleveland-Wright Bill, However, sufficient time should be given to allow states to staff adequately and strong consideration should be given to requiring states to provide a matching grant, perhaps 10%.

In summary, if the magnitude of the entire program is beyond the funding capability of the federal budget, it is likewise beyond the funding capabilities of local budgets. Therefore, the act should be amended by reducing the requirements to attain a more practical and economically feasible goal.

At the public hearing in Wasghinton, D.C., Mr. John Quarles remarked that federal assistance to construct water quality control facilities would be"on-going", as the Federal Highway Program now is. If that is in fact true, then the philosophy should be to fund the present programs at the highest possible level in order to meet the goals of

Pl 92-500 by 1983 and thereafter, to lower the level of federal participation to help maintain that system.

Sincerely,

Diane F. Schorr, Director
Office of Program Development and Management

Dean D. Hunter, Jr.
Chief Administrative Officer

DFS:ko

July 4, 1975

Environmental Protection Agency
Division of Water and Hazardous Wastes
401 M Street, N.W.
Washington, D.C.

RESPONSE TO PROPOSALS TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT, TITLE II, MUNICIPAL WASTE TREATMENT GRANTS

The Federal Water Pollution Control Act Amendments of 1972, are less than three years old. We believe that nothing should be done to cripple an effort barely begun nor to alter the intent or letter of the Act except to strengthen its enforcement and clarify and streamline its administrative procedures. PL 92-500 is a good law. Its provisions ably reflect both the broad and specific environmental, social and economic implications of municipal treatment facility construction to the Nation, the States and their municipalities. These provisions and the Act itself reflect positions upon which the League of Women Voters has acted positively for over twenty years. Pertinent to the proposed modifications are:

Improvement of water quality including:
- Overall long-range planning of water resource development.
- Managing water resources on a river-basin or regional basis.
- Federal financing of water development with cost-sharing by state and local government and private users.
- Improved coordination between agencies and departments.
- Procedures that supply informationand encourage intelligent weighing of alternative plans.
- Citizen participation in water resource decisions.

We believe the last two positions are particularly pertinent here because, on the one hand you are soliciting input and direction from

the public on these very important issues (and offering well conceived alternatives), but on the other, you have limited circulation of the public hearing notices and issue papers to the Federal Register. Few of us have regular access to the Federal Register. Consequently, few of us were aware of the public hearings and few of us have responded. If it is not too late now, we would recommend: 1) keeping the record open for comments until the 21st of July; 2) publicizing through newspapers of general circulation.

The construction grant program, as expanded under PL 92-500, is just beginning to be implemented. It is our opinion that it would be disastrous to reduce the Federal share of the cost now. There is no doubt that the bill for clean water is a big one. But the alternatives to paying it now are much more costly. In a budget the size of the Federal Budget, it is all a question of priorities. We believe that improving the quality of the Nation's water demands the highest priority. And given the facts on water pollution, its effects on the health of their children and their children's children, we believe that the public at large would also give water pollution abatement a high priority. Pollution abatement cannot be put off to another time. Permanent damage to our ground water is already occuring and toxic wastes are appearing in our drinking water. These may be impossible to remove, or their removal so costly as to make it impossible. Let us use the means provided by the Act now, to their fullest, to clean up the water before it is too late. Looked at in this light, we would hope that EPA would not recommend measures to reduce federal expenditures on the construction grant program.

Priorities

Let us pursue the question of priorities a bit further. According to your 1974 Strategy Paper, there is no question that treatment facility construction for secondary and advanced treatment (in certain cases) is taking priority over storm water control. We are told in no uncertain terms that only after the treatment facility program is well on its way to meeting water quality goals, will the focus shift to storm water and low priority concerns. Therefore, if the priority system is well understood and properly instituted administratively (as it appears to be in Missouri), postponement of expenditures on low priorities should not require legislation. In fact, in terms of national priorities, more rather than fewer Federal funds should be expended on all aspects of the pollution control program.

Another way to look at priorities is through the implications of the planning programs (Sections 20k, 208 and 303e). Most of these are

incomplete, and our understanding is that "208" plans are not due for completion until 1978. It is our belief that we could look to reduced waste water loads, in the first place, and a reduction in the financial burden, in the second, if priorities are set based on needs established through the planning process; at the same time, management alternatives are sought in pricing mechanisms; land use legislation is acted upon.

Paper Number One

We do not believe the Federal share of the construction grant program should be reduced. If municipalities were willing, or their States were willing to finance the program themselves, they did not have to wait for ever larger federal funding, in the first place, or while funds were impounded, in the second. Since an acknowledgedly big issue in Congressional debate over passage of PL 92-500 was how to spur the cities into installing the necessary facilities to meet the goals of the Act, lessening the Federal share and consequently putting the burden of construction more heavily on municipalities as well as States, would lessen that impetus considerably. This burden would only delay construction. The money may go further, but there is no more to support the supposition that States or municipalities can or will invest more than their present share, than there was when the creators of the Act recognized the necessity of raising the Federal share to fill in the gap. Congress should not renig on that decision.

Encouraging greater accountability for cost/effective designs and the pursuit of alternative mechanisms is another issue that can be taken care of by clarifying guidelines for construction grant applications and enforcing whatever postures are instituted.

At this early juncture of the program, we submit that the question of whether the Federal budget can afford the program, is almost moot. Because of the administrative and financial delays, the cost of meeting the goals will be delayed unfortunately, for the program, but a plus for the Federal budget.

Under Incentives, the fact that communities have traditionally had more incentive to build collection and interceptor sewers, reinforce the present priority system and leaves open to communities questions of a community's incentives.

Under Issues..., see our discussion above. In addition, if Missouri is an example, it has a great deal of difficulty squeezing out the

necessary matching funds now. In our State, authorized bonds are going a'begging. The League and other interested citizens have to hammer home to our legislature every year, the necessity of allocating funds required to qualify for Federal water pollution control monies.

Paper Number Two

In the narrow sense, we do not favor federal funding of reserve capacity to serve projected growth. However, rather than put a "no reserve growth" or a time-limit on allowable growth, we would prefer to see cost/effective designs emerge from carefully prepared area plans. In some areas, growth should be thwarted by the limits of a facility. In other areas, where land-use decisions deem it necessary, a limited reserve capacity should be permitted. Of all the alternatives, we would favor the California method, but we believe there must be serious consideration given, in every instance, to the negative implications of secondary growth. Again, well designed and well executed area plans should provide this direction and legitimately decide "no growth" where it is deemed necessary. The Act has to remain flexible and sensitive to all the implications of building reserve capacity. And nothing to alter the present program should be contemplated until area plans are in and have been assessed from this point of view. The information offered on the cost of building reserve capacity does not appear well based. However, this is the one area where cutting down costs appears legitimate.

Paper Number Three

We believe that the types of projects eligible for grant assistance should not be restricted. We base this position on our support of the construction grant provisions of the Act and on the unquestionable need for water pollution control now. Are there not programs supported by the Federal budget that have little to do with the welfare of the people of this nation in the sense that water pollution control provisions offer? Could not some of these be reduced while solutions are provided for a desperately needed program?

If PL 92-500 did not provide assistance for operating and maintenance costs for management alternatives to construction facilities, or most non-point source control measures, then administrative or legislative provisions for these should be looked to. We agree with the arguments offered in Paper Number Three in support of maintaining or enlarging upon the present eligibilities. Facilities planners should be encouraged by a wide variety of alternatives, to produce the best plan possible for each area. Money should be found to facilitate this job.

The arguments offered in support of restricting eligibilities are weak. See our points throughout this discussion, for response to them.

We see strong economic incentives in full implementation of the construction grant provisions of the Act...many jobs, needed work for construction, engineering, industrial firms.

Paper Number Four

Our answer to the question of extending the 1977 date of compliance is that we prefer a case by case alternative. Retain the 1977 date, enforce against conscious violators, provide EPA with means of extending compliance schedules on an individual basis according to need. In response to Considerations, our answer to the first five questions is "yes". Compliance deadlines should not be open-ended. Number nine, if carefully enforced, appears acceptable.

Paper Number Five

We support the provisions of the Act which lay down a "mix" of EPA/State grant activities. However, we see the need for improvement in administrative procedures. Clarification and streamlining are necessary but not to the extent that they sacrifice the intent of the law. Civil/administrative penalties for violators of the permit process is an area of enforcement which needs attention. EPA should provide the overall policy, the consistency, the distance and the clout to assist the States in fulfilling their responsibilities. Too much variation in the abilities, attitudes and administrative procedures of the States exists to leave the success of this national program largely in their hands.

Statement prepared by Environmental Quality Committee of the Metropolitan Council, Leagues of Women Voters of St. Louis and St. Louis County, Suzanne M. Pogell, Chairman.

TESTIMONY FOR THE RECORD
ON
EPA PROPOSED AMENDMENTS
TO THE
FEDERAL WATER POLLUTION CONTROL ACT

BY
Stephen J. Leeds
69 Mountain Heights Avenue
Lincoln Park, N.J. 07035
July 3, 1975

I am writing in response to the Environmental Protection Agency's policy papers that appeared in the Federal Register of May 28. If EPA wants to reduce substantially federal outlays for sewage treatment system construction, the Agency should propose that each such project be approved by a public referendum in which the costs to local taxpayers are clearly and accurately depicted. Even with the present 75 percent grant, project costs are outrageously high and beyond the ability to pay of most communities and tax payers.

To the extent that individual projects are imperative and desirable, federal aid to such projects should be provided in the following manner:

(1) The necessity of a project should be documented in relation to the severity of the health and water pollution problems in that area.
(2) Such a project should be considered in its entirety, without artificial distinctions being made between treatment plants or interceptor lines, on the one hand, and local collection lines, on the other.
(3) Reserve capacity in areas not fully developed should be restricted to a set percentage of current needs, rather than being based on generally unreliable population projections which can become self-fulfilling prophecies.
(4) A project should be approved by the residents of the area it will serve, by means of public referendum in which local costs and tax impacts are clearly spelled out.
(5) Federal aid should take the form of a 30- to 40-year interest-free loan instead of the present 75-percent outright grant.

Most communities are financing the local share of sewage facility construction costs by means of 40-year bonds. (This is rational,

in the sense that today's residents should not bear the full brunt of buying a system that will benefit future generations.) In my section of the country, at least, such 40-year bonds are selling with interest rates at or above 7.5 percent.

Let us look at how such financing works out for a "typical" $10 million project, under the provisions of the Water Pollution Control Act Amendments of 1972. About $800,000 of total project costs are ineligible for federal subsidy; they involve land acquisition as well as legal and financing costs. Of the remaining $9.2 million, 25 percent, or $2.3 million, constitutes the local share. Thus, EPA provides $6.9 million in grants, and the town goes to bond for $3.1 million.

Utilizing 40-year bonds at 7.5 percent interest, with level debt service, the town will end up paying out $3.20 for every dollar it originally borrows. Thus, over the term of the bonds, the construction will cost the town $10 million ($3.1 million X 3.20). In other words, the town, even with a 75-percent grant, ends up paying out an amount equal to the initial project cost. Since this is the case, the town would be equally well served by an interest-free loan covering eligible project costs.

With an interest-free loan, the town would save substantial sums on legal and financing fees that would otherwise arise in the process of going to bond. An interest-free loan would cost the Federal Government the same, since appropriations for grants or for loans would have to be obligated in either case within the near future. Influence-peddling by bond salesmen would be eliminated as a factor in whether the town decided to sewer. Long-term municipal bond interest rates might decline because billions of dollars of borrowing needs would be withdrawn from the bloated bond market. The federal deficit would be reduced, since loans are carried on the books as assets. And, most importantly, federal dollars for wastewater treatment facility construction would be stretched farther and work harder, since loan repayments by municipalities would be rolled over to fund new projects on the same basis.

Interest-free loans would eliminate much of the uncertainty about ultimate project costs that currently derive from fluctuations in the bond market, as well as from the myriad ways in which bonding may be structured. Interest-free loans would give the Federal government much tighter control over the management and operation of facilities, since EPA would in effect be holding the notes on a project. Moreover, with clear-cut cost estimates made possible, townspeople could rationally decide on just how badly they want sewers and other treatment facilities.

Beyond the above, EPA should move affirmatively to reduce project costs, by rejecting usual and customary ways of doing business.

For example, engineers should not be paid on the basis of a percentage of construction costs. If construction workers are to receive Davis-Bacon wages, then productivity standards should be enforced. Contractors should not be allowed their 10 percent cushions, buried throughout their cost estimates. Immediate upward grant revisions, resulting from "underestimates" of costs, should be severely restricted.

July 2, 1975

Mr. David Sabock
Environmental Protection Agency
Office of Water & Hazardous Materials
Room 1033 West Tyler
401 Michael Street
S.W. Washington, D.C. 20460

Dear Mr. Sabock:

Enclosed is testimony from the Mayor and Council of Lincoln Park, New Jersey regarding the five potential legislative amendments to the Federal Water Pollution Control Act currently being considered by the Environmental Protection Agency.

Your careful consideration of the position paper would be appreciated.

Very truly yours,

BOROUGH OF LINCOLN PARK

Paul F. Gleason,
Business Administrator

PFG/hs
Enc.

TESTIMONY

To: U.S. Environmental Protection Agency
From: The Borough of Lincoln Park, Lincoln Park, New Jersey
Subject: Position Statement on Potential Legislative Amendments to the Federal Water Pollution Control Act.

The Borough of Lincoln Park, New Jersey (pop. 10,000, 7.5 square miles) offers testimony relative to the problems that Municipalities (like median Family income $12,869 in 1970) Lincoln Park face in light of the five potential legislative amendments to the Federal Water Pollution Control Act. Our elected officials are not able to offer all the solutions to the complex implications of the five principal amendatory sections of the act under consideration, but they can provide a perspective on a small metropolitan community's struggle to provide a sanitary sewer system, on a regional basis with two other towns, under the constraints of a family income squeeze,

inadequate federal funding, changing project priorities, decreases in State sewer grants and compliance with the National Pollution Discharge Permit System.

Reaction to Paper No. 1

Lincoln Park is a member of a regional sewer authority organized to construct a treatment plant and interceptor lines to process sewage from three communities. The estimated cost of the Authority facilities is now in excess of $50,000,000. Approximately $35,000,000. of eligible costs will be funded by the Clean Water Act under the present $18 billion congressional appropriation. Limited State Assistance might have funded another $7.5 million if the bond Issue had not been depleted before the project was certified by E.P.A.

Assuming only Federal assistance is obtained, the $15,000,000. ineligible project costs will be bonded for forty years at 7% to 8% interest rates. The average annual homeowner cost, including operation and maintenance expenses, will be approximately $115 in property taxes per annum during the first few years of operation. If Federal funding is reduced to 55%, then the cost per homeowner would rise to approximately $200 per year. If no funding was available, the average annual levy would exceed $450 per annum.

Now let's add on the cost of building the local sewer system. To construct sewers throughout the whole town, the Engineer has estimated a construction cost exceeding $9,000,000. If 75% Federal funding is received, the average annual cost per $35,000 assessed household on 30 year bonds at 7 - 8% interest paid off through general taxation will total approximately $115 in additional taxes per tear. With 55% funding, the taxes would increase $200. in the first year with no sewer grants, the costs would exceed $400 peryear.

In summary, the costs of a combined regional treatment facility and a local sewage collection system at various funding levels are estimated as follows:

Annual Tax Levy per Household for Construction, Operation and Maintenance of Sewer Systems

	Auth.		Local System		Total
90% (Fed. and State)	$68.	+	$60.	=	$128.
75% (Federal)	115	+	115.	=	230.
55% (rev. Fed.)	200.	+	200.	=	400.
0%	450.	+	400.	=	850.

Thus, the cost figures presented above indicate the necessity for E.P.A. providing a minimum of 75% Federal funding on the whole sewage treatment system so that a homeowner is not financially strangled trying

to pay for sewage facilities. If the funding level was lowered below 75%, Lincoln Park residents would have a difficult task trying to pay for the cost of this program, in addition to already high taxes for other Municipal services. Likewise, the State of New Jersey is facing a drastic budget cutback in 1975 due to the resistance of elected Officials to raise additional taxes, and the possibility is remote that additional sewer funding will be appropriated to the present State Sewer bond issue which is presently inadequate to subsidize 15% of total sewer project costs. Thus, the burden of decreased funding would fall on the Municipal taxpayers. Our Officials believe that advanced treatment facilities required by E.P.A. are beyond the financing ability of most middle class suburban communities and substantial federal funding is required to induce municipalities to comply to the intent of the Act.

Reaction to Paper 2

The Borough Officials generally agree that State and Federal Governments should exercise legislation to develop a sound, effective land use policy to curtail the random spread of urban sprawl in metropolitan areas while allowing for the residential, commercial and industrial growth that inevitably must occur due to population increases and business expansion. The question of restricting reserve plant and interceptor capacity hits at the core of municipal and national growth.

There is no question that Lincoln Park would continue to grow residentially and commercially without a sewer system by extending the use of inadequate septic system disposal. With the present heavy reliance on property taxes to finance Municipal operations, city fathers must encourage development to help defray rising operating costs. Much of the growth is inevitably tied to the ability of a municipality to provide water, sewer and transportation facilities. Since the intent of the Act is to clean the waters of the Passaic Valley in New Jersey, the lack of facility reserve would force developers to install septic systems which have been responsible for the bulk of pollution in the region's waters. Thus, E.P.A. should subsidize facility reserve capacity during initial construction.

Certain economies are realized by sizing interceptor capacity for 25 years growth during initial construction, since increasing pipe size initially represents a small incremental construction cost. If heavy costs are incurred by municipalities to provide reserve capacity for facilities, municipalities will forego or postpone sewage facility construction due to heavy costs associated with 75% funded zero reserve capacity facilities. Thus, E.P.A. should subsidize reasonable facility reserve capacity during initial construction to insure municipal ability to treat future development's pollution.

Once facility saturation is reached, municipalities can decide if growth will continue by expanding facilities at their expense if no federal assistance is available due to appropriation restrictions.

Reaction to Paper No. 3

Although Federal funding supply is scarce in relation to demand for funds, the present list of eligible projects for funding should be retained to bring total sewage facilities into compliance with the Federal Water Pollution Control Act. The E.P.A. is faced with updating old systems as well as constructing new facilities to insure that all sewered areas meet treatment standards.

Before release of the Act's funds by the Supreme Court in March, 1975, the State of New Jersey had established a priority list to fund only treatment plants and interceptor lines. The elected officials of Lincoln Park refused to consider the construction of the local system until it became eligible for 75% funding. Although design plans for a treatment plant and interceptor system were complete and high on the E.P.A. priority list, construction would not commence until local lines were fully funded. The project remained stalled until funding was available for the entire system. Thus, as the aforementioned cost estimates indicated, local officials simply did not think that local residents could afford to finance the local system without 75% funding.

No sewage facilities will be constructed by our regional authority or Municipality unless 75% funding is available for the total project. The E.P.A. has mandated standards that are expensive for municipalities to meet and subsidies for total systems must be made available to avoid undo hardships on residents.

Available funding should be allocated to total (treatment plants, interceptors, local lines and rehabilitation etc.) sewage treatment systems according to a priority list drafted in relation to realistic standards developed to clean up critical lake, river and ocean waters. E.P.A. must determine the areas to be cleaned up initially and commit available funding to these areas. Lower priority regions should only launch pollution control projects when funding becomes available if projects are beyond their ability to finance.

Reaction to Paper No. 4

As E.P.A. survey of needs indicate, hundreds of billions of dollars are needed to construct facilities to clean our nations waters. Since complete funding needs are not available, most municipalities will not initiate construction to meet the 5 year National Pollutant Discharge Elimination System deadline.

High priority pollution areas must be designated when federal funding is available to assist the project and be mandated to design and construct sewer facilities to comply with the Water Pollution Control Act. Lower priority regions should not be compelled to design and construct systems that are prohibitively expensive and beyond reach of Federal assistance.

The E.P.A. Administrator should be given the jurisdiction to grant compliance schedule extensions to low priority communities while enforcing compliance in high priority areas. Similar power should be granted the Administrator toward industry. Serious polluters and wealthier companies should comply by 1977, while lower priority companies and those that would experience irreversible economic harm by complying in a short period of time without sewer grants, should be given extensions.

The effects of compliance are far-reaching and merit variances in light of funding restrictions and ability to pay for unsubsidized projects. The E.P.A. should not mandate immediate compliance for all industries and municipalities by 1977, but establish a realistic priority of objectives over the next 10 - 15 years which is receptive to the massive problem of cleaning the nation's waters. Pollution has spread through lakes and rivers for many decades and requires many years to clean up.

Reaction to Paper No. 5

The State of New Jersey has apparently established a sizeable and competent staff to review construction grant applications of New Jersey Authorities and Municipalities. The review of process engineering design and environmental assessment is long and detailed but the plans must conform to E.P.A. regulations before the State Department of Environmental Protection renders approval. The New York E.P.A. office generally performs a cursory review with minor plan adjustment before rendering certification. If adequate administrative funding is made available, most states or regions should be able to incorporate a construction grant review division within the State Environmental Agency.

June 18, 1975

Mr. James L. Agee. Asst. Administrator
EPA, Office of Water & Hazardous Materials
Room 1033, West Tower
Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

The writer has just received a copy of the Public Hearing Notice, San Francisco, June 19, 1975, relative to "Potential Legislative Amendments to the Federal Water Pollution Control Act" and desires to make the following comments with regard to items (4) and (5):

(4) Extending the 1977 date for meeting water quality standards would have real merit from the point of both EPA and the ultimate water quality benefits achieved. At least in the western states, extensive improvements have been made in waste discharges over the past few years based on rather significant data previously collected. We have not had the oppotunity to experience the benefits of these improvements. The economics of the situation strongly warrants taking one step at a time, i.e., measuring these benefits for a period of at least 5 years and then taking further action if required. In Southern California, the Los Angeles, San Gabriel and Santa Ana River watersheds are prime examples of this situation.

(5) I am sure you are aware that the State of California has a strong and active State Water Resources Control Board which is coordinating both water quality and water rights. This coordination is extremely important in California and warrants the state having the leeway to manage the wide spread construction grants program based on the widely different conditions in various parts of the state. Many of these differences would not be likely to be understood if the funding was primarily controlled at a National or Regional level. Thus, the greatest benefits would not be achieved unless the state can be assured of a continuing strong management position.

Sincerely,

Finley B. Laverty
Consulting Engineer

TO: U.S. Environmental Protection Agency (EPA)

FROM: Lila Euler, Chairman, Livermore-Amador Valley Water Management Agency (LAVWMA)

RE: LAVWMA Testimony to Environmental Protection Agency - June 19, 1975 - Concerning Proposed Amendments to the Federal Water Pollution Control Act

The LAVWMA is a joint powers undertaking between the cities of Pleasanton, Livermore, and the Valley Community Services District charged with studying, recommending and implementing policies and programs pertaining to water supply, wastewater treatment and disposal planning. Current work is directed towards planning and implementation of facilities for the disposal of wastewater in the Livermore-Amador Valley in order to meet the requirements of the San Francisco Bay Area Regional Water Quality Control Board.

The LAVWMA has been in existence since January of 1974, and it has endeavored to work closely with the Regional Board, the State Water Resources Control Board (SWRCB), and the EPA to ensure the acceptability of the recommended facilities plan. The time involved and familiarity with EPA procedures qualify the agency to address this subject.

1) - Reduction of Federal Share -

It is the opinion of the LAVWMA directors that the Federal revenue contribution to Water Pollution Control projects should not be reduced for the following reasons:

a) Federal standards are strict to the point that huge sums are necessary to meet those standards. Raising additional revenue at the local level is difficult, if not impossible. Of the alternatives being considered by LAVWMA only one would be financially feasible without Federal and State funds, (EIS - 4-130). Others exceed bonded debt potential of the three Joint Powers Agreement (JPA) members combined. Local agencies need the current level of federal funding if standards are to be met in the foreseeable future.

b) Lowering the federal share to projects currently in advanced planning stages, or currently underway, will necessitate replanning, cause time-consuming, inflation-plagued delays and further discourage implementation.

2) - Limiting Federal Financing to Serve Existing Populations-

Between the two extremes of limiting financing to existing population and funding extraordinary expansions, the LAVWMA Board felt that funding for an E-o population growth would be a reasonable alternative. This would allow control of existing pollution and include allowance for basic population growth which can be realistically assumed.

3) - Restricting Types of Projects Eligible for Grant Assistance-

The funding of projects should not be limited by type. Clean Water projects should be considered for grants regardless of the source of pollution.

4) - Extending the 1977 Date for Meeting Water Quality Standards-

Realistic dates need to be set for meeting standards. Specification of the 1977 deadline in the Act has required EPA and the State to build this deadline into NPDES permits even though they are well aware that the deadline cannot be met in most instances.

The draft Project Schedule for LAVWMA calls for construction of facilities to begin in February of 1978 and to be completed in February of 1980. Although LAVWMA is working conscientiously and with all possible speed, it would seem meeting a 1977 deadline is impossible. The most recent delays have been caused by EPA requirements for additional review of the EIS.

It is the agency's understanding that EPA desires extensive environmental review to determine that one environmental project (for water) does not promote other forms of environmental degradation and to avoid environmental litigation which would stop projects. These are both excellent reasons. However, where the requirements of EPA itself cause delay, it would seem a wise alternative for EPA to extend deadlines imposed on the wastewater management agencies.

5) - Delegating a Greater Portion of Management of the Grants Program to the States-

The most pressing problems surrounding the Grants program concern its administration. Delegating from EPA to the State is not necessarily the answer. The State has not demonstrated any exceptional ability to administer governmental programs with any organizational expertise. They are as prone to

inconsistency and confusion as other administrators of the Grant program. EPA has been given the responsibility to "Clean up the Nation's Waterways" and should accept it.

Local agencies, such as LAVWMA, would benefit from changes in administration of the Grant program that would:

a) simplify procedures;

b) reduce the number of agencies involved in regulations;

c) reduce the number of agencies involved in administration;

d) provide clear, specific, justifiable written regulations which are applicable to all.

LILA EULER
Chairman, LAVWMA

c/o Valley Community Services
District,
7051 Dublin Boulevard,
Dublin, Ca. 94566

TESTIMONY OF DONALD G. MILLER, COUNCILMAN, CITY OF LIVERMORE AT PUBLIC HEARING ON POSSIBLE EWPCA AMENDMENTS, JUNE 19, 1975

I. INTRODUCTION

I am Donald G. Miller, Councilman, speaking on behalf of the City of Livermore. Before discussing the issues, I would like to provide some background information to show why we are strongly concerned about the FWPCA.

Our city has 50,000 people out of 100,000 people in the Livermore-Amador Valley (LAV). This valley is 40 miles southeast of San Francisco and is a natural smog bowl partially spearated from the Bay Area which is in turn a critical air basin. Our Valley itself has the worst smog in Northern California, and is the next worst region after Los Angeles. We had 93 adverse oxidant days in 1974 and have already had over 20 this year. Almost all of the pollution is from cars, and most of it is generated by local residents commuting out of the valley and driving locally. The LAV population is largely commuter, and the rapid population growth of the last 10 years has been almost entirely white middle class commuters.

Our Council and the majority of our citizens are concerned about air pollution and its effects on our health. We are also disturbed by the peculiar view that long term effects on air quality and energy wastage should be ignored in sizing wastewater treatment projects.

II. The Issues for This Hearing

Our testimony on the 5 areas of interest follows:

A. Reduction of the Federal Share

The cost of plant improvements to clean up waste water pollution is expensive far beyond the means of local governments. Consequently we urge that there be no reduction in the federal share for cleaning up the water for existing populations. However, if federal funds are short, we urge that none be provided for plant expansions, particularly in critical air basins.

B. Limiting Federal Financing to Serve Existing Populations

We strongly support the principle that FWPCA funds should be used primarily for pollution clean-up, not for massive plant expansions. The law should be very specific on this point.

Population growth from plant expansions almost universally leads

to more air pollution and energy wastage. Consequently expansions should be allowed only in areas where 1) federal air quality standards are met and 2) where the expansion will not result in fuel wastage or exceeding of air quality standards later, both based on conservative estimates. Clearly expansions in critical air basins should be sharply limited.

If expansions are permitted in critical air basins, then the law must require and EPA must administer severe restrictions on the use of any excess capacity until the federal air quality standards are met. Mitigation measures should only be considered once they are actually in effect. Promises are without value.

Air pollution is a generally recognized health menace. Consequently it is wrong in principle to use clean water grants which include expansion to solve water pollution problems, if at the same time the air quality problem is worsened; especially when both problems can be solved if there are no expansions.

C. Restricting Types of Eligible Projects

We urge that eligible projects be restricted only to those whose size and nature are simultaneously consistent with the Clean Air, Clean Water, and Energy Conservation acts.

This point is important. We commend EPA's limited attempts in this direction, but hope that both the law and EPA would be stronger.

We believe it is irresponsible to endanger public health with air pollution and to waste national energy resources by encouraging population expansions and commuting. Special interests looking to economic gain and some local government agencies oppose this view. You and Congress will hear much testimony from the. They argue that grant restrictions interfere with local land use control.

It is precisely the failure to control land use by some city and county governments in our area that has led to our smog. This smog will continue to worsen if their desired expansions are permitted.

Since disregard to environmental problems is so pervasive in local government, the citizen suit portion of the act is essential for the public's protection.

D. Extension of Dates for Water Quality Standards

Clearly the 1977 date cannot be met. However near term dates and pressure to meet them must be maintained - or no real progress will be made towards reducing pollution.

Expediting waste water management programs is desirable, providing they are consistent with environmental and energy conservation

goals. However no compromises should be made by ignoring long term effects.

E. Delegating Greater Portions of Management to the States

We recommend that EPA retain overall control.

So far, grant administration by the state in our valley has not shown much regard for environmental problems, despite California's Environmental Quality Act. For example, the State Water Resources Control Board staff has approved substantial population increases for sizing sewer projects in the LAV. These approvals have occurred in spite of EIR and air pollution reports which clearly point out that the Federal Air Quality Standards will never be met if there are any further population increases in the LAV (without unacceptable changes in life styles). These approved population increases correspond to the deliberate concentration of population in the worst part of the critical air basin. Since our population growth is almost wholly commuter, such approvals also show a distressing disregard for national energy conservation goals.

In these circumstances, we do not believe that state agencies are necessarily better qualified than EPA to administer grants. The state is surprisingly susceptible to pressure to downgrade environmental standards.

III: Final Comments.

We believe in the principle of cleanup first in priority and expansion last.

We stress the self-fulfilling prophecy aspect of utility expansions in environmentally sensitive areas.

We know that EPA receives criticism from every direction. We wish to support their efforts, and believe they should take a stronger role.

We have repeatedly stressed the intimate connection between air quality, water quality, and energy conservation because it is important to our health and future. Many local governments wish to ignore this connection in part because of a devotion to the obsolete slogan that growth is always progress, and unfortunately in part because they are sometimes dominated by special interests whose concern for the public interest and the public's health is non-existent at best.

Finally, everyone now recognizes that what happened in LA was a ghastly environmental mistake. Those of us trying to learn from that mistake hope that this lesson will be written into the FWPCA. We need the support of that law and responsible agencies to keep us from being the San Fernando of the north.

Thank you for the opportunity to testify.

June 11, 1975

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials
Room 1033, West Tower, Waterside Mall
401 M Street, S.W.
Wasghinton, D. C. 20460

Re: Municipal Waste Treatment Grants

Dear Mr. Agee:

Thank you for supplying copies of the position papers that were prepared for discussion at the noticed public hearings. We conclude from the information presented that proposed HR 2175 would confine EPA activities to overall policy making and to auditing and monitoring the grant activities performed for the states. We are persuaded that this approach would reduce duplication of efforts, avoid substantial increases in Federal administration personnel, and "enhance the policy expressed in PL 92-500 to recognize, preserve, and protect the primary responsibilities and rights of states."

You are to be complimented on the objectivity of the discussion papers. The public hearings should be most enlightening. We would appreciate being placed on the mailing list to receive your specific proposals at such time as they are developed.

Yours very truly.

LAS VIRGENES
MUNICIPAL WATER DISTRICT

H.W. Stokes
General Manager - Chief Engineer

HWS/es

June 17, 1975

Statement of Harvey A. Jones, Chief Engineer
For the LITTLE BLUE VALLEY SEWER DISTRICT

Presented on June 17, 1975, at a public hearing on potential Legislative Amendments to Federal Water Pollution Control Act

Grand Ballroom Muehleback Hotel
12th and Baltimore, Kansas City, Missouri

The driving force behind the nation's water pollution control effort is the municipal waste treatment grant program. This program must not be allowed to falter and come to a halt while amendments to the act are debated and new rules and regulations are formulated. The lessons learned from attempting to implement PL 92-500 must be heeded to prevent cost escalation from pushing project financing out of reach while paper work is shuffled.

We suggest a two phase approach be adopted to permit the grant program to proceed without further delay: First, extend authorizations at a 7 billion to 9 billion dollar annual level for the next five years. This action is needed immediately to permit state and local governmental units to proceed with any semblance of order in their planning. Second, approach any amendments to the Act in an orderly fashion and avoid additional costly time consuming provisions. This time listen to the professionals. Paper number 4 states that 60% of the 1977 population will not be receiving secondary treatment by that date. How much advice of the professional community was heeded in originally establishing this date for secondary treatment? The following suggestions are offered as possibilities to be considered in order to optimize expenditure of the grant dollar:

A. The federal share should be maintained at the 75% level. State and local governments have in most instances made arrangements for financing projects at this level. A change in the federal share at this time would in almost every instance, create delays and in some cases, probably force abandonment of projects already under development.

B. Limiting federal funding or reserve capacity to any fixed parameter will not be cost effective. Local governments are not over spending because of the grants. Even the 10% local share is burdensome and the electorate also knows the final source of matching funds. The capacity design must be established at a case by case

level to be cost effective. The California plan may have spread the money but could still be uneconomical. To attempt to coordinate population projections on a state-wide basis would merely result in delays and duplications of the regional planning efforts.

C. Funding at the 75% level should be limited to treatment facilities and interceptor sewers. There should, however, be flexibility to permit funding of a lesser degree of treatment for combined sewer overflows should this be more cost effective than providing secondary treatment at the main outfall. States should also have the authority to permit funding at a lower level (50%) for treatment or control of storm water after all sanitary wastes have been cared for. Grant money should not be made available for maintenance items such as correction of inflow/infiltration in collection systems, sewer rehabilitation, separation of combined sewers or for the construction of collecting sewers.

D. The 1977 date for meeting water quality standards should be extended to a reasonable obtainable date and should still be based upon the availability of matching funds. In addition, the requirements for treatment should be reinvestigated and where the cost effectiveness of secondary treatment cannot be proven, the requirements should be relaxed. Funds saved by this action could be better utilized to improve potable water treatment plants.

E. Many of the roles played by EPA should be phased out and returned to state governments for more responsive action to the needs of the populous.

Summary of Statement by
League of Kansas Municipalities
to the Environmental Protection Agency
Kansas City, Missouri
Tuesday, June 17, 1975

My name is Richard Cunningham, Associate Director of the League of Kansas Municipalities. The League of Kansas Municipalities represents over 475 cities in the state of Kansas. These cities compose approximately 99 percent of the total population of persons residing within cities of the state of Kansas.

The League of Kansas Municipalities has had a long interest in various environmental matters. League policy committees have considered environmental matters for several years and the purpose of my testimony is to describe to you the attitudes of Kansas local government officials insofar as they relate to the five questions under consideration by this hearing board.

First, let me note to you how League Policy is developed. The League of Kansas Municipalities does have a policy statement which represents a foundation upon which the cities build legislative programs at both the state and federal levels. The policy does not attempt to set forth the League's position on specific bills which may be considered by the legislature and Congress--rather the policy attempts to set forth principles and guideposts at the basis for specific action by staff. This policy is developed through an extensive process of committee meetings composed ofboth elected and administrative city officials. Finally, each year the Statement of Municipal Policy is considered at an annual convention of city officials. It is on the basis of this policy I appear before you today.

Comments on Hearing Questions

Question No. 1--Should the Federal government reduce its share of municipal waste water treatment grants? The answer to this question is a strong and emphatic "no". The cities of Kansas are primarily dependent upon the property tax and other relatively stable revenue sources for funding. And these sources are not expanding.

The Federal government has established through both congressional and executive branch decisions, a clear indication of the standards toward which environmental quality improvement efforts should be directed. As noted later in my presentation, there is question as to the appropriateness of these standards now that they have been interpreted by the Environmental Protection Agency staff, but we can find no reason why the ratio of the federal match should be reduced. If the intent is to save federal dollars, then most city officials

in Kansas would suggest that there should be some other priorities that could be tested. Another approach to cost reduction or deferral would be deferral of deadlines.

Question No. 2--Should Federal financing be limited to serving the needs of existing population? The real meaning of this question is not clear. It seems an idea, whose implementation even with a vast bureaucracy, would be almost nonenforcible. Added or new population pays Federal taxes just as does existing population. We can see that an attempt to limit to existing population might lead to rather unrealistic conclusions, actions and certainly would seem to be arbitrary in its basic nature. We therefore, oppose such a limitation.

Question No. 3--Should EPA restrict types of projects eligible for grant assistance? This item might receive some support from Kansas cities, but I would expect the vast majority would be in opposition to any reduction of projects eligible for assistance. It seems that all municipal facilities contributing to potential or additional pollution of our streams and waterways should be eligible. Any reduction of types of projects eligible would most likely be done on a rather arbitrary basis and such changes could discriminate against particular types of situations or parts of the country. Kansas city officials are particularly sensitive to regulatory and legislative actions that do not adequately recognize the character of Kansas. The concept suggested by Question 3 is one which does not seem to have much merit and therefore would not be supported by the majority of cities in Kansas.

Question No. 4--Should the 1977 date for water quality deadlines be extended? The cities of Kansas have suggested that such extensions should have been considered previously. We do support such action. We believe that the deadlines should be times to the federal government's ability to provide its share of matching costs and the construction industry's ability to deliver. Additionally, we are quite concerned about the ability of the Environmental Protection Agency, state agencies and consulting engineers to do their part as it relates to current and existing technology as well as ever-changing administrative regulations. The cities of Kansas would support some extension of deadlines.

Question No. 5--Should a larger portion of the management of the construction grants program be delegated to the states? The cities of Kansas would support such delegation. The cities, however, would want the federal government to continue to exercise monitoring oversite as to the quality of administration, state by state. In recent times, the cities of the state of Kansas have generally had a favorable record of experience with the State Department of Health and Environment. This has not always been true. I believe that the cities are not as concerned about whether it be the state government

or the federal government who administers the program, but that as little as possible duplication exists and that the bureaucrats, for whomever they work, be responsive and sensitive to the realistic situations and needs that exist in various parts of the state of Kansas. We therefore, would support some further delegation of management of construction grants programs to the state.

General Comments. Two final notes. To our knowledge, the League of Kansas Municipalities did not receive a notice of this hearing other than through the Federal Register. The League of Kansas Municipalities, as well as leagues in other states, are used to receiving some type of timely, direct mailed notice as to important matters and we consider this hearing an important matter. We would not be here otherwise. There are many other matters on our agendas.

We strongly recommend that when hearings of such magnitude are held, that regional administrators of the Environmental Protection Agency be directed to notify municipal leagues so they in turn may consider notifying their constituent members. I understand very well that postage costs are high these days and that there are a great number of special interests who would like to be notified directly. We do believe, however, that city governments, who are governed by elected officials in this representative system of government, should receive some type of unique consideration. Cities are not "special interests" city government is the democratically selected representative of the people who reside in cities.

We appreciate this opportunity to be heard. We do not, however, appreciate the fact that we were notified in a rather untimely and ineffective manner. According to latest estimates, Kansas cities need to expend approximately $2.25 billion in the next several years to meet existing standards for plant (parts 1, 2 & 4b). Another $2.4 billion is estimated for other standards. Effectively dealing with water quality is serious business in Kansas.

Finally we ask that EPA intensify its efforts to simplify the administration of the municipal waste water treatment program. The improved treatment of water cannot occur if all of the inlets to the system are clogged with paper! If Congressional changes are needed, then you can be sure that many city officials from Kansas will do their dead-level best to convince the Kansas Congressional delegation of the rationale for such changes. In the meanwhile we plead with you to get the scissors out and cut very inch of bureaucratic tape out that is not vital to your true legal obligations.

June 12, 1975

Mr. D. Sabock
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Sabock:

The League of Women Voters of Missouri wishes to submit the following written comments for the public hearing scheduled by the Environmental Protection Agency to consider possible amendments to the Water Pollution Control Act Amendments of 1972 (PL 92-500), on June 17, 1975, Grand Ballroom, Radisson Muehleback, 12th and Baltimore Street, Kansas City, Missouri.

STATEMENT

1. The League of Women Voters of Missouri urges the Environmental Protection Agency to maintain the current 75% level of federal funding for publicly owned treatment works to meet secondary water quality standards. The Federal government is the best source of revenues, its guidelines are stringent, and in the Missouri-Mississippi watershed, many downstream states are affected by the lack of secondary water treatment facilities.

2. The only way to clean the waters of the Meramec River and its tributaries is to build an intercepter which would require federal funding of reserve capacity, even though this would encourage future population growth in this area.

3. We would eliminate the treatment of stormwater as a "need" to be funded under the Water Pollution Control Act Amendments. Instead, we would encourage the extension of the Corps of Engineers' authority over storm water in urban areas. Their plans in the St. Louis metropolitan area are excellent. Storm water, although very damaging, is extremely expensive to control. In addition, the metropolitan areas need to develop full employment. The Corps of Engineers' have access to unlimited funding and personnel.

4. We believe that the 1977 deadline should not be extended. Many small communities delay until the last minute. The law provides for variances in case of hardship.

5. More management responsibilities should be given to the states.

The inability by the federal government to meet the financial needs of the municipal waste treatment construction grant program represents the misplaced priorities of our nation. The protection and redemption of the environment of our cities is a vital human need. Employment of the citizens of our urban areas would be stimulated. The program is important to the future health and economic well being of the nation and ought to be fully funded to the amount estimated by states, $350 billion.

Sincerely,

Mrs. Julian C. Hall
President

Ernestine T. Magner
Water Quality Chairman

MH/EM/cp

Copy: Carol Jolly
LWVUS

June 18, 1975

Honorable Tom Bradley, Mayor
Chief Legislative Analyst
Councilman Nowell
Councilman Snyder

Environmental Protection Agency
1626 K Street, N.W.
Washington, .D.C 20640

Environmental Protection Agency
1626 K Street, N.W.
Washington, D.C. 20640

PROPOSED AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT

At the meeting of the Council held June 18, 1975, the attached motion was adopted.

Rex E. Layton
City Clerk

I HEREBY CERTIFY that the attached motion was adopted by the Los Angeles City Council at its meeting held June 18, 1975.

REX E. LAYTON, CITY CLERK

By A. Rinati, Deputy

MOTION

The Federal Environmental Protection Agency, at the request of the Office of Management and Budget, in conducting public hearings to receive testimony on five potential amendments to the Federal Water Pollution Control Act (PL 92-500). The five proposed amendments are:

1. To reduce the Federal share of grant eligible costs from 75 percent to a lesser amount. Because of the new requirements of PL 92-500 for secondary treatment and the cessation of sludge disposal to the ocean, the cost of the city's program for providing clean water has expanded to over $400 million, of which $250 million would be in

grant funds. Any reduction in the Federal share would necessitate an increase on the City's part. For example, a 10 percent reduction in the grant would mean an increased cost to the City of $34 million. Therefore, to change the grant program at this time would seriously impair the City's program for accomplishing the goals of PL 92-500.

2. To limit the size of a project's reserve capacity as a means to control growth. Every system should be designed on a cost-effective basis. If reserve capacity is warranted, it should be provided. A reasonable time period should be used as the basis of design--a period of 20 years after completion of construction would appear reasonable.

Population growth projection curves should be made on the treatment plant service area, not on a region. This would allow for localized trends in population to be accommodated.

3. To restrict types of projects eligible for grants. There is no need to change eligibility of projects provided that a priority order of funding is established. A project should be funded on the basis of its ability to correct a major pollution problem.

4. To extend the 1977 date for meeting water quality standards.

The impoundment of the Federal funds has substantially delayed the program for meeting the 1977 deadline. Therefore, the proposal to allow the Regional Administrator to extend the deadline on a case by case basis should be permitted.

5. To delegate a greater portion of the management of the construction grants program to the states. This delegation is highly desirable and has been accomplished in California.

THEREFORE, I MOVE that the following recommendations be submitted to the Federal Environmental Protection Agency as the City's position:

1. Oppose reducing Federal grant share.

2. Oppose limiting funding for reserve capacity.

3. Oppose restricting eligible project types.

4. Support extending 1977 deadline.

5. Support.

June 5, 1975

Mr. Russell E. Train, Administrator
Environmental Protection Agency
Washington, D. C.

Dear Sir:

We appreciate the opportunity to respond to the proposed changes in the Municipal Waste Treatment Grants as published in the Federal Register on Friday, May 2, 1975.

On proposal No. 1: Proposing to reduce the amount of the Federal share. We feel there is no way that a municipality the size of ours could do with a lesser amount, and at times we feel that we cannot meet the monetary requirements for our share at the present levels of funding. There have been times that we have had to forego other projects because of the matching requirements. Our major tax effort comes from the property tax and we feel that these cannot be raised beyond the present levels without causing undue hardship upon our people. It requires all of the revenue from these sources to meet the day to day operating expenses. We also feel that our water and sewer rates are as much as our people can pay and it takes all of the revenue from these to meet existing expenses of bonds and operating expenses. For these reasons we are opposed to any reduction whatsoever in the Federal share.

On proposal No. 2: Limiting Federal financing to serving the needs of existing populations: Here again we are opposed to this. How can our municipalities expect to grow and serve the needs of our people if we cannot give them the services which they expect and rightly deserve and which cannot be done by limiting ourselves to the strict existing boundaries of today. This restriction could force a town or city to reject any annexation because we would be unable to provide them with the necessary sanitary facilities.

On proposal No. 3: Restricting the types of project eligible for grant assistance. We do not see how this could be done effectively and fairly. What might not be needed in one municipality could very well be a very pressing need in another. We think that the types of projects should be broad enough to encompass virtually every need and then be judged on its merits and the benefits it would provide to the people as a whole in better environment.

On proposal No. 4: Extending the 1977 date for meeting water quality standards. This is one proposal that we are very much in favor of. As we see it, our municipality, as well as numerous ones in our area cannot meet these standards now and will be unable to do so by 1977 even under the present levels of funding. We feel that if these were extended for two years or longer, while at the same time extending the 1981 standards, would remove some of the strain on the Federal as well as local revenues, while at the same time not endangering the environmental impact to any appreciable degree.

On proposal No. 5: Delegating a greater portion of the management of the construction grants program to the States. We think this would be a very good idea. At the present time we feel that we have to satisfy the State Department of Health and Environmental Control and the Environmental Protection Agency and we feel that the two are not working as closely together as they could be to avoid some duplication of effort on everyone's part. We feel that there is certainly some room for improvement in this field. It is our opinion that any program that is closer to the people it is intended to serve then the better it serves them.

Thank you for this opportunity to express our opinions on these subjects and we would certainly implore you to look at them very closely before any decision is made.

Sincerely yours,

Robert T. Smith
Mayor
Town of Lake View
South Carolina

June 9, 1975

"PUBLIC HEARING ON POTENTIAL LEGISLATIVE AMENDMENTS
TO THE WATER POLLUTION CONTROL ACT:

I am John J. Wilburn, Executive Director of the Louisville and Jefferson County Metropolitan Sewer District, 400 South Sixth Street, Louisville, Kentucky 40203. I wish to thank you for this oppotunity to present my testimony. I will also submit two written copies of this oral testmony for the record.

Paper No. 1 - Reduction of the Federal Share

Under this proposal, the Federal Government, who adopted the Act, would be relieved of the financial burden as proposed by the Act. In turn, the burden would be shifted to the states or local governments who are certainly in no better financial position to fund the projects.

The first of the two objectives stated is to permit the limited funding available to go further in assisting needed projects. It has been our understanding that all of the eligible projects are, in fact, needed in order to meet the requirements of the act. Therefore, if the 75% federal share as proposed by the act is reduced, so should the requirements.

The second stated objective is to encourage greater accountability for cost-effective design and project management. I think it is absurd to assume that there would be a greater accountability on the part of the grantee simply because the federal share would be reduced. Grantees, such as MSD, do not determine their own destiny as far as the cost-effective design of a project. If future experience in dealing with EPA parallels past experience, MSD will have no independent say-so in determining accountability for cost-effective design.

The further question has been raised as to whether the 1974 needs survey costs can be accommodated in the federal budget in time to meet the 1977 and in turn, the 1983 requirements. I firmly believe the 1974 needs survey are indicative of the estimated costs necessary to meet the unrealistic, idealistic requirements of the Act. The conclusion is obvious - either the requirements must be reduced or the time extended, expecially since the federal funds will not be available in time to meet the unrealistic deadlines. It may not be possible to predict the effect of a reduced federal share on local financing capabilities, but it is fundamental that all the recent changes in the economy, including both inflation and recession, exist in the local communities. The net effect of this paper is

tantamount to saying: "We haven't got the money and, therefore, you should have it."

A reduced federal share would not only inhibit or delay construction of needed facilities, it would result in a screeching halt of the on-going implementation by MSD of a 201 facilities plan in Louisville and Jefferson County.

Kentucky does not now have a state grant program and it is very improbable that they will adopt one in the future. Their pay-back state loans are the equivalent of MSD financing its own bond issues since we must commit to funding the state bond issue. If the federal share is to be reduced by amendment, then that same amendment should require the states to provide matching grants (not pay-back loans) in order to receive their allocation of federal grants. Many states (not Kentucky) already provide state grants (not loans.)

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

This proposal is so fantastically ridiculous that I almost hesitate to comment on it. Whereas the entire concept of PL 92-500 relates to regional and comprehensive planning, I certainly have difficulty in understanding why it should suddenly be conceived, by an unknown author, that the local community would be responsible to pay for 100% of all reserve capacity over and above the existing population.

The statement that the grantee would be "permitted, and in fact, encouraged" to provide effective reserve capacity is absurd. There is certainly not an engineer who would even consider designing a trunk sewer, or an interceptor, or a treatment works for the present population. However, the implication is that EPA would, in fact, not disapprove a system so designed since they state that the grantee would be "permitted, and in fact, encouraged" to provide reserve capacity.

The only logical basis of design is a cost-effective analysis using present worth. Overdesign will occur only if a design other than the most cost-effective is selected. EPA should fund on this basis.

Based upon the law and the knowledge that EPA would, in fact, fund 75% of eligible projects, MSD, through a local institutional arrangement with the fiscal court of Jefferson County, has an agreement by which fiscal court will appropriate $1,775,000 annually toward the implementation of a program which conforms to a 201 facilities plan. It includes the construction of two new wastewater treatment plants, and hundreds of miles of eligible trunk and interceptor

sewers. This commitment by local government, through its tax revenues, will fund approximately $25,000,000 of local bonds. This amount, together with the 75% federal share, will finance a $100,000,000 construction program for Categories I, II, IIIA, IIIB and IVB only. And this is only the first phase of projects in those categories.

Therefore, if the recommendations of Papers 1 and 2 in combination are followed and the Act amended, it would require approximately $60,000,000 (not $25,000,000) of local funds. This would mean that the fiscal court would have to appropriate $4,260,000 annually, instead of the already committed $1,775,000. I can assure everyone that if the object is to not only delay, but to completely stop the program that is already underway in Louisville and Jefferson County, please follow the recommendations as presented in Papers 1 and 2.

It took MSD almost 10 years to convince the fiscal court that tax money was necessary for the initial phase of the program before MSD (which has no taxing authority) could continue and complete the program through subsequent issuances of revenue bonds, financed by revenues from user charges from new customers on the new systems. In fact, our agreement with fiscal court would be terminated since it is predicated on MDS's receiving 75% federal funds for Categories I,II,IIIA, IIIB and IVB.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

The recommendation of Paper 3 is to limit the federal funding to Categories I, II and IVB. If all of the costs of meeting the requirement of eligible projects (categories I through VI) would have to be met by the local communities, and if, in fact, EPA funded only categories I, II, and IVB, then local communities would be required to fund more than 85% of the total requirements covered by the Act.

If EPA's purpose is to limit federal participation to only those projects that are most essential to meet the water quality goals of the act, then not only the funding of the other categories should be eliminated but the requirements as well. Under any condition, however, categories IIIA and IIIB should remain eligible for grant assistance.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards

Believe it or not, MSD has no objection to extending this date,

since it really has no apparent impact on us one way or the other. We are under construction with secondary treatment facilities for the existing system which should be completed well ahead of the present July 1, 1977 deadline. It was funded through EPA under the old law, and would not be affected by a change in date under the present act.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

Paper No. 5 proposes that the states should assume EPA's responsibility for enforcing their idealistic law. The inducement is the 2% compensation. This further erodes the federal share to the local communities. It also assumes that the amount will be adequate and that the states can hire sufficient qualified personnel to administer the program. If this amendment should be enacted, it should apply to only those states which have a matching grant (not a pay-back loan) program.

Now I'd like to take an overall look at the possible impact if the proposals of all five papers are adopted.

Paper No. 1 proposes a reduction in the federal share from 75% to as low as 55%.

Paper No. 2 proposes that the eligible cost should be based upon capacity for existing population and that the cost of all reserve capacity be funded locally. It further indicates that the reserve capacity cost in Categories I, II and IVB is at least $12 billion of a total of $46.2 billion. This means the reserve capacity is 26% and the federal share would be 74%.

With only papers 1 and 2 considered, the federal share would become 74% of 55%, or 40.7%.

Paper No. 3 proposes to reduce the scope of eligible projects by retaining only categories I, II and IVB. In the 1974 needs survey, the total amount for all categories is $342 billion. Included in that total is $46.2 billion for Categories I, II and IVB. Therefore, if only those three categories are eligible, the federal share would be only 13.5% of the federal share for all needs.

Now let's consider only papers 1, 2 and 3. The Federal share would be 13.5% of 40.7%, or 5.5%.

I would like to temporarily skip Paper No. 4 and go to Paper No. 5.

Paper No. 5 proposes to pass the buck to the states for the management of the program and to compensate each state by using 2% of the state's annual allotment. Therefore, the federal share in eligible projects would be only 98% of the total allocated.

Grouping Papers 1, 2, 3, and 5, the net federal share would be 98% of 5.5%, or only 5.4%. Or, in other words, the present federal share of 75% is almost 14 times the proposed federal share of 5.4%.

With this information, let's go back to Paper No. 4.

Paper No. 4 proposes extending the July 1977 date of the act. It would appear not unrealistic to base the time extension on the inverse ratio of the federal shares, current and proposed, and not only for the 1977 date, but for the 1983 and 1985 dates as well.

The Federal Water Pollution Control Act Amendments of 1972 provided 5 years to meet the 1977 requirements, 11 years to meet the 1983 requirements, and 13 years to meet the 1985 requirements. These time allowances, when multiplied by 14, become 70, 154 and 182 years, respectively. Therefore, the new dates would become:

For 1977:	1972 plus	70 years	=	2042
For 1983	1972 plus	154 years	=	2126
For 1985	1972 plus	182 years	=	2154

The National Commission on Water Quality was formed in accordance with Section 315 of the Act and was given three years to make a detailed study of, and submit a report on, the 1983 requirements of the Act. The report will apparently not be completed on time, but should be delivered to Congress by mid-1976.

In light of the fact that this extensive and required study is taking more than three years, how can the anonymous author or authors of these five papers come up with meaningful amendments to the Act in so short a time period.

Further, how could EPA propose any amendments which do not include the proposed elimination of the ridiculous industrial cost recovery provisions of the Act.

In summary, if the magnitude of the entire program is beyond the funding capability of the federal budget, it is likewise beyond the funding capabilities of local budgets. Therefore, the act should be amended by reducing the requirements to attain a more practical and economically feasible goal. I have always felt that EPA would swing the idealistic environmental pendulum back to normal, but I never thought they proposed to destroy the clock.

John J. Wilburn
Executive Director, Louisville and
Jefferson County Metropolitan
Sewer District
400 South Sixth Street
Louisville, Kentucky 40203
502 587-0591

RESOLUTION OF
THE McCANDLESS TOWNSHIP SANITARY AUTHORITY

WHEREAS, notice was published in the Federal Register regarding certin hearings to be held before the Environmental Protection Agency regarding proposals to amend the Federal Water Pollution Control Act, Amendment of 1972 as contained in the 33 USC 1251, et seq.; and

WHEREAS, The McCandless Township Sanitary Authority has had the privilege and opportunity of being familiar with this Act and the great benefits which have resulted from its wise application, and desires to record the assistance the Act has been in providing necessary services to many residents in the North Hills area of the County of Allegheny in Western Pennsylvania; and

WHEREAS, this Authority recognizes a continuing need for Federal construction grants in order to meet water quality goals and to protect public health; and

WHEREAS, it is appreciative of the declaration of goals and policies of Congress contained in the Act including the desire for area wide waste treatment management in order to assure adequate control of sources of pollution.

NOW, Therefore, this Authority does hereby state that is is particularly cognizant of the benefits of the Act as it commenced a study in the year 1963 and received a professional report in regard to the drainage area designated as the Pine Creek Drainage Area in the County of Allegheny in 1964. The Authority recognized the need for municipal cooperation of all municipalities in the drainage basin and was successful in entering into agreements with the Borough of Bradford Woods, the Borough of Franklin Park, the Township of Pine, the Township of Marshall and the Townshipp of McCandless for the furnishing of waste treatment services; and

The project required the cooperation of all of the aforementioned municipalities and the County of Allegheny to make it economically feasible. It was accomplished by the County of Allegheny guaranteeing a $520,000.00 bank loan in order that the engineering could be completed and construction contracts awarded and the necessary application for grant made under the aforerecited Act. A grant for the sewage plant and interceptors was approved in 1973 in the amount of $7,235,000.00 and construction is currently under way on said project and should be completed in late 1975, the total cost is $ 10,175,000.00. In order to make this operation feasible the County of Allegheny has agreed to make a loan in the amount of $1,700,000.00. The balance of

the cost is financed by local money. Said operation is designated as Phase I of the proposed installations and will serve approximately 5,000 people plus. In addition it serves North Park, a large recreation area in excess of 3300 acres. Phase I consists of the 3MGD Sewage Treatment Plant and 91,000 feet of interceptor sewers ranging in size from 8" through 42". The Sewage Treatment Plant is modularly expandable in 3MGD increments to an ultimate capacity of 12MGD.

The second Pahse of said project is a collector sewer system for which application for grant has been made in the amount of $5,500,000.00. The application which is pending for Phase II provides for approximately 288,000 feet of 8" lines costing approximaterly $10,000,000.00. It will service approximately 6500 people. These persons together with the 5000 people served by Phase I will make waste treatment services available to 11,500 people immediately. Pine Creek is a tributary of the Allegheny River. It drains through North Park Lake, a recreation lake in Allegheny County's North Park. Western Pennsylvania is hilly country and this facility which could be obtained only by means of the grants afforded under this Act has made available waste treatment services to an entire drainage basin (28 square miles) as contemplated under the Congressional declaration of goals and policies. The experience of this Authority indicates a need for continuing Federal construction grants. It further demonstrates that continuing stable Federal financing authorization is necessary and that the priority system be utilized to fund high priority projects rather than by changing eligibilities under the Federal Act. Pennsylvania, in accordance with the Act has established such a priority system acting by and through the Envrionmental Quality Board after public hearings.

NOW, Therefore, this Authority having the experience aforesaid and recognizing the need for continuing stable Federal financing and the fact that costs will escalate if there is not this stability does hereby recommend that a continuing Federal financing authorization be provided and the priority system be utilized to fund high priority projects. This Authority does further recommend that the administrative procedures under the Act will be much more efficiently utilized at the State level due to the familiarity of state officials with local problems and state laws. It further recommends that the intent of the Act can be best achieved by local initiative with financial assistance as presently provided by the Act.

Further, that officers of this Authority are authorized to appear before the Environmental Protection Agency and make a statement expresssing the position of this Authority.

I certify that I am the duly elected and acting Secretary of The McCandless Township Sanitary Authority. I further certify that the foregoing is a true and correct copy of Resolution adopted at a meeting of the Board of the said Authority June 24, 1975, as a full quorum being present.

Chas. R. Blazier, Jr.
Secretary

STATEMENT OF McCANDLESS TOWNSHIP SANITARY AUTHORITY

STATUS OF AUTHORITY

The McCandless Township Sanitary Authority was created under the Municipality Authorities Act of 1945 of the Commonwealth of Pennsylvania. It is authorized and has among other powers the right to establish a system of sanitary sewers with necessary treatment plant or plants. Pennsylvania Municipal Authorities must finance projects by nondebt revenue bonds. They do not have the power to pledge the taxing power or the credit of the Commonwealth of Pennsylvania or of any municipality including the municipality or municipalities by which they are incorporated. It is essential, therefore, that all projects of an authority be economically feasible and self-sustaining or private funds by means of loans and bond issues are not available to it.

The Resolution to which this statement is attached gives the background of the McCandless Township Sanitary Authority insofar as a present grant is concerned. In addition it should be pointed out that the Authority has since 1960 provided santiary sewage treatment services for some twenty thousand persons in five watersheds in addition to the Pine Creek Drainage Basin set forth in the Resolution of the Authority. It has done this by means of purchase of existing systems and by construction projects. This experience extends over a period of fifteen years. It was also the recipient of two grants under PL660. With this background this Authority presents the following comments in regard to the various papers and issues presented at the hearing scheduled for June 25, 1975.

PAPER NO. 1

McCandless Authority states that any reduction from the 75% level to a level as low as 55% would not effectively serve the purposes of the legislation. The Pine Creek installation referred to and set forth in the Resolution to which this paper is attached

demonstrates clearly that the project would not have been economically feasible without the 75% grant. The rates contemplated for the average homeowner in the Pine Creek Project approximate $120.00 to $150.00 per year. A larger sum would impose an economic hardship and make difficult the realization of the system. A reduced Federal share would have greatly inhibited the construction of the facilities now being installed which are estimated to be completed in late 1975. There would not be the capability in the community to raise additional funds if the grant had been less than 75%. As pointed out in the Resolution the 75% grant was not adequate and it was necessary that the Authority have an additional loan from the County of Allegheny in the amount of $1,700,000 in order to achieve feasibility. In view of the fact that the Authority must operate on a "pay as you go" basis economies in operation are an absolute essential. Professional services are utilized at all stages of the planning and maximum efficiencies in planning and the greatest possibility in cost reduction is effected. None of the Members of the Board receive compensation as Board Members and their services are donated as a community service.

If there were a reduced federal share and this project had been delayed a continuing pollution of the Pine Creek area would have had adverse effect on the Allegheny River, thence to the Ohio River and ultimately to the Mississippi River. If this were true in the many communities which drain into the nation's rivers the total effect would be such that pollution would be accentuated in the future. Certainly the best inrerest of all United States is effected by a continuing policy making possible adequate grants to remove the most critical situations via the priority system.

PAPER NO. 2

McCandless Township Authority has had to face the problem and issues presented in Paper No. 2 regarding planning for reserve capacity in each of the projects which it has entered and constructed during more than its 15 years of construction work. It has adopted the policy that insofar as it is possible through sewage treatment plants to build an expandable plant that it would follow this procedure. This was done, as set forth in the Resolution to which this is attached, by a modular system of plant construction. The Authority, however has recognized the need for a provision for a reasonably adequate reserve capacity in the construction of mains and interceptors. Certainly, in an urban area, well developed, this can be limited by the available building lots. In a suburban and semi-rural area such as the area in which this Authority has operated for almost 20 years, provision must be made for future use to prevent undue increase in costs at a later date for construction of duplicate facilities.

Directing discussion to the issues outlined in the notice it is the opinion of McCandless Authority that the current practices do not lead to over design of treatment works. This has been handled by the McCandless Township Sanitary Authority by using a modular type of design. Sufficient ground was obtained to permit the construction of the additional modular units as the same were required. Design can be controlled on an administrative level and therefore legislative change would not be required. To prohibit eligibility of growth related reserve capacity would ultimately result in a tremendous additional cost to future generations. Our present tax structure is such that much of the money which the United States makes available via grants is borrowed on long term obligations, many of which will be paid by future generations. To now adopt a policy which requires them to pay the debt created in this generation by taxes on future generations, and then turn over to those generations a capital improvement which will require that those generations spend considerable additional money in order to increase the capacity of the system to accommodate their needs, means that those generations will be paying twice for the same project.

Certainly insofar as interceptor lines are concerned, many factors must be considered, including potential growth. It is the thought of McCandless, with almost 20 years experience, that one cannot arbitrarily pick a given number of years and determine if that is the period for which the structures and lines shall be built. McCandless has had experience in the design of lines of limited capacity which were over reached at a period much sooner than expected. This results in backing up of sewers, inconvenience to property owners, danger to health, and the expenditures of large amounts of money to correct these conditions. Certainly a wise policy requires that the sewers be sized to permit future requirements to be met. It should also be pointed out that the installation of sewers in any area result in extreme inconvenience to the public and difficulties with property owners during construction. Should this be inflicted periodically on an area because of a duplication of facilities requirement when the original installation could have been an adequate one?

We would also like to point out that where there is an overflow of sewage and contamination and it is absorbed in the ground there is great difficulty in areas such as Western Pennsylvania, much of which has a clay and shale subsoil in having lateral travel of sewage so that the same appears on roads, streets, and streams and causes a health problem to children and adults as well over a wide area. When this pollution is absorbed in the ground the effect on future population cannot be foreseen.

PAPER NO. 3

The issue adequately points out that there are six types of projects eligible for construction grants. Different municipalities have needs for different provisions set forth in the Act. It is suggested that in new construction projects high quality be required in all contracts so that ultimately items such as III A the correction of sewer inflitration inflow, or item III B major sewer rehabilitation should not become problems on more recently installed systems. A possible suggestion might be that the budget of the municipalities require adequate amounts to be set aside annually to maintain the systems in a proper state of repair. The experience of McCandless Authority in area wide planning proves the cost effective benefits of this type of planning. All of the residents in the municipalities who will receive the services of the McCandless Authority under the current Pine Creek project set forth in the Resolution are interested in and receive periodic statements of all matters in connection with the area wide operation. It is thought that this type of treatment in and of itself is an effective cost cutter in that the sewage treatment plant can operate on a much more efficient basis and at a lower cost serving many residents than one which serves only a limited number of people in a small municipality. Its experience in Western Pennsylvania and in talking with other operators of sewage systems and with municipalities compels McCandless Authority to state that a system of priorities for funding projects should be continued.

PAPER NO. 5

McCandless Authority feels that the best interests of all elements of the population in the United States would be served by delegating a greater portion of the management of the construction grant program to the State. It is felt that the time element involved in securing approvals could be greatly reduced. The local State officials certainly know the areas in their States much better than could be expected of anyone who has to look at projects for many different states. Certainly the costs should be decreased. If the role of EPA is that of an over viewer rather than an original examination and approval role, it will reduce the duplication of review and approval. This should reduce the functions and personnel required of the Federal Government. It is appreciated that this will mean additional costs to the States. Assuming that the 2% of the allotment to each State for each fiscal year is adequate it is felt that the advantages accruing to local municipalities and to all of the peoples of the United States warrant adoption of such a

policy. It is thought that all parts of the construction grant process should be delegated to the State. In the opinion of McCandless this would make the program more efficient without compromising in any way environmental concerns. To do this would follow the statement of the Act that the primary responsibility and rights in the prevention, reduction and elimination of pollution belong in the states.

Respectfully submitted,

McCANDLESS TOWNSHIP SANITARY AUTHORITY
By: The Chairman

June 19, 1975

Honorable Edwin D. Eshelman
1009 Longworth House
Office Building
Washington, D.C. 20510

Sir:

We have read with dismay, certain of the amendments to PL 92-500 proposed by EPA and published in the Federal Register dated May 28, 1975.

Paper #1

A reduction of the federal share of the project by 20% would increase Myerstown's share by 80% resulting in a substantial increase in cost to the Borough. The objective of encouraging greater accountability for cost effective design is moot for this project since the preliminary and final engineering have been completed for well over a year. The first objective of this proposed amendment to permit limited funding to go further, is in direct conflict with the establishment of project priorities. It is our belief that assistance should be substantial and in accord with priorities dictated by water quality standards rather than by the political expediency of insuring that every project receives the crumbs of federal participation. The Borough of Myerstown, the Borough of Richland, and the Townships of Jackson and Millcreek stand opposed to this amendment.

Paper #2

Although the intent of this amendment is not without merit, its application to projects of the size and scope of the Myerstown Project is not practical and would cause hardship and unnecessary expense. Given the increase in planning and design times presently mandated by the administration of PL 92-500, a 10 year growth limit on plant size has the effect of demanding a continuous, on-going engineering and planning effort for an indeterminate length of time into the future. The expense of maintaining such an effort by a municipal body of our size patently unreasonable. Retroactive application of this proposal to the Myerstown Project would necessitate the additional expense of redesign. For these reasons, the Borough of Myerstown, the Borough of Richland, and the Townships of Jackson and Millcreek stand opposed to this amendment.

We ask that you thoughtfully consider our opinions before taking action on these amendments.

Edward H. Treat-Secretary
Myerstown Borough, Lebanon Co.
Sewer Auth.

cc: Borough Council
MBLCSA
Gilbert Assoc. Inc.
File

Appendix "A", June 23, 1975

SUMMARY

STATEMENT OF THE
METROPOLITAN SEWER BOARD
OF THE
TWIN CITIES AREA, MINNESOTA

TO THE

SUBCOMMITTEE ON INVESTIGATIONS AND REVIEW
PUBLIC WORKS COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

FOR: HEARING ON THE
WATER POLLUTION CONTROL ACT OF 1972

APRIL 2, 3, 4, 1974

PRESENTED BY: RICHARD J. DOUGHERTY
CHIEF ADMINISTRATOR
METROPOLITAN SEWER BOARD
350 METRO SQUARE BUILDING
SAINT PAUL, MINNESOTA 55101

I am Richard J. Dougherty, Chief Administrator of the Metropolitan Sewer Board of the Twin Cities Area. Accompanying me is Milton C. Honsey, our Board Chairman. I would like to present to the Subcommittee the Board's views and experience with the Federal Water Pollution Control Act of 1972.

INTRODUCTION.

For your information, the Metropolitan Sewer Board was created by the Minnesota State Legislature in 1969 to solve water pollution problems in the seven-county, 3,000 square mile Twin Cities Metropolitan Area. The region has a 1973 population of just over 2 million people, one-half of Minnesota's population. The Board was established as an operating agency of the Metropolitan Council, the regional planning and coordinating agency of government. The Sewer Board is charged with the planning, financing, construction and operation of a regional-scale Metropolitan Disposal System. Existing sanitary districts and municipally-owned treatment works and interceptors were purchased to establish this regional disposal system.

The Metropolitan Disposal System presently includes 23 wastewater treatment plants, all providing a minimum of secondary treatment and ranging in size from 218 million gallons per day down to 100,000. GD. The treatment plants are backed up by 450 miles of interceptors and forcemains, and 42 lift and pumping stations. The system, as formed in 1970, consisted of 33 treatment plants. By 1977, through a program of consolidation and regionalization, 15 wastewater treatment facilities will be in operation. The system serves 96 municipalities with a total sewered population of 1.7 million. During 1973, an estimated 88.3 billion gallons of wastewater was treated by the system.

Our Annual Operating Budget totals about $28.3 million, and our current Construction Fund balance for projects completed and under construction as of December 31, 1973 totals $156.8 million. The approved Capital Improvements Program for the 1974-1978 period contains 35 projects to be constructed at an estimated cost of $206.5 million.

The goals of the Board are consistent with the intent of Congress as enacted in the 1972 Water Pollution Control Act. Expressed by our Chairman, when the Agency was formed in 1969, our objectives amount to the following, and I quote:

> "It is my goal and the goal of the Sewer Board to provide the means for the total abatement of the pollution of sewage where it now exists, and also to provide the means for the total abatement of the pollution of sewage where it will exist; and to do this as quickly as practical and as fairly as possible."

The budgetary figures above support this concept, as will my remaining testimony.

Shortly before the final passage of the Federal Water Pollution Control Act of 1972, the Board's staff reviewed the impact of the legislation on the Board's operation, planning, and construction programs. The staff determined to make every effort to implement the Act to the fullest extent possible to assist the Board in upgrading Metropolitan Area waters. During review, it became clear that many of the requirements included in the Act were a restatement of numerous standards already in existence. It was also apparent that the Board was already practicing many of the planning and operating concepts called for in the Act. Our staff, with Board approval, determined at that time that the Federal Water Pollution Control Act of 1972 would be a guide to action in solving water pollution problems in the Metropolitan Area. In accepting the challenges of the Act, the intent of the Board is to achieve as its primary goal the best practicable treatment by 1983.

To quote the words of the late Adlai Stevenson on the need to achieve our goals in the area of environmental controls:

> "We travel together on a little spaceship dependent on its vulnerable supply of air and soil, all committed for our safety through security and peace, preserved from annihilation only by the care, the work, and I will say, the love we give our fragile craft."

I'm sure that he would fully reocognize the fact that nature, like man, cannot cheat on the facts of life and death. I am sure he understood that if we condemn our air and water, and other recourses; then we choose death and it would make little difference who destroys these things, for everyone of us will be condemned to the consequences.

The Board has devoted its energies to making the Federal Water Pollution Control Act of 1972 work. It is our judgment after a year and one-half that the Act is workable, and that it can achieve the goals intended by Congress. The sponsors of this Bill deserve to be congratulated. We believe it is the greatest piece of environmental legislation passed by Congress.

Lest these words appear hollow, permit me to relate to you how we have implemented the various provisions of the Act. In doing this, I would commend to you that the Act and the subsequent guidelines issued by the Environmental Portection Agency are not written in granite from bolts of lightning but are man-made regulations and guidelines. In recognizing the value of the Act and the implementation efforts of the Environmental Protection Agency, we must also realize that certain revisions can be accomplished to improve the Act and the administrative Rules and Regulations of the Environmental Protection Agency. But let me relate to you our experience.

Rather than attempt to read you our entire detailed statement, I would like to address myself to the Summary, Conclusions and Recommendations section, and provide you with written copies of the entire formal statement.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS.

The Metropolitan Sewer Board's experience with PL 92-500 has been very positive to date. The guidelines under the program have not provided any major obstacles to the Board. In fact, many of these guidelines provide standards of excellence that should be welcomed in the waste treatment field. These are goals that are attainable and are useful in providing a uniform application of waste control nation-wide that has not been present in the planning, construction,

and operation of waste treatment facilities in the private and public sector to date. These are needed national standards to ensure that waste treatment is carried on in a uniform manner through out the United States.

I would now like to make some specific summary comments on various provisions of the Act.

1. The secondary treatment requirement as a minimum treatment level is justified and technologically attainable.

2. The impoundment and redistribution of funds allocated to the States, implementation time to issue all the guidelines, inflation, material shortages resulting from the energy problems and the necessary planning requirements of the Act makes it improbable that except for a few communities can we achieve the 1977 secondary treatment level or higher level of treatment in water quality designated areas.

3. The Board recommends that the 1977 goal of secondary treatment be eliminated and that best practicable treatment be established as the goal for all communities in 1983; with a minimum of secondary treatment for all point sources by that date. These dates may be extended proportionately with further impoundments of grant funds.

4. The planning requirements of Sections 201, 208, and 303 and regional management designations are essential to the carrying out of the intent of the Act. The implementation after one and one-half years indicates that with proper organization and relationship between the various levels of government all the planning requirements can be carried out.

5. The water quality standards as being adopted are certainly more stringent than anything in the past, however, at least in our areas and others coming to our attention are reasonable goals. The time schedule to achieve these standards are in doubt as for 1977, but still achievable by the 1983 best practical treatment goal. The toxic waste standards in the guidelines needs to have further review before adoption as some of the levels are not practical.

6. An incentive-type grant program should be considered by the Congress for both construction and operation of treatment

works to reward early compliance with standards, water quality, operating efficiency, and constituent removals.

7. There is evidence that insufficient programs and funds are being provided for research and development. The real constraint may well be due to the lack of administrative efforts by the Environmental Protection Agency.

8. The Phase I, II, and III grant procedures are cited as being an alternative to the former reimbursement program and as a contractural agreement between the Environmental Protection Agency and the local governments. Further, this procedure permits prior purchase of essential equipment after Phase II approval, which will prevent needless delays and reduce project costs.

9. Environmental Protection Agency management of all grant programs continues to be timely, consistent and logical. Congress is getting an effective and solid management job done despite the Administration impoundment restraints.

10. The reimbursement of projects between 1956 and 1966 is inflationary and not needed. The program has been carried out, however, most expeditiously by the Environmental Protection Agency. Specific amendment requiring the earliest use of reimbursement funds, by local government, for upgrading sewage treatment plants, sewers or appurtenances is suggested.

11. On guidelines, I reiterate that secondary treatment standards cannot be reached by 1977. The cost of attainment will be higher than expected unless there is an acceleration of the program and/or a technological and economic breakthrough in treatment process.

12. User charges and industrial cost recovery provisions are achieveable and to a limited extent already have been implemented. Only minor changes, such as area-wide cost recovery rather than project cost recovery is needed for regional operation agencies.

13. The National Pollutant Discharge Elimination System Permit provisions are being developed methodically without severe difficulties except for establishment of time schedules and water quality assimilation model

programs. Voiding the 1977 goal and establishing the 1983 goal by amendment of the Act would resolve the existing restraints by allowing reasonable schedule to be assigned.

14. The Act provisions requiring integration of wastewater treatment with solid waste, recycling and by-product development, are now the most exciting parts of the Act in view of the energy, inflation and materials shortages. The continuity of the overall programs and its goals will buffer the developing unemployment problem.

15. The river monitoring programs are sound and needed. It is our judgment that the Environmental Protection Agency should support such programs of local governments and the United States Geological Survey to develop an integrated flow - quality assessment of river water. More funds are needed in this area with USGS playing a major role with the Environmental Protection Agency.

16. The Annual Survey should be made but expanded to include an Operating Grant Program. In this way, the Survey will become an effective effort to assure the efficient operation of treatment works. An incentive type Operating Grant should be developed by amendment to this Section of the Act. An Operating Grant should reflect and be in proportion to flow, efficiency, and the constituents removed.

17. Inflow and infiltration programs are being carried out in a very methodical and logical manner by the Environmental Protection Agency. The requirements are needed and justified. No delays have been experienced due to these requirements or its administration. The regulator program to store inflow data is to be expanded.

18. Research and Development Programs should be accelerated and more funds made available. A specific program by the Environmental Protection Agency should be developed and defined which would encourage contractors to undertake these programs. It would appear that Regional Operating Agencies would be the best source to undertake these programs, perhaps as joint ventures with equipment manufacturers, both being better equipped to

to do the job and jointly making a great team. The Environmental Protection Agency seems to have avoided this area of expertise.

In closing I would observe that the past and present Environmental Protection Agency Administrators and our Regional Administrator have, in our judgment, carried out their responsibilities under the Act in a most timely and sound manner. Many of their problems, and what delays that have occurred, are a result of the lack of inertia, resistance to change, and lack of comprehension of the broad and total effects of water pollution on the part of those responsible for the design, construction, operation, and financing of abatement facilities. It is our judgment that the Act truly is a guideline for action, and I think this Committee should be most reluctant and most careful in making any amendments that would weaken the Act or the responsibilities of the Administrator.

RJD:km
4.1.74
Exhibits Attached

Mr. David Sabok
EPA HEADQUARTERS
Wasghinton, D.C.

July 3, 1975

Municipal Waste Treatment Grants/Public Hearings

EPA has held a series of public hearings concerning proposed changes to the Municipal Waste Treatment Grants Program.

Specific comments have been requested on five points. Our comments are as follows:

1. We feel that a reduction of the federal share of the construction cost would be beneficial, because it would spread the available money to more municipalities. Our position is based on total funding to remain at the established level.

2. The policy of Federal financing for facilities to serve future population should be continued.

3. We feel that at least sewage treatment plants and major pumps and major pump lines should be eligible for grant assistance.

4. Instead of extending the date for meeting water quality standards, a speed-up in the processing of grant applications should be initiated.

5. It would be fine to delegate more management of the construction program to the states, except that any change causes confusion and delay in programs. Therefore, we feel it should stay as it is.

Thank you for reviewing our comments.

Very truly yours,

MICHAELS - STIGGINS INCORPORATED

Walter R. Fritz, PE
Vice President

rm
A-B99-190-00

Statement on: Federal Water Pollution Control Act

By: GEORGE MILLER
United States Congressman
Seventh District

Issued: July 1, 1975

There is a feeling among many people in California that we are being prevented from achieving the original goal of the Federal Water Pollution Control Act - that is - the basic clean up of our water. Unfortunately, we find that in administering the Act, the Federal and the State Governments have often tied sewage treatment plant improvements to an entire agenda of related but reasonably separable environmental issues such as air pollution, urban growth, governmental consolidation and land use planning.

There is no argument as to the importance of these and other related matters, but each is a complex issue not lending itself to an easy solution. However, the logic of tying all of these issues together seems rather shaky. There is little reason to believe that we cannot move forward on each front in a semi-independent manner. It is important that we continue to work to achieve success in all the incremental aspects of the system while keeping sight of the overall comprehensive relationship between the various parts. We have the legislation and the funds to make a good start if we handle the job properly.

According to the May 28, Federal Register, the recently completed 1974 Needs Survey reported a total of $342 billion for the construction of all the facilities that are eligible under the Act. There can be no expectation whatsoever that this committment could be made. It would, therefore, seem reasonable to find the best approach to achieving the basic intent of the Act, that of upgrading water quality.

The Needs Survey indicated that about $12.6 billion would be required to construct secondary treatment plants throughout the nation.

As a step toward achieving some measure of water quality, the Act should require a minimum of secondary treatment for all municipal and industrial users and then determine the level of further treatment dependent on the amount of money available and the quality of the receiving water.

This approach would apply the money in an even basis while also retaining the ability to attack the worst problems. This would also allow the investigation of the complex set of interrelationships between sewage treatment and other environmental problems to be investigated at the level of the greatest concern and thus largest possible impact.

In California, this would allow us to move ahead and develop the improved treatment facilities that are neededwithout delaying the effort with the pretense of solving all the problems at once. If we do not simplify and direct our efforts we are doomed to repeat our experience so far.

In Contra Costa County, we see the wasting of thousands of dollars on planning studies that deal with a constantly changing federal rule making pattern. We then bog down in questions that are not central to providing better and improved sewage treatment plants. The people of my County are frustrated with the waste of time and money. We end up further away from the ultimate solution and prey to ever-rising construction costs.

As an example of the effort made in Contra Costa County and the delays we have experienced, I would like to provide a short history.

In late 1966, Kaiser Engineers was retained by the State of California for the purpose of preparing a comprehensive report on solving the water pollution problems of the San Francisco Bay Area and the Sacramento-San Joaquin Delta Area which included the County. $3,000,000 was spent in conducting the study with a final report entitled The San Francisco Bay-Delta Water Quality Control Program. ("Kaiser Report") submitted to the California Legislature in June 1969.

In Contra Costa County the recommended construction was a regional facility located in the westerly portion of the County which would receive all sewage from major interceptor sewers for treatment and eventual discharge to Central San Francisco Bay.

Two things have happened with the report:

1. The Bay Area communities that were affected by the report almost found the report unreal and almost universally rejected its conclusions.

2. The Federal Government ignored the Kaiser Report and participated in a 40-50 million dollars expansion of the Central Costa County Sanitary District in the central part of the County.

Since the Kaiser Report, the County has undertaken two more reports at a cost of $165,000 in an effort to satisfy the Federal Government. Both reports started out under the existing regulations but had to be abandoned on completion due to a change in the federal guidelines.

At the present time the County is again trying to meet the State requirements with three separate area studies at a total price tag of over $500,000. All three of the studies are under the present Federal/EPA guidelines with the participation of EPA representatives at each step of the process. And again there is the hint of a further change in the ground rules by EPA that would obviate major portions of the work!

What this really means is that we have been doing planning studies since 1966, with no guarantee that we are through it.

In terms of the five issues that are under consideration at this time I will make the following comments:

1. Reduction of the Federal Share from 75% to 55%.
It should be clear to everyone that this issue would cause the cancellation of most of the Projects now under consideration. In California, the cities just cannot afford the vast amounts of money that would be required if the Federal share were to be reduced. In fact, in the Eastern part of my county, the cities will be hard pressed to raise their existing 25% share. No one has to be reminded of the affect of inflation but we must not forget that this has a double effect on local government with the demand for higher wages and material costs and the refusal of the taxpayer to pay additional taxes. I feel that the reduction of the Federal share would destroy any chance we might now have to move ahead with the program.

2. Limiting Federal Funding of Reserve Capacity.
My proposal of secondary treatment facilities as a minimum speaks to the questions raised by this section and balances the concern for equitable use of federal funds and the need to attack major areas of need.

4. Extending the 1977 Date for the Publicly Owned Treatment Facilities to Meet Water Quality Standards.
One of the key considerations in establishing a wastewater management program is the treatment of industrial discharges along with municipal discharges. The manner in which industry has been forced to meet "1977 deadline" practically eliminates their cooperation in joining with public communities formulating a wastewater program. It is the present situation in Contra Costa County that industry has already spent tens of millions of dollars on upgrading their treatment facilities and, therefore, quite understandably is now reluctant to join into waste water management program with public agencies that have an indeterminate completion time. Now that these monies have already been spent, or are in the process of being spent, it is virtually impossible to show that a joint municipal industrial wastewater program is capable of being effected.

Is it not quite apparent that many municipalities and communities throughout the nation are not going to be able to meet the "1977 deadline". The only possible solution is to:

"Seek statutory amendments that would maintain the 1977 date but would provide the Administrator with discretion to grant compliance schedule extension of an ad hoc basis based upon the availability of federal funds".

5. Delegating a Greater Portion of the Management of Construction Grants Program to the State.
It has been our experience in Contra Costa County that we have been stymied in obtaining funds for the construction of wastewater management facilities. It is not clear whether or not more power or authority in administering the Act should be vested with the states unless the states are given a clear mandate to act. It would appear to me that any legislation should include within its provisions a clear direction with respect to the administration of the Act.

The direction of efforts toward secondary treatment would give the state a clear mandate for action. In addition, the states are in a unique position to determine the analysis of further treatment required due to receiving water quality.

It is not time now to dwell on whose fault it may be that we are without a fully effective program at this time. It is important to get on with the job as soon as possible.

It seems to me that the best approach is concentrating on performing that aspect of the job that is basic to the overall problem and then deal with the more complex aspects in a specific case by case manner.

What this means, then, is providing secondary treatment as a minimum federal standard and then dealing with the problems of tertiary treatment, collector and interceptor sewers, inflow/infiltration, and consolidation in terms of the quality demands of the receiving waters.

If we take this approach I am confident we can move ahead toward the original intent of the Act and still retain the ability to deal with the entire realm of environmental problems that face us today.

June 30, 1975

Mr. James L. Agee
Assistant Administrator
for Water and Hazardous Materials
(WH 566)
Room 1033
West Tower, Waterside Mall
401 M Street, S.W.
Washington, D. C.

Dear Mr. Agee:

Subject: Potential Legislative Amendments to the Federal Water Pollution Control Act

In regard to the discussion papers published in the May 28th Federal Register, the Department of Environmental Protection takes the following positions:

1. Do not reduce the Federal share of the funding of grant projects below 75%. Leave the Federal share as is.

2. Do not limit Federal financing to serve only the needs of existing populations. We believe that wastewater treatment facilities should be designed for a 20 year life and that interceptor sewers should be designed for a 50 year life as is presently done.

3. We believe that the present eligibilities should remain as they are. States should be allowed to assign priority to which categories are funded with Federal funds.

4. We believe that the 1977 deadline for municipalities to achieve secondary treatment and compliance with State water quality standards should be extended on a case-by-case basis.

5. We believe that the State's role should be increased in the following areas:

a. Plans & specs review
b. I/I review
c. Change Orders review
d. Facilities Plan review

We do not believe EPA's role should be decreased in the following categories:

1. Auditing for partial payments and final payments

2. Construction inspections

3. O & M Manual review

Very truly yours,

William R. Adams, Jr.
Commissioner

DAP: sib
cc: John McGlennon
Lester Sutton
Stuart Peterson

July 7, 1975

Mr. James L. Agee
Assistant Administrator for Water
ans Hazardous Materials
U.S. Environmental Protection Agency
Washington, D.C. 20460

Dear Mr. Agee:

This statement is in response to the five potential legislative amendments to the Federal Water Pollution Control Act Amendments of 1972 as outlined in the Federal Register of May 28, 1975.

Public Law (PL) 92-500 has greatly impacted Minnesota's water pollution control program. In implementing the provisions of PL 92-500, Minnesota has embarked on an aggressive program through revisions to state law, staffing of the Pollution Control Agency, and the adoption of regulations and policies by the Pollution Control Agency Boards. Minnesota's success in implementing these programs is evidenced by the issuance of over 90% of the required permits under the National Pollutant Discharge Elimination System (NPDES) permit program, and the current status of expenditure of construction grant funds allocated to Minnesota; i.e., 100% of the FY 1974 allotment has been obligated and approximately 92% of the FY 1975 money has been obligated (as of July 1, 1975, $5,973,212 remained out of the total FY 1974 and 1975 allotment to Minnesota of $125,204,300).

As indicated by the 1974 National Needs Survey, Minnesota has over $1.4 billion in needs for wastewater treatment facilities. In an attempt to resolve these needs, top priority has been assigned to the construction grant program. Minnesota's FY 1976 Municipal Project List (revised after the release of the impounded funds, of which Minnesota's share will be approximately $172,000,000) contains some 75 projects which we intend to process expeditiously. We continue to maintain that the FY 1976 funds are the result of illegal withholding and as such, should not be substituted for a congressional appropriation to continue the wastewater treatment program. This Agency recognizes, however, that the possibility of an appropriation of funds over and above the release level is probably not realistic at this time.

While our comments follow concerning the five potential legislative amendments to PL 92-500, our primary and overriding concern is the existence of the FY 1977 authorization. We feel Minnesota has demonstrated its effective and efficient operation of the construction

grants program and it should be allowed to continue to resolve the pollution problems of the state. A review of the status of the expenditures of construction grants nationally indicate Minnesota is one of the leaders in this regard. We understand some $12 billion of the $18 billion initially authorized under PL 92-500 remains to be spent. We feel strongly that this was the result of EPA procedures and possibly the ineffectiveness of other state programs. Those states attempting to implement the requirements of provisions of PL 92-500 should not be penalized by reduction or elimination of an FY 1977 authorization. Minnesota would be capable of immediately utilizing any FY 1977 authorization. We request, consequently, the EPA and the Administration to request Congress to appropriate at least $7 billion in FY 1977 for the wastewater treatment program, or that portion of the FY 1975 appropriation that can be utilized nationally by the states, like Minnesota, capable of distributing these funds. We further request the EPA to support continued Congressional funding of this program through, at least, FY 1979, at levels at least of $7 billion a year. Only with these continued federal dollars can the promise of the FWPCA of 1972 for municipal treatment be even partially fulfilled.

Our specific comments relative to the five potential legislative amendments to the Federal Water Pollution Control Act follow:

PAPER #1 - REDUCTION OF THE FEDERAL SHARE.

We oppose any reduction of the current 75% federal share for the following reasons:

(a) The criteria required for developing the priority listings or municipal discharge inventory and needs and the municipal project list weighs heavily in the favor of large municipalities. As a result, in Minnesota, a state dominated by a large majority of small municipalities, the bulk of the state's allotments under PL 92-500 have gone to the large metropolitan areas. To now reduce the federal share, would severely impact these smaller municipalities. Indeed a reduction from 85% to 50% for many small or larger municipalities may make it literally impossible for them to afford the cost of waste treatment.

(b) If indeed, the nation has needs in the range of $350 billion any proposed reduction of the federal share in the range discussed would not, it seems, result in a dramatic increase in project construction.

(c) We are concerned that such a reduction of the federal share may be accompanied by a similar reduction in federal appropriations for this program. This obviously would severely slow the program and would be disasterous in light of the staggering needs across the nation and in Minnesota.

(d) Optimization of the procedures used to obligate grant monies may facilitate disbursement to the point where substantial cost savings would be affected, due to the reduction of the inflation costs.

(e) How would such a reduction impact cost recovery programs - especially those developed and agreed to during the FY 1973 to 1975 period?

(f) We do not feel the reduction of the federal share and the resultant increased local share would impact in any way, the current cost effectiveness analysis done for project design and construction.

(g) The existence of a 15% state grant has financially assisted Minnesota municipalities in the construction of these facilities (local share is 10%). The Minnesota Legislature has to date appropriated $95 million for this state's grant program. Expansion or continuation of the state grant program cannot be guaranteed. The remaining portion then, above the federal share, may have to be carried by the local municipality. It has been our experience that a 45% or even a 25% share can cause severe financial burdens on municipalities since these funds must be raised by local levies, particularly the regressive property tax. These financial burdens could result in abandonment of the project.

PAPER #2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

We know of no situations in Minnesota where exorbitant reserve capacity has been approved. We feel that it is practical to design sewer systems for the generally accepted 50 year design life. For situations where waste treatment facilities must be built where there seems to be no apparent controversy over effluent quality standards or dramatic population shifts or industrial growth projected, we feel that it is cost effective to design for the currently used 20 year design life. If unique situations do exist, a modular approach may be beneficial. The additional cost and environmental disruption for providing parallel interceptor facilities or duplicate treatment facilities at some future date in order to reduce the cost today seems highly impractical.

We do believe that if this is a problem in other states, the EPA ought to undertake a broad study to determine methods for addressing the particular reasons, rather than amending PL 92-500 to address a localized problem.

PAPER #3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE.

In December of 1973, by virtue of the overwhelming needs in this state, compared to the limited amount of federal construction grant money available, a policy was adopted by the Minnesota Pollution Control Agency to fund the construction of waste treatment facilities in the following priority order:

(1) Sewage Treatment Works and Related Major Interceptors to Eliminate Inadequate Sewage Treatment Facilities and Immediate Health Hazard.

(2) Waste Treatment Works for Municipal Water Treatment Plants and Power Plants (This category has since been ruled ineligible by EPA).

(3) Other Interceptors.

(4) Sanitary Sewer Systems, Sewer Separation, Combined Sewer and/or Combined Storm Water Treatment Works, ets.

As this was consistent with previous priority systems, we have not experienced major problems with this policy. We feel strongly that: (a) the state ought to be allowed continued discretion in determining the type of projects to be funded, so as to optimize pollution abatement. For example, a collection system for a small community where a severe health hazard problem may be considered grant eligible if other funding sources are not available; (b) the elimination of some portion of a system from eligibility may make the overall project beyond the financial capability of the municipality. This situation may become particularly prominent if the reduction of the federal share discussed in Paper #1 is realized.

PAPER #4 - EXTENDING 1977 DATE FOR THE PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS.

The Minnesota Pollution Control Agency Board has adopted a policy, consistent with EPA policy, of suspending enforcement action against those municipalities not sufficiently high on the municipal needs list to receive funding. As a result, NPDES permits were issued to those municipalities setting forth interim effluent limits and an expiration date prior to the June 30, 1977 deadline. It would seem

prudent, that the 1977 deadline be extended, but only on a case by case basis, where a good faith effort has been put forth by the municipality. Consderation ought to be given to that prior to the June 30, 1977 deadline, a new permit be issued for all such municipalities containing a revised schedule, based on anticipated funding level.

PAPER #5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES.

While the relationship between the Minnesota Pollution Control Agency and the Region V Construction Grants Branch has been excellent, some of the tasks could be readily accomplished singularly by the state. Generally, we would be in favor of a program to delegate the management of the construction grants program, providing assurance could be given for sufficient staffing for the state agencies either through 106 program grant monies or other legislative amendments similar to the Cleveland-Wright Bill which would facilitate reimbursement to the state for those tasks currently accomplished by the EPA. We do feel that a phased delegation would be prudent for the EPA, to ensure consistency of the program, and for the states to adequately train staff in administration of the program in those areas currently conducted by the EPA. Should commitments for financial assistance to the states not be possible, consideration ought to be given to flexibility in delegation so as to maintain the current mix of federal/state activities while states attempt to qualify for the delegation.

In summary as indicated previously, we cannot over emphasize our concern over the continuation of the funding of PL 92-500, as a minimum at $7 billion per year through FY 1979. We are concerned that delays in the disbursement of funds in other states may detrimentally impact the program nationally, and in turn, penalize the states, such as Minnesota, that have been able to adapt their programs in the wake of PL 92-500 to facilitate the water pollution abatement program so important to the State of Minnesota.

I would appreciate being informed of any recommendations the EPA makes to the Congress on amendments to the FWPCA.

Sincerely,

PETER L. GOVE
Executive Director

Distribution:

The Honorable Wendell R. Anderson, Governor of Minnesota
Representative Jim Oberstar
Representative Tom Hagedorn
Representative Joseph E. Karth
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Representative Albert H. Qui
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Mr. Steve J. Gadler, MPCA Board
Mr. Joseph F. Grinnell, MPCA Board
Mr. Burton Genis, MPCA Board
Mr. David F. Zentner, MPCA Board
Congressman Robert Jones, Chairman, House Public Works Committee
Senator Jennings Randolph, Chairman, Senate Public Works Committee

June 30, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials (WH-556)
Room 1033, West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Re: Potential Legislative Amendments to P.L. 92-500

Gentlemen:

We appreciate the opportunity to respond to your request for public reaction to the proposals enunciated by OMB. The comments herein were authorized by formal action of the Professional Engineers in Private Practice Division, MSPE at its annual meeting on June 19, 1975, and by the Board of Directors, MSPE during its annual meeting on June 20, 1975.

We are first of all concerned that any major change in the law and/or regulations promulgated thereunder could well have an inherent adverse effect in maintaining momentum in the pollution abatement program. Therefore, any changes should be made in terms of minimum disruptive effect.

Also, any changes that are retrogressive in terms of Federal financial participation place the Government in a position of having dictated the establishment of a program it then is not willing to financially support as earlier committed.

With these comments in mind, we respond to the five proposals as follows:

No. 1 - Reduction of Federal Share

There should be no reduction of the Federal share, the Federal government having initiated a comprehensive program and established a pattern of financing. It could be argued that alternatively a reasonable reduction in selected categories could be made; however, taking into account previous Federal commitments, local financing problems, impact on meeting the completion date, etc., any reduction would be counter productive in meeting the objectives of the program and financially disruptive to already hard-pressed local governments.

No. 2 - Limiting Federal Funding of Reserve Capacity

Funding of reserve capacity to serve projected growth could possibly be limited, but only in terms of the criteria for

the pertinent growth projections. In any event, allowance for anticipated growth must be built into the system on a logical, economically sound basis. To do otherwise would be to find some systems undersized at the outset of operation, and many others with overly expensive additions required shortly thereafter, thereby adding to the ultimate financial burden on the nation.

No. 3 - Restricting Types of Eligible Projects

Restricting the types of projects eligible for grant assistance is basically illogical, in that the objectives of pollution abatement will need to be met in different ways under varying local circumstances. Furthermore, such an approach could encourage grantees to opt for a program less cost effective in order to obtain grant assistance.

No. 4 - Extending 1977 Deadline

The law should be amended so as to maintain the objective 1977 date, but provide the Administrator with some discretion in granting extensions to the compliance schedule on the basis of the limited availability of Federal funds. Alternatively a general 2 or 3 year extension could be applied, but this could result in slowing down the program by those grantees otherwise able to move ahead.

No. 5 - Delegating Management to the States

A greater portion of the management of the grants program should be delegated to the States, recognizing the need for a realistic process so that the overall program will not be slowed.

Thank you for your consideration of these comments.

Sincerely,

MISSOURI SOCIETY OF PROFESSIONAL ENGINEERS

Thomas C. Kirkwood, P.E.

TCK/js

June 30, 1975

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials (WH-556)
Environmental Protection Agency
Room 1033, West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Re: Proposed Amendments
Federal Water Pollution Control Act

Dear Mr. Agee:

We have made a thorough study of the proposed amendments by analyzing the five papers that were prepared for discussion purposes, and by participation at the hearing held in Kansas City, Missouri. We are firmly convinced that a reduction in the Federal share would be a most serious regression from an objective, once considered to be very important, namely, "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters". Given the demonstrated inability of Local and State government to significantly increase the level of revenue, and therefore essential services, and given the examples of the Federal government being obliged to step in with General Revenue Sharing, and with a myriad of grant programs to satisfy needs that are not nearly so critical to our health and well-being as the subject Act, how can anyone suggest that citizens will flock to the polls to vote increased support for State and Local programs to improve wastewater collection and treatment. It is impossible to conceive of public willingness to assume a larger financial burden, particularly where there is an existing system that gives the appearance of functioning (perhaps by simply allowing the wastewater to disappear from sight). The Local level is the only place where citizens have a direct opportunity to approve or disapprove of tax questions and there is a rather convincing record of rejection of increased financial burden, regardless of the merit of the proposed program.

Our recommendation, therefore, would be to present Congress with the true picture of needs and the required funds, and follow our existing pilot program with a combination of funds and regulations that are truly designed to meet the aforementioned objective. Only the Federal government can muster the resources necessary for a task of this magnitude and Congress has in the past evidenced a willingness to deal with this issue, so it seems only logical to look to them for the tools.

June 30, 1975

Following a bona fide effort to meet the issue head on and go for the solution, consideration can be given to trimming the Federal contribution in ways that will not endanger realization of the objectives. If the Federal participation in the funding of reserve capacity is restricted, the locality must be allowed the option to build additional reserve capacity at their own expense. We would concur with the suggestion that secondary treatment plants, tertiary treatment plants, and interceptor sewers retain the top priority in receiving the present full level of Federal participation. As far as the question of the extension of the 1977 date for publicly owned pretreatment works to meet water quality standards is concerned, the question is rather academic. At the present rate of funding and processing, this date would appear quite unrealistic. Finally, if the States are to be given greater responsibility for the management of the construction grants program, the funds, as well as the time for additional staffing, must be provided. There is frequent evidence that the State of Missouri cannot perform its responsibilities with its present force, which results in a tragic delay of projects. Most certainly this dual role and responsibility for administering the program must be brought to an end. The delays brought about by the excesses in monitoring by the EPA and the State add tremendously to the cost of accomplishing the objective.

In conclusion, let us work to make the program sufficient to the task, rather than to calculate how the task can be tailored to fit a modest unambitious budget.

The five papers were well prepared, thought-provoking, and beneficial to the consideration of the questions.

Thank you for the opportunity to comment.

Sincerely,

HOWARD G. MOORE COMPANY, INC.
CONSULTING ENGINEERS

Carl D. Carlson
Project Coordinator

CDC/dc

July 2, 1975

Mr. David K. Sabock
Office of Waste and Hazardous Materials
Room 1033 West Tower
401 "M" Street, S.W.
Washington, D.C.

Dear Mr. Sabock:

According to the Federal Register the Environmental Protection Agency is considering several legislative amendments to the Federal Water Pollution Control Act which would cut back the federal grant share from the present 75/25 to a 55/45 match. In addition, it seems EPA proposes to cut down on reserve capacity to bare minimums (i.e., construction for existing populations) and to increase the amount of managerial and financial responsibilities of states and local communities.

Some of these proposed actions on the part of EPA are distressing and do not seem timely. Massachusetts, like most other states, is having severe financial problems. It would be impossible for the State to fulfill its obligations necessary to meet the mandate of the Act if these changes go into effect. Either EPA must continue at its current funding levels, or a severe cut back in the construction of badly needed pollution control facilities must occur.

I am enclosing a copy of the statement of Secretary Evelyn F. Murphy of the Massachusetts Executive Office of Environmental Affairs in regard to these amendments. I strongly endorse these comments concerning the proposed EPA cut backs, and hope you will review and weigh the implications of such actions on the part of the agency.

Sincerely,

Michael S. Dukakis

cc: John A.S. McGlennon, Regional Administrator

Statement by Evelyn F. Murphy, Secretary
Executive Office of Environmental Affairs,
Commonwealth of Massachusetts
Concerning the Proposed Amendments to the
Federal Sewerage Treatment Grant Program

Since the 1972 amendments to the Federal Water Pollution Control Act, Massachusetts and the Environmental Protection Agency have dramatically

expanded the state water pollution control program. In 1971, construction contracts awarded in Massachusetts amounted to $53 million. By 1973, this amount more than doubled to $126 million.

The Massachusetts construction grant program for 1976-1977 totals more than $350 million on federal dollars.

Despite this growth in the program, projected needs still far exceed present funding limits. In the Boston Harbor - Eastern Massachusetts area alone it is currently estimated that $876 million is needed to meet the requirements of the Federal Act.

Although the state water pollution control program has been successful in increasing the amount of its grant awards in the past few years, the program shared the problems experienced by all major construction projects. Inflation, labor demands, equal opportunity hiring and environmental impact requirements have introduced new constraints which now make the requirements for secondary waste water treatment by 1977 unrealistic for several of the State's large urban areas.

While these changes must be accommodated, efforts can be made to eliminate cumbersome and redundant aspects of state and federal requirements.

This problem has been recognized. The Environmental Protection Agency recently completed a special report on streamlining the grant process. More importantly, hearings now being held by EPA have developed five proposed areas of legislative changes which provide both EPA and states with the opportunity to focus on specific ways to improve the grant process.

EPA's efforts are to be commended. We must be willing to make use of our experience since 1972 and reevaluate the mechanisms established by the Act to ensure progress and meet the Congressional mandate.

In making this reassessment, however, we must be careful not to undercut the progress we have already made by unnecessarily complicating the program and adding detailed requirements which are not applicable to all states. In some of the aspects of EPA's five legislative proposals, there are several instances where, although the intentions are laudable, many of the proposals are misdirected and counterproductive. Some of the proposals simply won't accomplish what they set out to do.

Before commenting on the specific EPA proposals, a few general overriding interests should be summarized to clarify the basic standpoint and interests of Massachusetts.

First, as provided for under the Act, a state should have primary responsibility for its waste water treatment program. We should be moving in the direction of states assuming more of the program requirements and minimizing the addition of new federal requirements. To meet the Congressional timetable, we must keep the process as simple and flexible as possible.

Second, we must take advantage of this opportunity to improve both the environment and the economy. Too often we have played one interest off the other and seen no progress. The waste water treatment programs remain the best example of compatible environmental and economic investments.

Third, many of the EPA proposed amendments are directed at reducing the federal share of financial assistance. Although all levels of government must meet stringent fiscal targets, reducing the federal share at this time would be disasterous. Older cities, where the major treatment problems are located, have been hit the hardest by unemployment and rising costs. The state government also has reached its limit.

This year, Massachusetts taxpayers are being asked to support $600 million in new taxes and bonds just to meet the current State deficit. By reducing the federal share, the State waste water treatment program would come to a half for many of the priority areas.

Finally, we must resist efforts which promise to upset program continuity. The Federal Act is only a few years old and realistic priority programs are being developed. It would be a major mistake to change the basic ground rules now.

The following is a more detailed reponse to the EPA proposed amendments. Where we disagree, we have proposed workable alternatives. Where we can agree with the proposals, specific suggestions have been made in support of EPA.

REDUCTION OF THE FEDERAL SHARE FOR CONSTRUCTION GRANTS

The proposal to reduce the federal share from 75% to 55% is based upon two misleading arguments. The EPA argues that the 1974 Needs study has indicated that $349 billion is needed across the country, an estimate which can't be accommodated in the federal budget.

The '74 Needs study should not be used to determine fiscal limits, since it includes treatment or control over stormwaters. The cost of stormwater control is considerable. Massachusetts indicated in 1974

that a total of $6.1 billion was needed, but $3.1 billion of this was for stormwater control.

When eliminating the cost of this item from the national Needs estimate the $349 billion is reduced to $121 billion.

The federal proposal to reduce its share is also based upon an interest to promote design efficiency. EPA indicates that by increasing the State and local investment there will be greater incentive to develop cost-effective designs and improve project management.

We should not rely upon fiscal controls to solve design and management problems. In almost all cases these problems are engineering problems requiring engineering solutions.

In response to the specific questions relating to this proposal as outlined in the Federal Register, we offer the following:

1. The reduced federal share would inhibit and delay construction. Examples of major projects in Massachusetts which would be jeopardized include: MDC priority improvements ($1 billion), and projects in the cities of Lynn ($40 million), Lower (Phase II -- $50 million), Fall River ($30 million) and New Bedford ($30 million).

2. Neither the State nor the municipalities which would be affected by the proposed federal cut, could assume a larger share at this time. Most of the cities in Massachusetts are located in older urban areas which already have the highest unemployment rates in the State. Many of these cities can barely meet their share of the planning requirements. Continuity of the entire program would be disrupted if the proposal were approved.

The Commonwealth is not better off. Massachusetts tax payers have never been faced with a larger state deficit.

3. The proposed reduced share would not lead to greater accountability to improve cost-effective design, project management and post-construction operation and maintenance.

In our opinion, the programs for plan review, construction and operational supervision must be expanded, in order to assure best use of state, local, and federal funds; but within available resources much attention has been paid to cost-effective designs, and regionalized programs have been developed in many areas. We strongly disagree with any conclusions that significant sums are wasted through overdesign, or poor design.

The current federal share must be maintained just to keep pace with inflation, labor demands and other new requirements.

In the end, a reduced federal share will only encourage inadequate facilities.

4. A reduced federal share would adversely impact the goals of the Act and water quality standards. With a stoppage and slowdown of construction, litigation can be expected, presenting further delays in meeting the Act's timetable. In all likelihood, the federal standards and deadlines could not be met if the amendment were approved.

In response to this proposal we urge consideration of two recommendations. First, if the '74 Needs study is to be used for identifying priorities, category VI should not be included. Until waste water treatment is provided for, stormwaters programs should be placed at a lower priority. Second, if the federal share must be reduced, one possibility is to reduce the federal share for category IV-A, Collector Sewers. An agreeable compromise would be to revert back to the 50% federal funding for that category which was provided for when the program was administered by HUD.

LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

EPA's proposal to limit the size of eligible reserve capacity is shortsighted. Although federal monies may be saved in the short run, over the long-term projects will be much more expensive to the taxpayer. Moreover, by restricting the flexibility of states to provide reserve capacity, more careful design will not be encouraged.

In Massachusetts, much effort is now being made to develop a comprehensive 208 areawide planning program. This program will be integrated into a statewide land use plan and be made consistent with economic development plans and other environmental plans, such as Air Quality Maintenance Planning, which are currently being prepared.

In response to the specific points raised by the EPA in proposing this amendment, the following can be said:

1. The economies of scale in constructing treatment plants could be lost with this proposal. The costs of installing a 12-inch sewer pipe compared to a 16-inch sewer pipe, for example, is insignificant. The real costs are involved in trench digging and disrupting streets, not in providing reserve capacity. The increment of cost which would be saved by trimming reserve capacity amounts to very little. Long-term development costs will be greatly increased.

In addition, many of the treatment plants are supported by bond programs which require the life of the facility to at least match the life of the bonds. In Massachusetts, treatment plants are designed

to accomodate a 25-year growth, with provision for expansion -- a typical time span required by most bonding programs.

2. Current federal practice does not lead to overdesign for treatment plants nor does it encourage underdesign. The present system provides states with enough flexibility to make sound engineering and planning judgments. By tightening restrictions over reserve capacity, EPA will only interfere with the ability of the State to make sound judgments on a case-by-case basis.

3. By issuing restrictions on reserve capacity, secondary environmental impacts will not be alleviated. In general, reserve capacity constraints will worsen water quality.

4. Very few, if any, municipalities, for reasons already discussed, could fund the growth-related reserve capacity.

RESTRICTING TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

The Commonwealth also takes exception to amendments aimed at reducing the list of eligible projects. Here again we would discourage efforts which try to "force" efficiency by issuing uniform, tighter restrictions on the use of grant monies.

Simply by reducing the list of eligible projects we will not encourage wiser investment decisions or produce a more effective priority system.

We also disagree that this would encourage state and local self-sufficiency, as suggested by the proposed amendment.

Instead, restricting the list of eligible projects will tie the hands of states which have special problems. While some states may need collection systems, others may need more treatment plants. In Massachusetts, we need both. Considerations of this type must be left up to states, not mandated by federal law.

EXTENDING ON A CASE-BY-CASE BASIS THE 1977 DEADLINE FOR MUNICIPALITIES TO ACHIEVE SECONDARY TREATMENT AND STATE WATER QUALITY STANDARDS

EPA has offered five alternatives for discussing means to deal with the probability that the 1977 deadlines won't be met in many of our large urban areas.

Based upon our experience in Massachusetts, we believe the 1977 deadline should be retained but allowance should be given for providing extensions on a case-by-case basis.

In addition, in many cases it may make sense to require some industries to meet the 1977 deadlines while some municipalities may be granted extensions. The basis for judgment in these cases should be straight forward. If an industry is not tying into a municipal system it may be possible to meet the 1977 deadline. Where an industry is tying into a city system and it has been given an extension, so will the industry (except for pretreatment requirements).

DELEGATING GREATER PORTION OF MANAGEMENT TO STATES

We support efforts by EPA to delegate more responsibility to states. It's in this area that the lead time for plant construction can be reduced significantly.

In Massachusetts, the State performs almost all of the necessary actions under the existing arrangement. Practically all of the functions outlined in H.R. 2175 are being performed by the State. On the other hand, most of these duties also require some action by the Regional EPA office. By minimizing the EPA role we can reduce much of the duplication which presently exists.

In the end, this will reduce the time required for plan review and approval. For example, in the recent task force report issued by EPA on streamlining the grant process, it states that the average time for EPA application approval is three months. Specifically, the EPA's role should be limited to addressing federal environmental impact and equal opportunity requirements.

Again, we should be moving in the direction which transfers to states and municipalities as much responsibility as can be made possible under a national program. Efforts by EPA to provide states with the resources to take over more of the program's administration will receive the full support and cooperation of Massachusetts.

CHARLES B. KAISER, JR.
GENERAL COUNSEL
METROPOLITAN ST. LOUIS SEWER DISTRICT
JUNE 17, 1975

The Environmental Protection Agency's public hearing in Kansas City, Missouri on five topics for which proposed amendments have been made to Public Law 92-500 Federal Water Pollution Control Act.

My name is Charles B. Kaiser, Jr. I'm General Counsel for the Metropolitan St. Louis Sewer District and also Chairman of the Legislative Committee of the Association of the Metropolitan Sewage Agencies. I am not speaking for AMSA here today, only the Metropolitan St. Louis Sewer District. But I would like to note that AMSA will present its statement on the same subject at the federal hearing June 25 in Washington, D.C.

I'd like to thank the Environmental Protection Agency for the opportunity to appear today to express MSD's views on the proposed amendments to Public Law 92-500. I will try to be brief and discuss the five issues to be covered here today in the order in which they were discussed in EPA's papers on the proposed amendments.

Paper No. 1 - Reduction of the Federal Share

1. Would a reduced federal share inhibit or delay the construction of needed facilities?

It is our opinion that any reduction in the federal share from the present 75% of eligible cost would severely inhibit and delay the construction of needed facilities. First of all, I think that the 1974 need survey, which reported a total need of 342 billion dollars for facilities eligible for construction grants under Public Law 92-500, is a very low estimate in terms of what we all know inflation has done to that figure in the last months. I was quite amused by the question raised in the paper as to whether the total amount or even the amount for critical categories can be accommodated in the federal budget in time to meet the 1977 and 1983 municipal pollution control requirements of Public Law 92-500. If the federal government thinks it has financial problems, I think those of the states, local cities, towns and villages and municipal agencies such as ours are far more critical, and any huge expenditures in the billions would probably bankrupt many of the local agencies. It was my understanding that the 75% federal grant figure was placed in Public Law 92-500 so that this job could be accomplished in a reasonable time and that Congress realized it had to be undertaken by the federal government because it was beyond the financial capabilities of the local governments.

2. Because of the financial problems of many of the states and local governments, I feel that the states do not have the capacity to assume through state grant or loan programs a larger portion of the financial burden of the program. I know in Missouri, it would be virtually impossible to secure legislation authorizing our state to increase its grant amount or start a loan program. In short, I do not feel that the state could stand to place anymore money in the construction grant program for water pollution. On the contrary, the state passed a $150,000,000 bond issue which is being eroded by tremendous inflation, and instead of increasing the state grant amount it might reduce it so that the limited funds from this Water Pollution Control Bond Issue would go farther.

3. Just how much difficulty local communities would have in raising additional funds in capital markets for a larger portion of the program is hard to estimate, but anytime you're talking about local governments raising billions of dollars, I'm sure you're talking about tremendous problems in raising these funds. To give you an example, both St. Louis and Kansas City are already heavily in debt and still owe on the bonds used to provide primary treatment in the sixties. I'm sure that when you go farther in debt, particularly in these large amounts, you're going to run into difficulty in obtaining buyers for the additional bonds. Some might even have constitutional or charter limitations and debt ceilings.

4. We at the Metropolitan St. Louis Sewer District feel that our responsibility to our local taxpayers has given us the greatest accountability for cost effective design, project management and post construction operation and maintenance of the facilities.

We recently completed 100 million dollars of pollution abatement facilities on the Mississippi River and an additional 12 million dollars of treatment facilities on our Coldwater Creek project. I think our record on the engineering, design, construction and operation and maintenance of these facilities shows it all was done with our responsibility to our taxpayers or users to keep the total cost of these facilities as low as possible and still do an outstanding job of cleaning up the waters around the metropolitan St. Louis area uppermost in mind.

I'm not so sure that the opposite effect would not be the case with a severe limitation on funding. It's been our experience throughout the country that when there were limits on funding people tried to design to the funding without regard for the efficient operation of the plant or they tried so hard to cut costs that an adequate job was not done in producing an effluent that was satisfactory for the stream conditions to which the effluent was being discharged. I'm sure that if local municipalities have to go heavily in debt to build new treatment facilities they will be very reluctant to spend any additional money to hire sufficient personnel of adequate skills to operate and maintain the plans efficiently.

5. There's no doubt in my mind that a reduced federal share below the 75% level for eligible projects will have a disastrous effect on efforts to meet the water quality goals set up in Public Law 92-500. Here I think we already have proof as to what effect the limit on funding would have by the Presidential impoundment of the funds that, even with all of the red tape we all talk about, we would be at least 18 months to two years ahead of our construction program of today.

In summing up on this subject, my understanding is that Public Law 92-500 was enacted to clean up the waters of the United States. It was a gigantic undertaking requiring gigantic amounts of funds. Many of us felt that the 75% was going to be very burdensome to the United States government, but also that it was the only way that the goals set out in 92-500 could be attained. One of the problems in keeping a constant program going throughout the United States to clean up our waters was the frequent changing of the grant amounts or eligibilities in the Federal Water Pollution Control Act. Therefore, we feel to keep continuity and be fair to everyone, the 75% level should be retained. Whether or not the 75% construction grant should apply to all types of projects eligible for grants under Public Law 92-500 or receive the same priority for these grants will be discussed later under paper number 3.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

1. We certainly don't feel at MSD that the current practice leads to over-design of treatment works. But certainly in some cases in recent years, the growth has not equalled our anticipation of some ten or twenty years ago in certain areas. I think this is more the result of past practices in engineering design and projections by municipalities when they are constructing new treatment facilities. Public officials are constantly being criticized for not anticipating the rate of growth when the facilities are incapable of handling the waste from this increased population.

To make a brief answer to Paper No. Two, it is our belief that to spread the limited federal funding further, and in the interest of efficiency, some limitations on the eligibility for growth related reserve capacity for treatment plants is not only in order at this time but might be very wise so long as treatment facilities are designed in what we call a modular way so that additional capacity can be added in an efficient manner and without much additional cost. However, some reserve capacity must be provided in all wastewater treatment facilities to insure that they will not be overloaded by the time they are completed and to provide the lead time necessary to expand them before they are overloaded.

On the other hand, we feel that sewers should be designed for the ultimate growth of the watershed that they serve and that to do otherwise would be penny-wise and pound-foolish and cost our taxpayers billions of dollars in the future.

In closing our discussion on this subject, let us say that it appears to be an attempt to reduce the federal 75% share without having to amend the act. By that I mean that traditionally in the water pollution control field treatment facilities and sewers were designed for population at least 20 years to 25 years in the future and certainly, I think, any new studies were based on that type of planning. To limit the eligible cost to the present population could only be interpreted as a legal method of reducing the 75% provided for in Public Law 92-500.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

1. When one considers that the 1974 need survey reported a total need of 342 billion dollars for facilities eligible for construction grants under Public Law 92-500 and that a 75% federal share, if satisfied, would require almost 260 billion dollars in federal funding, it becomes apparent that there must be some method of restricting the types of projects eligible for grant assistance or at least a priority system for determining projects eligible for grant assistance.

I think that all of us who have followed Public Law 92-500 and have been involved in the water pollution control field the last 10 or 20 years realize that there will not be forthcoming from Congress 342 billion dollars within the next five or ten years. Therefore, we have to seriously look at the problem posed by Paper Number Three very carefully.

The need survey further stated that the cost of secondary treatment, advanced treatment and interceptor sewers would be 46 billion and would require federal funding of nearly 35 billion. I think we could anticipate this level of funding and, in fact, we recommend a federal funding level of at least seven billion dollars a year for the next five years. If this is done, certainly we could construct the necessary secondary treatment, advanced treatment and interceptor sewers needed.

We at MSD feel that so long as there are certain time deadlines on such things as secondary treatment and advanced waste treatment for certain areas, then those areas should definitely be given the priority in the federal funds.

2. We feel there are adequate local incentives to undertake needed investment in certain types of facilities even in the absence of federal financial assistance. All of us in the urban areas of the United States have had to construct collector sewer systems without any federal assistance. When the septic tank problem reached a level

that was either dangerous to public health or a public nuisance, we have been able to finance the construction of these facilities. In fact, many of our homeowners are still paying off special benefit assessments which were made against their properties to provide them with a sanitary collector sewer system. I think this point was well put in the EPA comments on the proposed amendments when it said that it may be hard for some local agencies to raise capital to clean up the waters for their downstream neighbors. But I can tell you that my experience has been that when the local conditions caused by failing septic tanks get so bad, you are amazed how people can find the money and support to clean up the local mess.

Paper No. 4

If there is one amendment to Public Law 92-500 that seems to be obviously needed, it is that of extending the 1977 date by which publicly-owned treatment facilities are to achieve compliance with the requirements of the Act.

We all agree that it's impossible for the publicly-owned treatment works to achieve these deadlines. Therefore, Alternative 1 is out of the question.

In fact, none of the five alternatives really solves the problem. If the 1977 deadline is impossible to meet, why keep it in the law? We feel the best solution would be to extend the deadline to a realistic year based on the level of Federal Funding and then use the fourth alternative which would provide the Administrator with discretion to grant compliance schedule extensions on an ad hoc basis based upon the availability of Federal Funds.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program To the States

It seems that the general consensus of opinions of the federal government and of most state and local agencies is to delegate a greater portion of the management of the construction grants program to the states. We hope if this happens we don't lose another year or two while the states staff-up to do what the federal government says it does not have sufficient staff to do. Certainly we have no quarrel with this delegation to the state authorities, but we do feel that the states will have difficulty in securing any additional funding from the state legislatures. Therefore this delegation must be accompanied with some financial help from the federal government. We only hope that they can staff up in time to not delay the clean water program.

We do have one objection in the area of delegation to the states and in particular to letting each state set its own priority program.

We strongly feel that if a state secures its federal funding based on needs or population then the state should set up its priority system for awarding construction grants on a needs, or population basis.

To give an example, much of the federal money Missouri gets is based on the needs of the urban areas and the population of the urban areas. But it could totally disregard this when it sets its priorities and awards its grants throughout the state. This could result in areas such as Kansas City and the St. Louis metropolitan area receiving little or absolutely no federal funding to achieve the goals set out in Public Law 92-500.

This is in no way an attempt to quarrel with the rural areas or the outstate areas, but to merely state a fact that pollution originates where people are, and people are in the urban areas and this is where the pollution is that Public Law 92-500 was enacted to clean up. The federal government must place conditions on the award of construction grants that comply with some criteria set out by the federal government to insure that the goals of Public Law 92-500 are being achieved.

In closing, let me say we appreciate the opportunity to appear and discuss these five papers regarding Public Law 92-500 and it is hoped that in the future we will be able to discuss and make some other recommendations on possible amendments to Public Law 92-500.

Respectfully submitted

Charles B. Kaiser, Jr.
General Counsel
Metropolitan St. Louis Sewer District

May 28, 1975

PROLOGUE

The Ad Hoc Committee of the Region VII Pollution Control Conference functions in behalf of municipalities and such firms and industries involved with the design and construction of water pollution control facilities in Iowa, Kansas, Missouri and Nebraska.

The committee was formed at the behest of the first meeting of the Region VII Pollution Control Conference, convened at the Alameda Plaza Hotel in Kansas City, Missouri January 28 and 29, 1974. This conference was attended by 224 municipal officials, consulting engineers, contractors, and manufacturers.

The Committee was charged with the responsibility of recommending changes which would alleviate problems relating to PL92-500. This would include changes in dates, procedures, priorities and in methods of funding. A copy of the goals and objectives is appended to this statement.

The committee held successive meetings on February 24, 1975 and March 31, 1975 and adopted the attached recommendations. These were submitted to the below-listed organizations and were subsequently adopted by the Associated General Contractors of America and included in their recommendations submitted to EPA Administrator, Russell Train on April 14, 1975.

1. AGC of America.
2. American Consulting Engineers Council.
3. Professional Engineers in Private Practice.
4. American Society of Civil Engineers.
5. W.E.M.A.
6. Water Pollution Control Federation.
7. American Public Works Association.
8. Mayors Conference (National League of Municipalities).

On May 16, 1975 the Committee held a special meeting to prepare the following statement in response to the proposed amendments to the Federal Water Pollution Control Act recommended by the Office of Management and Budget:

STATEMENT IN RESPONSE TO THE PROPOSED AMENDMENTS
TO THE FEDERAL WATER POLLUTION CONTROL ACT

The Ad Hoc Committee of the Region VII Pollution Control Conference, while realizing that there is a need for an overall reduction of Federal expenditures, feels that a reduction of the Water Pollution Control Program at this time would not only cause deleterious effects on our environment, but would jeopardize the economy by weakening the industry that has tooled itself to cope with water pollution problems.

For that reason we strongly urge that any reduction in Federal participation in the Water Pollution Control Program be limited to the March 31, 1975 recommendations of this committee which were subsequently adopted by the Associated General Contractors of America. Basically we are recommending that any reduction of the federal share be accomplished by reducing the complexity of federal requirements.

Our reaction to the proposed Amendments to the Federal Water Pollution Control Act by the Office and Management and Budget are as follows:

1. A reduction of the Federal Share
   Since the inception of the Act, local governments have been adopting the criteria and more stringent standards promulgated by EPA in anticipation of a promised high degree of federal funding. Should that degree of federal participation be reduced, these communities would face dire financial consequences.

2. Limiting Federal financing to serving the needs of existing population.
   A proposal which would not permit design and construction for imminent population growth without adequate reserve capacity would definitely not be cost saving. It also would not be effective in controlling water pollution. EPA has already established adequate controls which, in Region VII, are being properly administered to prevent over-design. The expense of under design, which could involve duplication of certain costs, is penny wise and pound foolish.

3. Restricting the types of projects eligible for grant assistance.
   The act itself (PL92-500) restricts funding to "programs for preventing, reducing, or eliminating the pollution of the navigable waters and ground waters and improving the sanitary condition of surface and underground waters." In some communities this can only be accomplished by the construction of collector systems, in others, plant construction is necessary. The establishment of arbitrary criteria would only subvert the intention of the act.

4. Extending the 1977 date for meeting water quality standards
   The committee concurs that the 1977 standard is impractical. It recommends that in extending the date, priorities and firm schedules be established on a case by case basis consistent with the availability of funding. The extensions should not be such that the resulting slow down would abrogate the national goals established by Congress in the Act. (Title 1 - Section 101 Declaration of Goals & Policy).

5. Delegating a greater portion of the management of the construction grants program to the states.
The committee concurs with this proposed amendment and reiterates its recommendation of March 31, 1975.

THE AD HOC COMMITTEE OF THE REGION VII POLLUTION CONTROL CONFERENCE

Jack R. Kidder
Paul Ombruni
Robert C. Dobson
Don Boyd
Robert E. VanSant
Frank Weaver
Jerry C. Liston
R.P. Elsperman
Max Foote
Glenn Gray
Glenn Coulter
L.W. Kehe
H. Robert Veenstra
Harold Smith
Fred Deay
Ray Lindsey
John G. Havens
Robins Jackson
Pete Mattei

General

It is the feeling of the committee that the law (PL 92-500) and the attendant Rules and Regulations promulgated by EPA are inordinately complex and restrictive. These factors have been responsible for costly delays in the program.

Some changes need to be made. However, there is an inherent danger in making changes at a time when there is evidence that the existing requirements are finally being assimilated by the system. In other words at this stage it is important that changes, which would otherwise be desirable, not be made that would defeat the intended purpose of those changes - to eliminate the delays in the program.

For this reason, the committee's recommendations have been, as much as possible, restricted to changes which would eliminate requirements rather than change or add to them, or to changes that could be achieved without interrupting the program.

Proposed Changes

Design Responsibility

The requirement for non-restrictive specifications should be eliminated.

EPA Regional Staff

The size of the EPA Regional Staff is not adequate to process projects at a reasonable rate. This problem should be solved by reducing the complexity of the requirements rather than increasing the staff.

Decentralization of Authority

The committee supports passage of the Cleveland-Wright Bill (H.R. 2175) which would permit the Administrator of the EPA to delegate to those states, which are equipped to do so, the responsibility of certifying compliance with all requirements.

Owners Responsibility to Engage Professional Services

Eliminate legal, administrative and engineering costs as eligible for reimbursement, and at the same time increase correspondingly the percentage of construction costs reimbursed.

Standard Contract Documents

Encourage the use of the revised Standard Contract Documents for all EPA water/sewer projects.

Payments

In order to maintain a positive cash flow position, provisions need to be made wherein engineers, manufacturers and contractors are entitled to receive timely progress payments. Since cost of money is significantly higher than that of government funds, the net effect of progress payments would be lower quotations. It should be required that all payments, progress and final, be made promptly.

Payment Delays

Sections of the regulations

35-935-11C (Requirement for draft of O & M Manual)
35-935-13A (User charges and industrial cost recovery)
35-935-16 (Sewer use ordinance)

have been used as the basis for withholding progress payments to the contractors. These regulations should be modified to eliminate the use of owner omissions (over which the contractor has no control) as a barrier to making partial progress payments on construction.

Stabilize Project Funding (taken from PEPP Recommendations)
In the area of funding the act should be amended:

to authorize funds through 1983 to insure the steady flow of funds into the waste treatment plant construction program thus eliminating the peak and valley situations which create difficulty within the construction industry and inhibit efficiency within the program.

Permit Ad Valorem Tax

The act should be amended to permit local discretion in devising financing systems which provide sufficient funds to cover operational, maintenance and replacement costs on a proportionate basis among all classes of users. Such an amendment should specifically permit imposition of an ad valorem tax as one of the accepted methods of financing.

Permit Reimburseable Agreement

The regulations which would forbid payment for planning initiated prior to the receipt of the grant i.e., 35-917(e), should be eliminated, because they stifle initiative by engineers and municipalities.

Infiltration and Inflow Analysis

Either completely eliminate from the law the requirement for showing that each sewer collection system is not subject to excessive infiltration or modify the regulations to permit acceptance of the opinion of qualified experts without extensive documentation.

GOALS AND OBJECTIVES OF THE JOINT MUNICIPAL-CONSULTANT-CONTRACTOR-MANUFACTURER (MCCM) AD HOC COMMITTEE

I. Development and maintenance of an understanding of the problems experienced by the various governmental agencies charged with administration of PL92-500 and associated regulations.

II. Identification and delineation of the problems encountered by the groups represented by the MCCM Committee in working with PL92-500 and associated regulations.

III. Determination of the various governmental, professional and trade associates and/or societies and their current activities that have an active interest in expediting the administration of PL92-500 and associated regulations.

IV. Identification and delineation of methods of expediting the administration of PL92-500 and associated regulations.

V. Determination of the most effective means of providing meaningful feedback to governmental lawmakers and administrators that are in a position to affect changes in the law and regulations.

VI. Development of an effective means of communication between the various governmental, professional and trade associations and/or societies that have an active interest in PL 92-500.

VII. Development of an effective means of monitoring and reporting the activities and results of the MCCM committees efforts.

1025 Turkeyfoot Road
Lexington, Kentucky 40504
June 19, 1975

Mr. David Sabock
United States Environmental
Protection Agency
401 M Street, S.W.
(WH556)
Waterside Mall
Washington, D.C. 20460

RE: Public Hearing on
Proposed Amendments to PL
92-500 (FWPCA)

Dear Mr. Sabock:

I appreciate being invited to take part in the Public Hearing on the Proposed Amendments to the Federal Water Pollution Control Act for submission to Congress, which was held June 9, 1975. Due to a prior commitment to conduct a Public Hearing on one of our 201 Plans, I was unable to attend. However, I would like the enclosed comments included in the record.

If you have any questions, please contact me.

Very truly yours,

William H. Meadows, P.E.

WHM/pje

Enclosures (2)
cc: Mr. Leland Gottstein
Mr. Joseph R. Franzmathes, P.E.

COMMENTS
ON
PROPOSED AMENDMENTS
TO
PL 92-500 (FWPCA)

Submitted by:
William H. Meadows, P.E.
1025 Turkeyfoot Road
Lexington, Kentucky 40502

(1) Reduction in the Federal Share of Grants

Inasmuch as the Federal government has the framework of taxing power and the agencies to disburse funds for grants and the costs for water pollution abatement is to be borne by the taxpayer, I suggest it would be most expeditious to leave the federal share of the grant at its existing 75% contribution. Reducing the Federal share will not result in reduction of costs and will only provide further complications for generating the revenues on a local or state level. Additionally, since Congress' first recognition of the water pollution program in the late 1940's, the states have resisted financial participation. Reduction of the Federal grant for funding will only magnify the problems in states whose governments elect not to impose additional taxes.

(2) Limit Federal Aid to Serve Only the Needs of Existing Population

Although Congress has listed many lofty goals to be achieved in water pollution control, it is, in fact, the needs of the existing population which are being served first, such as planning and construction of treatment works to achieve water quality limits and intercepting sewers for transportation to these plants. To my knowledge, there has been limited use of Federal funds for construction of collecting sewers and I have no knowledge of sewering projected population other than providing capacity in treatment works for future development.

With the accomplishment of infiltration/inflow analyses and reduction of extraneous flows, sewer systems that have been designed, historically, on a 100 gpcd basis, with a peaking factor of 2.5, will not have a greater capacity for carrying sanitary wastes which may, in fact, eliminate the construction of many relief sewers for any anticipated growth. Additionally, proper planning may result in the designation of land use for future growth which may receive adequate service from existing sewer lines.

(3) Restricting the Types of Projects Eligible for EPA Grants

The projects that are eligible today, under current legislation, are eligible, presumably, because they are required to comply with Federal legislation. The restriction of types of projects should be approached only on terms of priority to insure compliance with Congressional intent.

(4) Extending 1977 Deadlines for Meeting Water Quality Standards

According to a recent statement by Russell Train, the water pollution control program has achieved only 25% completion, to date, of work to accomplish the goals of 1977. Since there was approximately 5 years between the time of the PL 92-500 Congressional action to the 1977 goals, as outlined, and two years elapsed in providing the states, cities and consultants with guidelines for implementing the program,

it appears a great amount of the delay is due to the inability of the Environmental Protection Agency to administer the program. The administrative staff of the EPA should certainly be expected to respond to meeting the program as quickly as other parties. Their staffing is obviously inadequate in terms of numbers and capability. As they tell us, the operation and maintenance is vital to the survival of even the most sophisticated wastewater treatment works. I should remind them the operation of the administration of this program is also vital.

Additionally, the windfall of Federal funds deimpounded by President Ford was disbursed in an unusual manner. Since the state priority list are generated on the basis of need, it would seem the impounded funds would have been disbursed to the states on the priority of needs, as established in 1975, rather than on the 1973-74 method of disbursement based upon population. Although it is obvious the 1977 deadlines for water quality standards will not be met, I only agree that those deadlines should be altered on a case-by-case basis in which the municipalities or industries can show cause for the delay and submit an acceptable implementation schedule which they should be required to conform to.

(5) Delegation of Water Grant Operations to the States

The delegation of more duties to the states in the program will, without a doubt, only compound these complex problems. With the exception of the State of Pennsylvania and a few others we may hear of, I would expect even if the states were willing to accept this significant leadership role, it would be legislatively impossible for a number of years. Although some states may be willing to accept this responsibility, for whatever reason, in general I should think nearly 30 years of resistance and inability of the states to provide any meaningful leadership in water pollution abatement would be, alone, reason enough to discount this as being worthy of consideration.

An additional comment I would like to make is that, hopefully, the greatest undertaking of public works by this country would not be aborted before there is any real evidence of whether it will be a success or failure. As many people realize, the costs of Clean Water Surveys, which as I understand, may be the basis of these proposed amendments, is, at best, a guess. As I recall, initially, it was only a tool to be used to continue the funding program in Congress on a 1 and 5 year basis in addition to those funds provided by continuing legislation. My recollection of the end of fiscal years while working with the EPA reminds me of how deftly the regions could expedite grant funding in order to commit themselves and perpetuate a bigger and better next year. The cost of Clean Water Surveys was used as a tool

by the states to increase funding with the states submitting information based on the premise that the larger the number, the better off everyone should be. The number generated, rather than being used as a guidance tool for Congressional allocation, has become an early planning tool which threatens to destroy the program itself. Assuming the cost of Clean Water Surveys is in the amount of $350 billion and the sewered population is 175 million, this indicates a per capita cost of approximately $2,000.00. My experience with our 201 studies, in planning for over 150,000 people to achieve minimum standards as outlined for 1977 (including infiltration/inflow analyses, sewer system evaluation surveys, rehabilitation, construction, and all other related costs) indicates a cost of approximately $250.00 per capita. I am not suggesting this is representative of the cost throughout the nation. However, there appears to be an irreconcilable difference. Therefore, I suggest some restraint and reasoning be used if, in fact, this is the basis for amending the current program.

MONTEREY PENINSULA WATER POLLUTION CONTROL AGENCY

P.O. Box 190
MONTEREY, CALIFORNIA 93940

1101 CASS ST.
(408) 375-9773

TESTIMONY TO BE PRESENTED AT
ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARING June 19, 1975
San Francisco, California

The Board of Directors of the Monterey Peninsula Water Pollution Control Agency, a joint powers agency formed to plan, construct and operate a regional wastewater treatment system, is generally opposed to the proposed legislative amendments to the Federal Water Pollution Control Act as promulgated by the Environmental Protection Agency on April 25, 1975. The Board considers that covenants entered into in good faith must be honored. Construction of a regional wastewater treatment system was, in effect, mandated by the EPA and the anticipated costs to local communities in considerable even under the present 75% Federal share agreement. Abrogation of that agreement by a reduction in the Federal share would involve a reduction in the Federal share would involve an additional financial burden on the member municipalities which might well jeopardize the existence of our Agency.

As to the specific amendments proposed for consideration by the EPA, our Agency comments follow:

1. Reduction in the Federal share: It is estimated that EPA Facilities Planning and Project Guideline Reports have added 20-30% to project planning costs. Delays in construction of various phases of our project of from one to four years, occasioned primarily by EPA regulations, have increased construction costs by an estimated 10-40% due to inflationary factors. Costs to the tax payer for wastewater treatment and disposal will increase by 60-100% due to EPA discharge standards and requirements for regionalization even under the present Federal 75% share of capital costs.

2. Limiting Federal Financing to current population needs: Such action would increase construction cost to the local taxpayer. No municipal government can afford to build a new wastewater treatment plant without making provision for normal growth. The proposal would shift total cost of future capacity to local government at a time when municipal financing capabilities in California are at a low ebb.

3. Restricting type of projects eligible: Our agency agrees that this proposal might result in overall reduction of costs. Where regionalization and reclamation and reuse are mandated without adequate justification, construction and energy costs incurred may outweigh any dubious environmental advantages or economies of scale in operation and maintenance. Elimination of the requirement for treatment and control of storm water run-off would effect major savings.

4. Extending the 1977 date for meeting water quality standards: The date for meeting water quality standards will have to be extended as it is obviously impossible to meet the 1977 date in many localities; however, extension of the date will not reduce the final cost to the Federal government.

5. Delegating a greater portion of the managing of construction grants program to the States: This is the only alternative proposed which could conceivable reduce costs of the program; a single level of government approval would hopefully reduce planning and construction costs by expediting project completion. This alternative would be most effective if the States were given authority to modify discharge standards to suit local conditions and circumstances.

In summary, our Agency is heartily in favor of reducing the overall cost of the program mandated by the FWPCA and believes that revisions of the act with regard to discharge standard to permit basing treatment standards on local conditions would provide such a reduction. Revision of arbitrary numerical effluent limits, and relating treatment standards directly to public health purposes would satisfy the basic intent of the Act and reduce the overall cost of the program. De-emphasis of regionalization and reclamation and reuse to those specific instances in which there is an obvious economic or environmental advantage would further reduce program costs.

June 11, 1975

Mr. David Sabock
Office of Water and Hazardous Materials
Office No. WH556 - Room 1033
West Tower Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Sabock:

We have been advised through the Federal Register, Volume 40, No. 86, dated May 2, 1975, that the U.S. Environmental Protection Agency will hold a series of public hearings concerning proposed amendments to the Federal Water Pollution Control Act. It is understood that the proposed amendments include the following:

1. A reduction of the Federal share in the cost of construction for water pollution abatement projects.
2. Limiting Federal financing to serving the needs of existing population.
3. Restricting the types of projects eligible for grant and assistance.
4. Extending the 1977 date for meeting water quality standards.
5. Delegating a greater portion of the management of the construction grants program to the states.

The Mayor and City Council for the City of Midwest City wish to advise you of the Council's position on these proposed amendments:

1. A reduction of the Federal share
   The environmental quality standards coupled with the soaring cost of inflation have caused the construction cost of pollution abatement facilities to skyrocket faster than the City's ability to finance the local share of construction. If badly needed projects are to be financed, it is essential that the Federal share of construction costs be increased, not decreased.

2. Limiting Federal financing to serving the needs of existing population
   It is impractical to construction wastewater treatment facilities and wastewater collection lines to serve the needs of existing population. Such a design criteria would mean that facilities would be overloaded and outdated as soon as they are constructed. It is essential that facilities

be designed to meet reasonable growth expectations in order to preclude the need for immediately duplicating newly constructed facilities.

3. Restricting the types of projects eligible for grant assistance
It is essential that the Federal participation continue for helping to finance the construction of both wastewater treatment facilities and wastewater collection lines.

4. Extending the 1977 date for meeting water quality standards
The time-consuming and cumbersome process of financing and performing the Comprehensive Engineering Study (Section 201, Step 1) makes the date for compliance to new environmental quality standards of 1977 an impractical date to meet. A more realistic date for compliance would be 1983.

5. Delegating a greater portion of the management of the construction grants program to the states
The Oklahoma State Department of Health has qualified engineers and administers capable of managing the Water Pollution Control program for Oklahoma. The City of Midwest City wholeheartedly endorses the proposal of the Federal Government releasing the management of the construction grants program to the State of Oklahoma.

The Mayor and City Council of Midwest City are eager to help the U.S. Environmental Protection Agency and the State Department of Health to improve the water pollution control program in every way possible. This position paper is offered in the spirit of achieving that objective.

Sincerely,

MARION C. REED
Mayor

MCR/gmh

cc: Dr. LeRoy Carpenter, Commissioner
Oklahoma State Department of Health

MEMORANDUM

DATE: June 18, 1975

FROM: Kenneth M. Karch, Director, Division of Environmental Quality

TO: Jerome H. Svore, Regional Administrator, Environmental Protection Agency

SUBJECT: Comments on Proposed Changes to PL 92-500

The attached copies are being mailed to you since we did not have them available at the hearing.

KMK/mjs

COMMENTS ON PROPOSED CHANGES TO PUBLIC LAW 92-500

June 17, 1975

Prepared by Staff Water Quality Program,
Div. of Environmental Quality, Dept. of Natural Resources

The following comments are numbered in order the items were presented in the Federal Register announcement.

1) Reduction in Federal Share - The Department recognizes that it would be very difficult to decrease the percentage of federal funds, although there was apparently no great demand in 1972 to increase from 55 percent to 75 percent, except in Congress.

A reduction in the Federal share would allow an expansion of the number of projects funded, and thereby reduce the time required to meet the needs in the State.* Based on Missouri needs as reported in the 1974 Needs Survey, it will probably take 10 to 15 years to meet secondary treatment if federal funding is retained at the present levels of 4 to 5 billion dollars per year. Missouri's needs in 1973 dollars to meet secondary** treatment is approximately 471 million dollars. Missouri's

*See Table 1

**See Item b, for an additional comment on this requirement along with Attachment No. 1. Costs based on EPA corrected figures in 1973 dollars.

total needs as reported in the 1974 Needs Survey is 2,399 billion dollars. Construction costs have risen in 1973 and 74 at between 15 and 25 percent for sewage treatment plants and for sewer installation, with no reversal presently in sight. Although a reduced federal share will place an additional burden on some municipalities' ability to fund necessary improvements and might increase the rate at which the state bond authorization (state share) is used up, the reduced federal share will permit more projects to be funded and result in more rapid overall improvement in water quality.

At the same time an increase in local participation will provide a much needed incentive for the local public officials to take a more active interest in overall project costs. Hopefully this would cause less "gold plating" of projects because "the feds are paying the bill." Missouri had adequate projects to use the federal appropriation at 55 percent federal funding and we would expect the same to be true in the future.

In conclusion, while the above argues for a reduction in the federal share, the Department is concerned about the difficulties in raising revenues at the local level. We also feel that the federal government is obligated to assist in providing the large sums required to meet federally mandated standards. The Department believes a reduction in federal grant should only be made if there is a corresponding decrease in federal requirements and control, and delegation of more authority to the states.

2) Limiting Federal Funding of Reserve Capacity - While we acknowledge the possible impact of funding excess reserve capacity on urban sprawl in individual cases, the Departmentis generally opposed to restricting funding for reserve capacity. Without a careful analysis on a case by case basis, we belive such a limitation would result in poor engineering or economic design and would discriminate against the high growth areas where the most serious water pollution problems will result if adequate facilities are not provided. Communities will be reluctant to provide adequate reserve capacity if they will be required to finance 100 percent of the costs. This will result in many facilities becoming overloaded in a very short time following their completion. The facilities will then have to be expanded at a far greater cost than what the additional capacity would have cost at the time of the original construction. In addition, we believe this would be a difficult provision to administer equitably. We favor retention of flexibility to select design periods which are based on sound engineering and economic judgment, to take into account local cost differences, growth rates, and interest rates. Ideally, a case by case review is required for projected reserve capacity to serve future growth.

3) Restricting the Types of Projects Eligible for Grant Assistance -

Limiting eligibility to Categories I, II, and IV B as proposed (secondary treatment facilities, tertiary treatment plants as needed to meet water quality standards, and interceptor sewers) may be acceptable depending on how infiltration-inflow matters will be handled. If elimination of infiltration-inflow is found to be more cost effective than expansion of treatment capacity, the correction of the infiltration-inflow should be made eligible under Category I or II. If the reverse is true, added treatment capacity to handle infiltration-inflow should be made eligible under Category I or II when the added capacity is found cost effective. If infiltration-inflow costs are eligible under Category I or II we would support limiting eligibility to Categories I, II and IV B. If not, we believe that Category III A should be included since this is very closely tied to treatment capacity requirements.

Deletion of the eligibility of collection sewers will be unpopular with small community officials and result in continuing health hazards in unsewered areas. Therefore, we urge EPA to press for an expansion of those programs that provide alternate methods of funding for sewer systems (HUD - FHA loans, grants, etc.). This is basically in line with the present Missouri state matching grants. When the federal share was increased from 55 percent to 75 percent and collection sewers became eligible, the legislature determined that the state matching grant should not cover collection sewers. Consequently, a separate state funded program provides funds for sewer systems not to exceed $600 per connection.

Subject to the above consideration, the Department generally supports limiting the eligibility.

4) Extending the 1977 Date for Publicly Owned Treatment Works to Meet Water Quality Standards - The Department supports a combination of alternatives 3 and 4 which would provide the Environmental Protection Agency administer with discretion to grant compliance schedule extensions on a case by case basis for:

(a) time required with the expenditure of good faith to build the necessary facilities; or
(b) extension due to the lack of sufficient federal funds.

We believe this approach will require municipalities which are able to comply with the law to do so, and allow the others additional time to comply. Extension of the date would not, however, allow municipalities in Missouri which are able to comply to postpone their improvements. Industry deadlines should be reviewed on the same basis.

5) Delegating a Greater Portion of the Management of the Construction Program to the States - The Department supports the maximum delegation of authority possible to the states. We also favor the Cleveland-Wright Bill, HR 2175, which would provide sufficient funding for the states to carry out the management of the grant program. The states are more directly familiar with the problems in their states and thus are better able to manage the program. This would also avoid much of the duplication of State-Federal review which now exists.

In addition to the above, we offer the following comments for your consideration:

a) In order to enable the state to properly plan for construction grants it would be very desirable if Congress would provide authorization for appropriations for construction grant funding for the next 5 years. If this is not done, it is very difficult for the state to properly plan and schedule for future construction.

b) Ocean outfalls and large (Missouri and Mississippi) rivers must be considered on more equitable basis. Requiring primary treatment only for ocean outfalls and secondary for large (Missouri and Mississippi) river cities does not provide either an equitable nor a cost-effective solution in our opinion. The cost versus the derived benefits in water quality improvement is very questionable. (See Attachment No. 1).

c) Emphasis needs to be placed on land conservation practices. Too much emphasis is placed on municipal waste where it is not the most important pollutant. In this matter we urge a continuation of the 100 percent federal funding for 208 Study Areas for an additional year with a provision to allow states to participate for statewide non-point source 208 studies on the same basis (100 percent funding for 2-year study).

d) Present law (92-500) calls for an annual water quality (Section 205 b) report to Congress. A biennial report will be more realistic and reasonable. We would recommend that the report coincide with the water years, that is from October 1 through September 30 two years later and be submitted to EPA by the April 1 or 15 date.

e) Publication of regulations in the Federal Register provide an entirely inadequate amount of time for the necessary review and comments on complex rules and regulations. We urge that the agency be required to give at least 60 days for comments. In some cases 90 days would be more realistic.

We thank you for the opportunity to express our views.

TABLE 1

Condition	Agency Share Federal	State	Local	TOTAL
$4 Billion Federal Appropriation				
75/15/10 (since PL 92-500)..	75.84	15.17	10.11	101.12
55/15/30	75.84	20.68	41.37	137.89
55/25/30 (before PL92-500)..	75.84	34.47	27.58	137.89
$5 Billion Federal Appropriation				
75/15/10	94.80	18.96	12.64	126.40
55/15/30	94.80	25.85	51.71	172.36
55/25/20	94.80	43.09	34.47	172.36
$6 Billion Federal Appropriation				
75/15/10	113.76	22.75	15.17	151.68
55/15/30	113.76	31.02	62.05	206.84
55/25/20	113.76	51.71	41.37	206.84
$7 Billion Federal Appropriation				
75/15/10	132.72	26.54	17.70	176.96
55/15/30	132.72	36.20	72.39	241.31
55/25/20	132.72	60.33	48.26	241.31

In millions of dollars based on FY75 allocation formula. Missouri's allocation 1.89607 of total federal appropriation.

ATTACHMENT NO. 1

In support of our position regarding the mandated requirement that all plants other than large ocean outfalls have secondary treatment, we offer the following facts regarding the cost versus federal dollars available for construction. There is little evidence that secondary treatment on a large river (flow 30,000 plus cfs versus a plant flow of less than 100 cfs) will have a measurable improvement in the river water quality. Furthermore, extreme costs for such treatment in view of limited water quality benefits seem unjustified in the face of other needs.

Total needs for secondary treatment in Missouri (1973) = $471 million.

Total needs for secondary treatment along the Missouri and lower Mississippi River (1973 dollars) = $300 million.

Total needs for secondary treatment at the big 3 Missouri River plants (Kansas City Blue River, M.S.D. Bissell and Lemay - 1973 dollars) = approximately $252 million.*

Expected funding levels from federal share - 95 million (based on $5 billion nationwide and present allocation).

Thus, only a few plants discharging to the nations largest inland waterways will require the entire state share of federal funds for about three years for little if any water quality improvement.

We urge either a reconsideration in the secondary treatment requirements, special funding for these large plants, or greater state flexibility to utilize a combination of the above.

*This estimate has recently been re-calculated to run over $300 million.

June 25, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(WH-556), Room 1033
West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Public Hearings
Potential Legislative Amendments
to FWPC Act

Gentlemen:

I am a member of the Massachusetts Construction Industry Council which represents a cross-section of the construction industry in the State of Massachusetts. The Council has been designed to give industry, the largest in Massachusetts, a single, united voice on those matters which affect it.

A Task Force has been organized within our Council whose main purpose is to research and identify all available sources of construction funds and to determine how these funds may speedily be channeled into construction projects. Our goal is to see needed construction projects undertaken in order to provide jobs for workers that have been hardest hit by unemployment.

In this regard, I have been appointed chairman of a subcommittee of the Task Force. We have been concentrating our efforts on the Water Pollution Control Projects under the Environmental Protection Agency. We note that the subject hearing is considering amendments to the present FWPC Act relative to reducing the Federal share, or limiting Federal financing of Water Pollution Control Projects. We would like to go on record as opposing any such legislation. Such a move would only serve to cause more unemployment in the construction industry, a sector of our economy which is already in serious condition.

One may argue that the communities and the states should now finance these projects in order to reduce federal involvement in local problems. We would probably agree if every community and state had the same problems, and required the same amount of money to correct the problems. Unfortunately, this is not the case.

In the State of Massachusetts it has recently been estimated by state officials that $11.4 billion dollars will be required to construct

wastewater collection systems and treatment facilities, alleviate infiltration-inflow problems and treat or control mixed stormwater-wastewater conditions. This cost would be an unrealistic burden for the communities and the state to carry in order to meet our clean water objectives.

The high cost for these projects in our state is primarily attributable to the larger, older cities. Their wastewater and storm collection systems in many cases are combined, and many of the pipes are in excess of 50 years old. Many of these areas are undergoing a severe economic depression. They cannot be asked to shoulder the burden of this terrible expense alone. Many areas of the country do not have as great an expense facing them for water pollution control, and many are enjoying better economic conditions.

If we are to meet our clean water objectives in Massachusetts within a reasonable period of time, the present financial aid of the Federal Government must continue for water pollution control projects. If the largest industry in Massachusetts is to make a satisfactory economic recovery, these worthwhile projects must continue to be undertaken.

Very truly yours.

Warren H. Ringer
Chairman
EPA Study Group

WHR/mdp

July 3, 1975

Mr. Russel Train
Administrator
U.S. Environmental Protection Agency
Washington, D.C. 20460

Dear Mr. Train:

Pursuant to the invitation as published in the Federal Register, Vol. 40, No. 86- Friday, May 2, 1975, I am submitting herewith my comments on proposed amendments to the Federal Water Pollution Control Act.

1. Reduction Of The Federal Share

A reduction in the level of Federal grant participation would further aggravate an already existing credibility problem. Additionally, it would be inequitable and would unfairly penalize local agencies which were unable to qualify for grants under the present program. More than likely the smaller communities would be affected most and they are the ones which are least able to assume a greater share of the financial burden. The overall effect of a grant reduction will be compounded for these communities if inflation continues to rise at its current rate.

It appears that any reduction in the level of Federal grant participation would have to be assumed entirely at the local level in Michigan. For several years the State has had its own program of grant assistance for sewage treatment works but the funds authorized for this purpose are expected to be fully expended at about the same time as the present Federal grant authorization expires and there is little likelihood of the program being continued.

Under these circumstances there is no question in our minds but what the construction of needed wastetreatment facilities would be delayed or at least drastically curtailed.

2. Limiting Federal Funding Of Reserve Capacity To Serve Projected Growth

This is obviously a very sensitive subject and one where there is no simple, straight-forward answer. A policy which limits capacity to ten years growth for treatment plants and twenty years for sewers cannot be applied across the board. There are projects where a ten-year limitation makes good sense, not only

from a planning standpoint, but economically as well. There are others, however, where this makes no sense at all, especially for smaller communities. The high cost for interest on borrowed money has made the lower design period more cost-competitive than previously, when interest rates were four or five per cent. Each project has an economic breaking point where it is more cost-effective to build in stages rather than build a larger facility and it usually is different with each project and each set of circumstances. The objective should be for limiting reserve capacity where it is cost-effective with a maximum limit of 20 years.

3. Restricting The Types Of Projects Eligible For Grant Assistance

We oppose restricting the types of projects eligible for grant assistance on the grounds that if a source is causing pollution contrary to the goals and objectives of P.L. 92-500 it should be eligible for grant assistance. We also feel that the States should be allowed to allocate grant funds to any project, regardless of type, which will accomplish the most water pollution control.

If it becomes necessary to limit eligibilities in order to reduce the Federal burden in financing the construction grants program, we suggest that category VI, Treatment or Control of Stormwater, be temporarily suspended. This category alone represents almost 70 per cent of the total needs costs and its suspension would least disrupt the program.

4. Extending the 1977 Date To Meet Water Quality Standards

Since the July 1, 1977 compliance date obviously cannot be met either some types of national policy or statutory extensions need to be adopted. For our part, we would favor a statutory, across-the-board extension with industrial dischargers granted the same extension.

5. Delegating A Greater Portion Of The Management Of The Construction Grant Program To The States

Michigan has long advocated delegation to the States of greater authority and responsibility for management of the construction grants program. In this regard, we endorse and support proposed amendatory legislation in the form of H.R. 7418.

Very truly yours,

WATER RESOURCES COMMISSION

Ralph W. Purdy
Executive Secretary

cc: James L. Agee

July 7, 1975

Mr. James Agee
Assistant Administrator for
Water and Hazardous Materials
Environmental Protection Agency
Washington, D.C. 20240

Dear Jim:

The public hearings you have held with respect to potential legislative amendments to the Federal Water Pollution Control Act represent a very constructive action to involve the public in this important policy area.

I regret that circumstances did not permit me to attend one of the hearings, but I am taking the liberty of submitting some comments at this time with the hope that they will contribute something of value. I will not be able to comment on all of the papers in the detail I would like and recognize the incomplete nature of this review.

Paper No. 1

1. Would a reduced federal share inhibit or delay the construction of needed facilities?

It is indeed regretable that during the years since federal grants for local waste treatment works construction were first authorized in 1956 that no rigorous analysis has been made of the need for and the amount of federal subsidies in this area. It is particularly regretable that the Congress increased the authorizaton for this purpose without any attempt to make such an analysis. Now that the level is 75 percent it will be very difficult politically to reduce the federal share. You must be extremely sensitive to this fact as a result of the hearings where, according to the Environment Reporter, there was ample testimony from those affected. While one can question the validity of the negative point of view from the standpoint of self-interest, its political consequences are quite real.

As one who formerly administered the federal construction grants program, I have yet to see any evidence that the original 30 percent authorization would not have been adequate if the limiting $250,000 provision had been removed. There is, in fact, plenty of good argument to question the need for federal subsidies at all if we could find the means for assessing effluent

charges, bring regulatory actions to bear, and provide for the federal underwriting of bond issues not otherwise marketable. But that is water over the dam.

The subsequent amendments to increase the federal share to 50 percent with add-ons for compliance with regional plans and state participation at least had the advantage of encouraging cost sharing and gave tangible recognition to compliance with regional planning. The latter provision, however, was most difficult to administer in a meaningful way and many of the assurances had little substance. It would seem in retrospect that compliance with regional planning should be a foregone conclusion that regional and state authorities should be willing to assure without any federal subsidies. I can see no reason why the present federal share should not be reduced to its prior level of 50 percent with add-ons for cost sharing. My only reason for not recommending further decreases is that it would seem impossible to gain their adoption through the political process.

The most effective way to reduce participation and extend available funds would be to reduce the range of eligible work. This is discussed under subsequent questions.

2. Would the states have the interest and capacity to assume, through state grant or loan programs a larger portion of the financial burden of the program?

States would vary in this respect. Capacity must be measured in political as well as financial terms. It should be remembered that many states moved in with cost sharing programs in response to the federal legislation in effect prior to the 1972 amendments. North Carolina's program, for example, was adopted on the assumption that federal grants would not exceed 50 percent plus cost sharing and regional compliance add-ons. Once the 1972 amendments increased the federal share to 75 percent, dropping the cost sharing incentive, the maximum state authorization of 25 percent was reduced to 12½ percent by administrative action. This requires local government to provide only 12½ percent of the total cost, which is far too little to create much local government interest in cost-effective design. I see little reason at all for the present 12½ percent and thus view the state cost sharing as largely negated by the increase in the federal share.

3. Would communities have difficulty in raising addition funds in capital markets for a larger portion of the program?

The Local Government Commission of North Carolina could provide a much better answer to this question than can I. In North

Carolina a strong interest continues - legislation was enacted in the 1975 General Assembly and a referendum is all that is now required - for tax-free local government industrial development bond issues. If local government can justify these issues there should not be too much question as to their capability to market municipal issues for water pollution control facilities.

4. Would the reduced federal share lead to greater accountability on the part of the grantee for cost effective design, project management, and post-construction operation and maintenance?

I think that it would for at least the larger communities that have the engineering and management capability to assume a major share of responsibility. The question of O&M for the myriad small communities would not be well addressed by this change since the problem here is an institutional one of not having a governmental management unit of sufficient size to assure the required technical and financial basis for the assumption of this responsibility.

5. What impact would a reduced federal share have on water quality and on meeting the goals of PL 92-500?

I am confident that there would be an initial slow-down of construction with any change in the local share of the cost of waste treatment facilities. Much would depend upon the record established as to the intent of Congress and general understanding of the public purpose to be served. If it were clearly shown that there will not be enough federal money to continue to address the problem at the present level of federal cost sharing and that the only way to make major progress toward national goals for water quality would be through a reduced federal share, and if it were also clearly shown that this was a final decision not subject to alteration in the next Congress, then I believe that the slow-down would be temporary and of no great consequence. This assumes that federal and state regulatory programs would not be relaxed. Should this record be unclear and indecisive so that local government would be encouraged to delay in expectation of subsequent increases or let-down in enforcement, then the situation would be entirely different.

Paper No. 2

1. Does current practice lead to over design of treatment works?

I wonder if this question doesn't have to be addressed from the point of view of types of facilities involved. The term "treatment works" used herein is presumed to mean all currently eligible facilities, or at least treatment plants, interceptor and outfall sewers. Even in the case of the interceptor and outfall sewers there has always been a great deal of confusion as to the social purpose served. In the case of treatment plants the purpose is rather clear - likewise, for interceptor sewers actually intended to intercept major discharges and transport the waste waters to plants for treatment. As often as not, however, "interceptors" are in fact major trunk mains designed to open up areas for development beyond present urban centers served by existing utilities. The Crabtree Interceptor Project in Raleigh is a classic example. The EPA project is currently undergoing EIS review. If funded the project would have the effect of negating a large portion of the benefits from flood retarding structures upstream from the City of Raleigh. It would, in fact, have the effect of opening up a large land area for development bypassing many closer areas which are presently served by sewers. In my opinion federal subsidy of such projects is not in the public interest and serves little to control water pollution. Yet such projects are viewed as "treatment works."

The economies of scale inherent in the construction of treatment plants and particularly sewer systems cannot be ignored. I have some difficulty in seeing much of a problem with respect to the usual excess capacity built into sewage treatment plants. If additional interceptors are not constructed simultaneously than that excess capacity would presumedly go in support of population growth in the existing urban areas served by present utilities. This is certainly in the public interest. The problem arises under circumstances such as indicated above and it could most effectively be addressed by completely eliminating all sewage collection facilities including interceptor and outfall sewers that have the purpose of stimulating growth in presently undeveloped and unserved areas. Since such facilities are never clear cut and single purpose and many will intercept minor discharges as well as contribute to new development it is suggested that federal participation be limited to that portion of the project needed to serve existing discharges plus population growth that can be handled in areas serviced by existing collection systems - by this I mean within the area of the major sewer grid serviced by principal arteries of the existing system.

2. What could be done to eliminate problems with the current program short of legislative change?

State priorities for federal grant projects have the means of at least partially addressing this problem. There is no reason why priority systems cannot include major and significant incentives for facilities required to deal with existing problems and penalties with respect to projects that have the primary purpose of encouraging new growth.

Engineering review of plans and specifications has been too narrow in concept and can be expanded to address the questions of beneficial and adverse effects of land use - particularly with respect to effects on new growth.

Certainly, the suggestion that federal participation be limited to the capacity required to service existing populations and industrial production, leaving beneficiaries to pick up the cost of additional capacity, has some merit. A principal question, of course, would be how cost is to be shared. If beneficiaries contribute only in terms of marginal costs to provide additional capacity, such costs are likely to be so low as to prove to be little incentive and growth-inducing facilities would continue unabaited.

There are so many ways to circumvent restrictions on cost sharing where projected growth is involved that meaningful compliance would be extremely difficult. Population projections are unquestionably a source of much of the difficulty with overcapacity and adverse effects of facilities on urban growth. Many projections do not incorporate recent data on fertility rates. Many are carelessly done and distort rather than contribute to the planning process. As a minimum, states should be required to produce reliably developed population projections and all engineering plans should be required to utilize these. Even with this, there is a great deal of opportunity for misuse. So the process needs to be substantially tightened up.

3. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

A major problem in the past has been that treatment plants and municipal sewers become over loaded with consequent bypassing and infractions of regulatory standards well in advance of regulatory and planning action to provide needed additional capacity. In other words, there has been a long time gap between reaching capacity and providing needed additional capacity. So, obviously, treatment plants and sewer mains connecting the plants with

collection systems need to have sufficient additional capacity to withstand the time lag between recognition of the additional need and its provision. Much of this need could be eliminated, I suppose, if regulatory and planning activities were more efficient - but they aren't. This time lag - unassociated with growth - needs to be included. Certainly a minimum of 5 years is required.

Then there is the question of infiltration and other system weaknesses that normally lead to sewage treatment plant bypass. This requires either additional capacity or some other provision - such as temporary detention ponds - to prevent overflow and pollution.

If these questions were taken care of, the prohibition of eligibility for growth-related reserve capacity would still deprive local government of cost savings associated with economies of scale. This is particularly true with interceptor and outfall sewers. It seems almost irrational to restrict the design of these facilities to present needs and then turn around in 5-10 years and build parallel lines at high costs that could have been otherwise avoided. Yet, the problem remains, and the only answer, it seems to me, is to require far more extensive cost sharing at the local level. Most pressure for growth-inducing interceptor and outfall sewers is from developers who have the most to gain. These are costs of development and one might ask why the costs should not be borne by those who profit from the development or who invest in it in some form, i.e., ultimately those who purchase the homes or businesses involved. Anything less than pro rata cost sharing might not have much effect as incentives or disincentives for their construction.

Ultimately, local government must assume responsibility for better planning and management with respect to the location of growth-inducing facilities. Until they do, it would seem reasonable that higher levels of government have some responsibility to avoid actions leading to adverse effects. The present federal cost sharing is an adverse action and I can see no workable solution except to reduce that incentive. Again, the cleanest way to do this would be to amend the Act to limit federal participation to projects directly involved in waste treatment in contrast to waste collection. By policy decision additional capacity could be limited to a figure like 10 percent with the requirement that local government pick up the remainder. Cost sharing could be on a pro rata basis to distribute the cost of this action.

4. What are the merits and demerits of limiting eligibility for growth-related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

I believe that cities could live with 10 years for treatment plants with no real problems. Since I do not believe that the plants are the major source of incentive for growth outside of currently served areas, at least, I don't consider this too important. Periods of 20-25 years for sewers are sufficiently long so that I doubt these restraints would have any particular effect in limiting their use. As above, I suggest a much more limited growth-related reserve capacity with the requirement that local government pick up the rest. I am really suggesting that the question of reserve capacity be handled through cost sharing and not design - the latter is untenable, irrational and extremely difficult to justify.

5. Are there other alternatives?

The economic incentive alternative is applicable here, as elsewhere, in this series of policy questions. In the long run effluent charges are the only way to bring sanity to water pollution control. The literature is full of references and there is no purpose in trying to build a case here. If the developers (and ultimately the buyers) had to pay the full cost of their developmental activities the added cost of major sewers to service outlying lands would tend to offset the benefits of low land costs with self-moderating effects. What the developer is doing, in fact, is to maximize his own returns at public expense. It seems to me that excess capacity is not a question of real social importance if we limit its application to open and available lands currently within utility service areas. I see no social purpose to be served by federal subsidy of leap-frog development, but that is precisely what is going on at the present time.

Paper No. 3 - Restricting types of project eligible for grant assistance

The expansion of federal participation in collection sewers did not start with P.L. 92-500. Under earlier acts the categories of "interceptor-outfall" sewers was widely interpreted to include a great deal more than sewers needed to intercept existing discharges. At least half of all federal funds went to these types of facilities and a goodly portion of these were sewer mains into previously undeveloped areas. Efforts in the earlier program to limit participation to facilities needed to directly abate pollution were unsuccessful.

Certainly, one way to limit the amount of federal funds required would be to limit participation to those projects needed to abate existing pollution. Additional capacity could be picked up by local government and/or developers. I would include in this group categories I, II, V, and VI. Category IV (b) should be included when necessary to intercept major discharges. I would further limit federal participation in the above until local government had corrected sewer infiltration and had carried out necessary sewer rehabilitation. Under no circumstances would I include categories IV(a) nor IV(b) where these are, in fact, minor or major parts of collection systems. There was simply no excuse for widening legislative authorization to include all these categories.

Paper No. 4 - Extending dates to meet water quality standards

I don't see how the 1977 date can be enforced against violators when everyone recognizes that compliance cannot be attained by that date. Why should one expect the courts to enforce under these circumstances?

Retention without an attempt to enforce against "those dischargers that cannot realistically be expected to meet the deadline due solely to funding problems," strikes me as an extremely difficult if not impossible administrative task.

It would be better, I believe, to publically recognize that the original dates were unrealistic, adjust these to realistic dates, and announce and demonstrate that enforcement by the new dates is expected. There is nothing wrong with recognition by the Congress that a mistake was made, to correct it and get on with the business of cleaning up the Nation's waters. I wouldn't want the task of enforcing the law under any other circumstances.

Thanks for the opportunity to comment on these important questions.

Sincerely yours,

David H. Howells
Director

DHH:jj

TESTIMONY BY WILLIAM E. MARKS BEFORE PUBLIC HEARINGS ON POTENTIAL LEGISLATIVE AMENDMENTS TO FEDERAL WATER POLLUTION CONTROL ACT

I thank you for the opportunity to comment on the possible legislative changes governing the Agency's grant program for the construction of municipal sewage treatment facilities. My name is Billy Marks and I'm an Environmental Analyst for the City of Newark.

To begin, we would like to say that the City of Newark is addressing the needs of our country's development and is aligning our city's needs to complement those of the country. It is with deep sincerity that we comment on the possible legislative changes before us today. In presenting our comments, we feel that the key issue to be considered in these legislative changes is the establishment of priorities on a national basis. Is the Congress going to accelerate the demise of this nation's cities by providing water monies to fuel suburban and exurban development, or is the Congress going to curtail this sprawl by placing an emphasis on remedying urban blight and problems. The City of Newark believes that such a renaissance is in the national energy and environmental interests, and the establishment of a set of national priorities as part of the legislative changes being entertained here today would support these national goals.

The first area of legislative change proposed is the reduction of the Federal share of the funding for grant projects. Section 202(a) of Public Law 92-500 sets the current Federal grant share at 75 per cent, with $18 billion presently authorized and allotted by the Congress. The City of Newark recommends a continuation of this 75 per cent Federal subsidization, with a new priority given to urban allocations. If the 75 per cent Federal funding is not retained, we would then recommend the minimum allocation of 55 per cent funding only for suburban and exurban projects and that the 75 per cent figure be retained for funding of urban projects. These minimum allocations will place the emphasis on support of the needs of existing densely populated urban centers. These centers are now experiencing strained environmental conditions that are instrumental in the negative patterns of growth presently being suffered, as evidenced in New York City, Newark and other northeast areas. By incorporating this type of discretionary Federal funding policy, we will experience a built-in growth control regulator that should help to curtail present suburban and exurban sprawl, while providing for an urban refurbisnment and renaissance.

The second area of proposed legislative change is the limiting of federal financing to serve only the needs of existing populations. As it has been well documented that the United States Environmental Protection Agency is presently financing rural development and growth through its water funding programs, the City of Newark wholeheartedly agrees with limiting Federal financing to serve only the needs of existing populations. Our only request is that priority be given to

urban areas that support dense existing populations. Since urban areas have a relatively stable growth projected for the near future, there will be little or no need to plan a reserve capacity in these areas. But, we also recognize that the Federal financing of only existing populations will not prohibit grantees from providing cost effective reserve capacity beyond that fundable by the United States Environmental Protection Agency with that reserve capacity being 100 per cent financed by the grantee. This issue should be addressed.

The third area of proposed legislative change is the restricting of the types of projects that are eligible for grant assistance. P.L. 92-500 authorizes funding of the following types of projects:

I	Secondary treatment plants
II	Tertiary treatment plants as needed to meet water quality standards
IIIA	Correction of sewer infiltration/inflow
IIIB	Major sewer rehabilitation
IVA	Collector Sewers
IVB	Interceptor Sewers
V	Correction of combined sewer overflows
VI	Treatment or control of stormwaters

This classification above is the same used to identify water pollution control needs in the 1974 Needs Survey. The City of Nweark's reaction to the narrowing of project eligibility by eliminating some of those categories where clearly identified needs have been established, is that it may jeopardize the basic P.L. 92-500 objective "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters." If implementation of a narrow approach for project eligibility is enforced, many projects may not be implemented because of prohibitive cost factors. What the City recommends is that each project's eligibility be evaluated on an ad hoc basis, with the regulating factor being orderly environmental growth planning. The proposal to limit eligibilities to categories I, II and IVB, as defined in the 1974 Needs Survey, would further stimulate the damaging patterns of sprawl taking place today.

Sewers and sewage treatment plants are today's prime determinants of development. The location and rate of extension of interceptor sewer lines across undeveloped land has more impact on land use than any other public facility (ref. The Costs of Sprawl and the 4th Annual CEQ Report). The location of a new interceptor increases the number of buildable lots along its right-of-way, with population density being controlled by the interceptor's size. Thus, to give priority to interceptor development is not in the best interests of sound land use practice. To the contrary, Newark proposes that the types of projects eligible for funding remain unchanged and that instead, a priority be assigned for each project on an ad hoc basis, thereby insuring that only environmentally sound projects will receive the highest priority.

The fourth area of proposed legislative change is the extension of the 1977 deadline for municipalities to achieve secondary treatment and compliance with State water quality standards. Since it is currently estimated that 50 per cent of the municipalities will not be able to comply with the requirements of Section 301 of the statute, the City of Newark agrees that there should be an extension of the 1977 deadline. However, these extensions should be extended on a case-by-case basis through the discretionary authority of the USEPA. This will permit compliance schedules to be established on a relative basis as each municipality starts construction.

The fifth area of proposed legislative change is increasing the States' role in managing the grant program. The USEPA now reviews all construction grant projects and oversees the use of Federal grant funds. The City of Newark agrees that a tightening of the fiscal accountability systems should be required of states carrying out their construction projects. Statutory authority should be retained by the USEPA to develop criteria for independent audits and evaluation of construction grants. Even though the USEPA may delegate the management of grant programs to the states, Newark believes that the USEPA should establish a list of national project priorities and supervise the development of priority lists of each state. The Federal control over the priority arrangement of the projects will help to insure the incorporation of national objectives, especially those of curtailing suburban and exurban sprawl.

In closing, the City of Newark would like to reemphasize that the establishment of well defined national priorities should be adopted as part of the legislative changes that are being discussed here today. Through this process, the Congress will insure that national goals are met in preserving our urban centers and decreasing the momentum of suburban and exurban sprawl. Thank you.

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WEM:gbl

STATEMENT TO THE
ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARINGS ON POTENTIAL LEGISLATIVE AMENDMENTS TO
THE FEDERAL WATER POLLUTION CONTROL ACT

BY

Warren T. Gregory, Director of Legislative Affairs
National Solid Wastes Management Association

June 25, 1975

The National Solid Wastes Management Association appreciates the opportunity afforded to it this morning to comment on proposed amendments to the Federal Water Pollution Control Act, as amended. NSWMA is a professional trade association which represents private firms engaged in the collection and disposal of solid waste, as well as the recovery of energy and resources from the waste stream. A recent United States EPA survey showed that the private solid wastes management industry provides for more than 75% of the daily collection and disposal services of the nation.

The programs of the Environmental Protection Agency to foster and develop planning for both water and solid waste, as well as other areas of environmental concern, have always been supported by NSWMA. We are, however, concerned that a proposed amendment to the Federal Water Pollution Control Act as outlined in the April "Solid Waste Utilization Act of 1975" Staff Working Paper, would invite an additional area of responsibility of a regional planning agency established under Section 208 of PL 92-500. We feel that this amendment is inappropriate and inconsistent with the goals and objectives of the Federal Water Quality Program.

The National Solid Wastes Management Association supports local and regional solid waste planning as a part of a coordinated statewide management plan. State government through its appropriate state environmental agency should be responsible for the development and administration of statewide solid waste management planning and resource recovery policy. This planning should delineate specific environmental goals as outlined in national legislation, as well as objectives of the state and its respective local governmental organizations. State level planning should include as assessment of the waste management needs for waste collection and disposal along with practical assessments of available markets for utilization of recovered materials.

We ask that EPA and OMB consider the economic and administrative problems that could result from a mandatory planning requirement for solid wastes

management as a part of Section 208 planning. Many states are finally developing statewide programs that are the result of many years of costly research and study. To allow the independent actions of a regional agency to disrupt and compete with existing solid waste management programs is, in our opinion, exactly the duplication of money and effort that the OMB seeks to avoid.

Consideration should be given to the question of whether or not the regional planning and management agency for waste water treatment should be vested with the planning and implementation of solid waste management and resource recovery programs. Water quality management and planning is obviously facilitated when it can be done for a river basin, sub-basin, or ground water (aquifer) region. Solid waste management and planning, however, will not necessarily be best suited to these same regions. Furthermore, unlike the water quality programs which have been the responsibility of public agencies, waste collection and disposal services have historically been provided by the private sector. Therefore, the participation of private enterprise in the planning of regional solid waste management and resource recovery programs is essential to insure development of policies and programs which will provide the most economical and environmentally acceptable service.

Two of the questions raised by the Office of Management and Budget to EPA: "(2) limiting Federal financing to serving the needs of existing population; (3) restricting the types of projects eligible for grant assistance)" directly address appropriateness of amending Section 208 of the Federal Water Pollution Control Act to include solid waste management planning. The possibility of duplicating existing or planned programs in solid waste management by creating an additional layer of responsibility for this area within the Federal Water Quality Program is very real. The inclusion of solid waste management as a planning requirement for 208 agencies would, in our opinion, duplicate the comprehensive existing solid waste management planning institutions ongoing at this time. We have seen examples of this conflict among Federal programs and are concerned that it creates more costly and duplicative activities.

The Interim Staff Report of the Sub-Committee on Investigations and Review, Committee on Public Works and Transportation, emphasizes the need to "stream-line and simplify" the national program called for in PL 92-500. One of the general difficulties of implementing PL 92-500 has been the lack of stability in this program. The transition from the old law to the new one has been characterized by so much confusion and disillusionment, largely growing out of the complex, ever changing shape of the program, that to introduce major new changes at this time could produce chaos. The report went on to stress that the program

desperately needs simplification and streamlining. NSWMA concurs with this observation and suggests to EPA and OMB that the inclusion of solid waste management planning in a water quality program will only create more complexity and expense at a time when simplification and economy are necessary if our nation is to achieve its water quality goals.

NSWMA urges the EPA and OMB to review carefully the amendments proposed in the staff working paper of the Senate Public Works Committee which would include solid waste management planning as a part of the functions of a regional water quality agency. We feel it would be inappropriate to include solid waste management planning in the Federal Water Quality Act and that such an inclusion would only result in increased cost without any benefit to solid waste management or water quality planning. We would be pleased to supply to the Committee any additional comment or amplification of these remarks. NSWMA appreciates the opportunity to comment on these proposed amendments to the Federal Water Pollution Control Act.

STATEMENT TO THE
ENVIRONMENTAL PROTECTION AGENCY
BY

THOMAS C. WALKER
BROWNING-FERRIS INDUSTRIES, INC.
JUNE 25, 1975
WASHINGTON, D.C.

Good morning. My name is Thomas C. Walker. I appear before you today on behalf of Browning-Ferris Industries, Inc. the nation's largest waste systems company, with subsidiaries having substantial operations in all aspects of the waste systems and resource recovery business throughout the United States.

In the way of background information, Browning-Ferris operates in 130 locations in the United States, Puerto Rico, and Canada including:

solid waste systems operations in 97 cities;
numerous contracts with municipalities;
primary recovery operations conducted by 40 secondary fibre reception centers with more planned;
25 Chemical Services Division locations, seven of which are liquid waste reception and treatment centers.

In 1974, BFI handled over 10.5 million tons of our nation's solid waste and our Resource Recovery Division supplied in excess of 1,400,000 tons of secondary paper-making fibre to the paper manufacturing industry throughout the world.

Although the primary thrust of our operations involve solid waste systems, a small but increasing portion of our energies and resources are being devoted to the collection, disposal and recovery of liquid wastes.

We have had the opportunity recently of reviewing the Senate Public Works Committee draft of the "SOLID WASTE UTILIZATION ACT OF 1975" and have taken particular note of the provisions in that committee draft to amend the Federal Water Pollution Control Act. The Federal Water Pollution for the management of water quality on a regional basis throughout the country including, either directly or by contract, the design, construction, operation, and maintenance of such water management facilities as may be required by any plan developed pursuant to that section of the act.

We recognize and fully support achieving solid waste management and resource recovery goals through regional planning; however, we must seriously question the appropriateness of mandating that a specific planning agency established under other environmental programs such as waste water treatment should also be charged with the additional responsibilities for solid waste management and planning. Through our experience working at the state level, we recognize that numerous

states have taken meaningful steps toward the establishment of regional solid waste planning programs within the state often under the auspices of state "EPA like" agencies. The early results of these programs have been commendable and based on their success, many additional states are now seriously considering legislation in the current or for the next legislative session that would provide for a regional planning program to meet the solid waste planning needs of the state.

Notably the State of Michigan in January of 1975 enacted landmark legislation providing for the planning, administrative and operational needs of that state while utilizing, to the maximum extent possible, existing and planned private solid waste operations and facilities. Legislators in other states have drafted legislation for consideration which parallels the Michigan legislation while enacting other sections from progressive legislation such as exists in California, Connecticut, or other states that have made meaningful progress toward solving this critical problem.

This planning process within the state, integrating its activities through a state "EPA like" organization, provides the basis for a broad national plan which can then be administered through a legislative mandate to the Federal EPA. Sudden transfer of these responsiblities to an agency established to meet the other diverse and frequently conflicting needs associated with water quality, particularly at a time when these water agencies are at best embryonic, could be catastrophic to both the water quality and solid waste management needs of our country. By their very nature, the regional planning and management agency for waste water treatment, water quality management, and planning is most reasonably structured around river basins, subbasins, or aquifer regions. Solid waste planning and management, particularly that associated with the broad resource recovery programs, which are held by many to be the ultimate solution to the solid waste problem, must be structured around population centers and availability of waste resources in manageable quantities that can be processed, recovered, and disposed of in the most efficient manner. The starting point, therefore, must, by definition, be different because the needs to be served by these two types of agencies are clearly diverse.

Historically, water quality programs have been the responsiblity of public agencies with utility-like structures. Waste collection and disposal services, however, have historically been provided by the private sector. It is the private operator who handles 73% of the nation's solid waste with only 34% of the nation's solid waste employees. It is the private operator who, supported and financed by private capital within the framework of the free enterprise system and utilizing the profit motive as stimulus for his activity, has developed the most significant technical solutions for these critical problems while maintaining favorable economics for the consumer of his services. Interjection at the national level of a utility-type planning

operational and administrative organization, bureaucratic in nature by its basic structure, can only negate the dramatic advances of recent decades by the private sector and result in a quantum jump in costs to the individual who must ultimately pay the bill for these services, the taxpayer. This same taxpayer has invested enormous amounts of his funds through the water quality programs initiated and proposed by the Federal Water Pollution Control Act in an effort to meet ambitious and desirable water quality standards. The presently existing organization established for this purpose are struggling admittedly to achieve these optimistic and laudible standards. To dilute these efforts at this most critical juncture through the assignment of additional, unfamiliar, and inconsistent responsibilities could be disastrous to the future of both our water quality and our solid waste management programs.

By the very nature of the waste water treatment agencies, their inclination would be to own and operate facilities and their motivation might well be to reproduce, at taxpayer expense, existing solid waste and resource recovery facilities, consistent with their historical way of doing business.

As indicated earlier, many states have recognized the importance of mandating that facilities created by the public sector do not needlessly duplicate or displace existing or planned private facilities. Both the Michigan and Florida resource recovery acts assure a non-duplication of services. The Michigan Act No. 336 states:

> "The department's action shall not displace a licensed resource recovery, waste facility, or other waste management project in existence or under construction."

The Florida Chapter 74-343 states:

> "to the maximum extent possible, include provisions for continuation of existing regional resource recovery, recycling, and management facilities and programs."

It is our understanding that, to date, approximately 40 regional areas in 17 states have been designated as waste water management regions and only 14 agencies have actually received grants under the act. We further understand that a total of approximately $9 billion has been allocated for these purposes for 1975 indicating the enormous magnitude of the waste water program. If similar resources are brought to bear on a solid waste program certainly the incentive for private capital to expand its investments in these areas will be thwarted and it can become, we believe, a public utility type function requiring large amounts of capital to sustain itself on a national basis operating outside the constrictive parameters of the free enterprise system.

In summary, we believe that there is a clearly evidenced need for an extensive regional planning program to identify facilities and needs throughout the country on a region by region basis to achieve the solid waste management and resource recovery goals so vital to

the sustenance of our environment. The program that is proposed, utilization of authorities created under section 208 of the Federal Water Pollution Control Act to accomplish this task, would be a serious misdirection of our national resources and result in the diluting of already ambitious water quality programs while concurrently disrupting the established efforts in many states to attack this problem through what we believe to be the most effective vehicle, a state controlled agency for this purpose. We believe that by the very nature of the water quality authorities, granting them this new responsibility will result in substantially higher costs for waste management. In the event that these authorities are given responsibility for this added task, we believe that full utilization of the existing private enterprise system will not be achieved. We strongly recommend to you that the EPA act in every possible way to bring the full power of this agency to bear on Congress to remove this well intended but counterproductive section of the current draft of the Solid Waste Utilization Act of 1975.

The future well being of the citizens of the United States will surely depend in part on the manner in which the waste of this country is managed in the years to come. We look forward to continuing to play a vital role in developing progressive and practical solutions to this challenge and appreciate this opportunity to express our views on this very important aspect of that challenge. We would be pleased to provide such additional information as the Environmental Protection Agency feels would be useful in evaluating positions we support. Thank you.

TESTIMONY BY

ROBERT A. LOW
ENVIRONMENTAL PROJECTION ADMINISTRATOR
CITY OF NEW YORK
ON
PROPOSED AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT
(PL 92-500)
BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

WEDNESDAY, JUNE 25, 1975

This testimony is submitted on behalf of Robert A. Low, Administrator of the New York City Environmental Protection Administration, which includes the City's Department of Water Resources. I am Martin Lang, Deputy Administrator of EPA and former Commissioner of the Department of Water Resources.

I am very pleased to have this opportunity commenting on the Administration's proposals to amend Public Law 92-500 and to suggest some additional actions for which we in New York see an urgent need.

At the outset, I would like to declare in the strongest possible terms New York City's opposition to any amendment that would dilute the historic purpose of the present law -- to improve the marine environment of our nation for the rest of this century and beyond.

The intent of the law was to make possible an intensive effort, in one decade, to atone for all the errors of the past and upgrade our waters by creating new works to last into the 21st Century.

The timing of the law was fortuitous. In a faltering economy, it provided construction and manufacturing employment, not for make-work projects, but directed to a high national purpose. In New York State alone, the water pollution control program is estimated to account for 150,000 jobs over the next five years.

The law's timing also coincided with the now-obvious inability of municipalities themselves to generate such a massive program.

Therefore, any reduction in the Federal 75 percent share, any statutory limitation on Federal participation in long-term planning and building, any restriction on Federal funding for necessary collection systems would all have a crippling effect -- on the goals of the Act, on construction and manufacturing employment and on the nation's effort to combat municipal decay.

Reduced Federal Sharing

I know that I can speak for all the nation's municipalities in declaring that is has been the prospect of substantial Federal funding that has spurred water pollution control programs around the country

even at a time when local budgets were hard-pressed. If this prospect were to be allowed to dwindle, there is no question but that municipal managers would find it only prudent once again to hold clean water programs in abeyance, as they have in the past, until such time as the Federal government renewed its funding commitment at a higher level.

The facts speak for themselves. From 1965 on, when the previous Federal act promised 55 percent reimbursement and then failed to deliver the funds, construction was virtually frozen in most of the country. What would be the sense, Mayors asked, in committing substantial local funds now when additional Federal funds might be forthcoming later?

In New York, the State government had the vision to advance to the City a portion of the Federal share and gamble on the credibility of the Federal government, thus triggering substantial construction. Where actual appropriations follow authorizations, construction to achieve the goals of the Act accelerates. Without this incentive, PL 92-500 will become an empty promise.

Asking each community now to accept less than the present 75 per cent funding level, as the result of an abstract feeling that nationwide Federal funding will thus go further is patently unrealistic. What each community will understand is that a neighboring town that was a bit faster with its planning got more Federal reimbursement for its pollution control program. The natural reaction would be to delay the second plant in the hope that a higher level of Federal funding would be restored.

I would make the same point in relation to the Administration's proposal to limit Federal participation to programs designed to serve only current needs, and to the proposal to eliminate Federal funding for collection systems, both of which I will discuss in more detail in a moment.

Both of these proposals would inhibit development and funding of local programs. Requiring localities to pay alone for that part of a wastewater treatment program designed to serve future growth would only encourage them to delay the entire program. And elimination of sewer upgrading and collection costs from the Federal program -- since in many cases sewer work is required by the Federal regulations as part of pollution control -- would present the same inhibition. In other words, experience shows that if funding for a whole job is not available, it is unlikely that the job will ever be done at all.

With regard to the management impact of a reduction in Federal participation, the working papers raise the issue and imply that municipalities are not profligate with Federal funds and would be inspired to be more careful if their own investment was increased.

I assure you that this issue is specious. No matter how small the local investment, the respect of municipalities for all public monies insures prompt and professional handling of pollution control

programs. In New York City, for example, we have adopted a procedure under which State and Federal engineers participate with us along every step of a program from conception to completion. An increase in local expenditures for these programs would not have any affect on the care with which they are produced. The issue is irrelevant.

Role of States

I would mention here, in fact, our strong support for the Administration's proposal to delegate to states even more authority in managing these programs than exists under present law. Not only are states more intimately familiar with the problems and needs of their municipalities, but -- at least in New York -- they have demonstrated their professional capacity to monitor implementation of the law. Giving the states more authority would substantially reduce duplication of effort and would speed the process of planning, design and construction.

Limitation of Projects for Federal Funding

In contemplating the possibility of reduced Federal sharing, of course the basic issue is the availability of real Federal dollars for the enormous job that must be done. But let us consider the need realistically. The fact is that more than two thirds, or $235 billion, of the $342 billion estimated in the 1974 Survey of State Needs to be required for facilities eligible for funding under the Act is for a high degree of treatment of storm waters. However, there can be no argument that the real needs are for collection systems, interceptor sewers and treatment plants for dry-weather flow. The resulting total is, therefore, seriously misleading. To try to frighten Congress away from 75 percent funding because of an unnecessarily inflated national needs figure is absurd.

In the allocation of priorities for pollution abatement programs, certainly treatment and control of storm waters should be low on the list -- as it is in fact last on the list of eight types of projects eligible for Federal funding under PL 92-500.

But to suggest, as does the third Federal proposal, that all collection systems discharging into intercepting sewers and then to treatment plants be eliminated from the Federal program would seriously hamper our progress.

The law requires the recipient of a grant to agree to certain conditions. Often one of them is that the municipality commit itself to build or rehabilitate the collection system for a new plant. In some cities, the cost of such construction equals that of the treatment

plant itself. To remove Federal participation from such necessary work would inevitably motivate the municipality to abandon the entire project.

To suggest that cities already have enough motivation to do sewer work and, therefore, do not require Federal aid is a non sequitur. Motivation is not the question. Money is. New York City, for example, has a $6 billion investment in its existing collection system -- an investment that it made virtually unaided Much of that system is now old and in need of rehabilitation and extension. It makes little sense for the Federal government to invest heavily in wastewater treatment without a concomitant investment in the system for delivering the wastewater for treatment.

Eliminating funding for sewers would also reward the laggard states which have not yet progressed in developing treatment programs. They will continue to receive full Federal reimbursement for the treatment plants that cities like New York have already underway -- many of them at the old 55 per cent rate, by the way -- while cities now ready for collection system work will be out in the cold.

Limitation on Reserve Capacity

Turning to the proposed limitation of Federal funding for that portion of systems designed to serve future needs, I again find the working paper to be a bit cavalier. As with the proposals to reduce the Federal share and to limit the projects covered, the papers say, in effect -- go ahead with what you need anyway, we just won't share the bill.

Gentlemen, we come to these hearings directly from all-night sessions on how to continue essential garbage collection and water supply services with a 20 percent cut in budget. I will not belabor the point. Obviously, there can be no realistic expectation that municipalities in the foreseeable future will be able, without Federal assistance, to do what's right. We will be doing only what's absolutely necessary, if we're lucky.

The Federal proposal seems to achnowledge the prudence of planning for the future and encourages municipalities to do so, but without Federal participation. It makes no sense to specify such limitations nationwide. The nature of problems around the country are too diverse.

For example, in a sparsely populated rural area, increasing the size of a pipe laid through open fields as population increases in future years is a relatively simple matter. Such a change cannot be compared with changes that might be necessary in an interceptor sewer laid in a deep rock tunnel under a congested metropolitan area mined with complex utility lines. Such an installation can be made only once in a lifetime, with an eye on future generations.

The proposal is clearly a sincere effort to prevent windfalls for irresponsible developers in undeveloped areas of the country. But the effort misses by adopting a technique that would also deter the construction of logically-designed facilities for major, mature metropolises. Certainly the environment can be better protected by continuing prudent review of project proposals than by arbitrary limitations on a program that was intended to serve future generations.

If the intent of a limitation on reserve capacity is to devote presently-available funds exclusively to current needs, I predict it will backfire. The result will be that the funds will not be spent at all. Municipalities are unlikely to approve their share of an investment in a plant that will be obsolete even before it is completed.

Extension of the 1977 Compliance Date

On the final proposal -- extension of the 1977 date for compliance with effluent limitations -- there is no question that extension is required. Even New York City, with what we believe is the most advanced wastewater treatment construction program in the nation, will not be able to achieve compliance earlier than 1981, if no impediments arise.

I am sure it will come as no surprise that we support the fifth alternative proposed in the working paper -- extension of the deadlines to 1983 -- with a crucial modification. Again the proposal is unrealistic in suggesting the compliance in 1983 be required "regardless of Federal funding." I have addressed this point often in this testimony so will merely restate that compliance will not be possible without continued Federal support as provided in the present law.

Prefinancing

I would like to suggest, however, that PL 92-500 be amended to authorize prefinancing, as was possible under the previous law. As I reported earlier, it was the possibility of prefinancing that originally accelerated the development of New York's massive program. However, the amendment must provide for strict guarantees and time schedules for reimbursement, which did not exist in previous law.

New York is still waiting for about $200 million in Federal reimbursement of eligible work that we prefinanced starting in 1966. Those funds just began to trickle in in 1974 to cover revenue anticipation notes issued almost 10 years before.

Since the working paper specifically asks for comment on the question of prefinancing, I suggest that before considering such a program for the new law, the old debts must be paid.

Section 206 of PL 92-500 provides for reimbursement to municipalities for work started under previous pollution abatement programs.

But, as you know, the funds were not allocated in sufficient amounts to cover the debt. No funds have been allocated to cover pre-financed projects started between 1956 and 1966 under a 30 percent Federal sharing formula, and only $1.9 billion has been allocated to reumburse for the full 55 percent Federal share on projects planned between 1966 and 1972. This is an obligation assumed in the 1972 legislation and I urge you to press Congress to accept that full obligation now.

TESTIMONY ON POTENTIAL REVISIONS TO THE FEDERAL WATER POLLUTION CONTROL ACT OF 1972

Presented For The National Society of Professional Engineers,
Professional Engineers in Private Practice Division

In Washington, D.C., June 25, 1975

By James A. Romano, P.E., Vice President-NSPE; Chairman - PEPP

INTRODUCTION

At the outset it should be absolutely clear that the 70,600-member National Society of Professional Engineers, encompassing five divisions including the Professional Engineers in Private Practice, does not favor any substantial changes in P.L. 92-500, Federal Water Pollution Control Act Amendments of 1972 at this time. In spite of the deficiencies and frustrations, the construction grants program is beginning to function. Any change, however modest, will adversely affect this progress. Under these circumstances, we look at only two of the proposals as worthy of immediate consideration. They are the extension of the July 1977 deadline and the delegation of a greater portion of the management of the program to the states. We will offer words of caution with respect to the latter.

It is within that context that I present the following statement in which the five subject issues are addressed.

Reduction of the Federal Share

The National Society of Professional Engineers recommends that the Federal share of funds for the construction grants program remain at its present 75 percent level. This position is based on several factors.

Our primary reason for adopting this position, and a major factor in subsequent discussions in this presentation, is the fact that the program from start to finish is essentially a Federal program. Goals and objectives were established by the United States Congress and these goals were, although laudable, beyond the economic reach of most municipalities. The Congress assured the municipalities - and the states - that to achieve these goals and objectives the Federal Government would provide 75 percent of the funds. The Congress then instructed the Environmental Protection Agency to establish the mechanism by which the program would function. Within this mechanism are a myriad of regulatory requirements which must be met by individual applicants before they become grantees and grantees before their respective plants come on line.

In short, the Federal government has imposed on states and municipalities certain requirements and restrictions in return for which it, the Federal government, will provide three quarters of the funds to support the construction grants program.

It is recognized that with Federal dollars comes Federal control. The reverse should also be true, with Federal control should come Federal dollars. There is no reason to assume that a reduction in Federal participation in the program will be accompanied by a similar reduction in Federal control.

It must be emphasized that this Federal control has ramifications which reach far beyond construction into operation and maintenance for the life of the facility. The latter costs must be shouldered by the local community and they relate directly to the requirements imposed by the Federal government. It is patently unfair, therefore, for the Federal government to reduce its financial participation in construction and thereby further burden the community.

The above does not take into account the extreme fiscal constraints in which many of our states and municipalities find themselves. The reduction of the Federal share quite obviously would require an increase in the state and local share. In all but a very few instances this would demand either increased revenues - via taxes - or a reduction in other types of services. Given these alternatives it is unlikely that most communities would look with favor on the construction of treatment facilities particularly when the beneficiaries of such efforts are the residents of communities downstream. Under these circumstances, it is a virtual certainty that the construction grants program would stall with the reduction of the Federal share.

Those who would support a reduction in the Federal share would at least partially support that position on the figures taken from the 1974 Needs Survey. With justification they look at those figures with alarm. However, rather than a reason to partially withdraw the Federal government it is all the more reason to continue significant Federal participation. Rather than reduce the Federal share perhaps we should be considering an increase in that share.

In summarizing this element, it might be said (and possibly repeated elsewhere) that a zealous Congress, with good intentions and an idealistic approach got us started down this road. By withdrawing now - even partially - the Federal government will virtually insure the destruction of the program as envisioned.

Limiting Federal Financing to Serving Needs of Existing Population

The National Society of Professional Engineers would oppose legislation designed to restrict Federal support to include only those facilities needed to serve the existing community needs and, further, we would oppose similar efforts designed to reduce Federal support by linking it to a finite value related, for example, to the 10 and 20-year rule of estimated growth.

The basis for our position is related directly to P.L. 92-500 and the regulations it spawned emphasizing cost effectiveness. There is far greater eventual cost involved in underdesigning a facility than in overdesigning the same facility. For example, the cost of installing sewer lines which would double the capacity involves essentially only the added cost of the pipe. Excavation and other labor costs remain virtually fixed. However, if it became necessary to install a larger pipe some years hence it is fair to assume the cost would be doubled at least.

The question of cost effectiveness deserves emphasis. At the outset, it is important to note that while cost effective guidelines are imposed by the Federal government - and not without reason - they impact on all parties to the project, Federal, state and local. A facility that is not cost effective for whatever reason is detrimental to all parties. Likewise, a cost effective facility is economically beneficial to all parties. Cost effectiveness is generally related to technology. However, it should also be related directly to the capacity of the facility and the relationship of this capacity to future anticipated growth within the served community. It may be, for example, more cost effective to build a facility larger than will ever be needed than to under design and under build and thus force the replacement or remodeling of the facility at some date in the future. Cost effectiveness is an elusive term and it must not be viewed only in short term context.

Few would argue that to project the growth - commercially, industrially and populationwise - in most areas is risky business, particularly if such projections extend beyond 10 or 15 years. For this reason, it seems inappropriate to attempt to legislate a fixed growth deadline beyond which the Federal government will not participate in facility financing. What would appear to be more realistic would be the continuation of the current practice in which each applicant is judged on the basis of data related specifically to its situation and anticipated future development.

EPA, rightly or wrongly and we will not argue that point, has become a force in land use and land development through this program. Whether or not the Congress intended this to take place is immaterial. The fact is, through P.L. 92-500 it is happening via the various planning sections and the associated construction grants program. Long range land use planning is clearly required of states and grantees under Sections 208 and 303(e) of P.L. 92-500. The implication is that any treatment facility should be designed to meet the anticipated growth patterns exposed via this planning procedure. The intent is unquestionably the identification of the scope and nature of development to be anticipated and subsequently served. If there is validity in the planning requirements there is also validity in the expectation of a Federal funding commitment to meet the goals and objectives of the plan.

From a practical point of view, it would appear that few communities have or are willing to commit funds to meet sewage treatment needs anticipated beyond that period of time for which Federal support is provided. Cleaning up the nation's waters has become a national program and a national responsibility. Local communities and states will continue to look to the Federal government for substantial assistance - whether that assistance is related to facility designed to meet a need for a short period of time or, at some future date, the replacement or substantial overhauling of that facility to meet emerging needs in a new day.

Finally, we would reiterate that the Federal government by its actions in 1972 and subsequently has established clear national policy, national objectives and given assurance of national support. To maintain and enforce the national policy and national objective without maintenance of national support can only result in chaos.

In summary we would oppose any arbitrary limit on Federal support tied to a finite time period.

Restricting the Types of Projects Eligible for Grant Assistance

The National Society of Professional Engineers opposes any restriction on the types of projects which should be eligible for grant assistance.

Here again, as was the case with the type previous proposals, the Federal establishment has lead states and communities to expect substantial Federal support. In the first instance it was the amount of that support. In the second it was for the anticipated growth. Here it relates to the nature of the project(s).

To achieve the goal of clean water as established by the Congress in P.L. 92-500 demands that all alternatives to resolving a local pollution problem be given full consideration. This fact alone implies Federal support is insured regardless of the alternative - and its attendant facilities - selected to achieve the objective. To preclude Federal grant aid for one or more elements of any system is a negative incentive and will encourage the grantee to propose other and perhaps less effective alternatives to insure full participation by the Federal government.

Implicit within such limitations is also the potential for inequity. This inequity would arise in instances where one community received Federal funds for a class of project while its neighbor, some time later, would be denied Federal support for the same type of project. The other circumstances of inequity is one in which it would be necessary for an applicant to undertake a given project - i.e., major sewer rehabilitation - to meet Federally imposed water quality standards only to find there are no Federal funds available for that type of project. Hence, heavy commitment of local funds to achieve Federally imposed requirements.

Under these sets of circumstances it seems logical that we again raise the question of cost effectiveness. If the grantee is encouraged to do something other than what is most cost effective to achieve an objective it will be to no one's best interests.

In rather simplistic terms it is highly unlikely that the nation will achieve the goal of P.L. 92-500 to "restore and maintain the chemical, physical, and biological integrity of the Nation's waters" if certain elements of the treatment system are categorized as non-eligible for Federal assistance.

In summarizing, we reject the concept which would restrict the type of projects eligible for Federal assistance on the basis of its negative incentive to applicants and the inherent inequities in such an approach.

Extending the 1977 Date for Meeting Water Quality Standards

It would seem there is universal support for this suggestion. The question that must be answered deals with the nature and length of the extension.

Complicating factors include: the level of funding to be provided by the Congress in coming years; whether Federal funding will be made available over an extended period of time permitting long range program planning; will other aspects of the program be altered - legislatively or administratively - to provide for more efficient operation or will additional regulatory requirements be imposed which will have the effect of slowing down the program. One alternative is to extend the deadline on a case by case basis, based on the ability of the community - or industry. This implies at least the following: industry would be given the same consideration as are publically owned treatment works; reasoned, fair judgments would have to be made by state and Federal officials. It should be recognized, however, that in this situation, enforcement would very likely become a nightmare since it, too, would function on a case by case basis.

The National Society of Professional Engineers is convinced that the July 1, 1977 deadline is totally unrealistic. We further believe that the realities of the situation must be given full consideration in discussion of any extension. These realities include the level and consistancy of Federal funding as a primary fact. Of almost equal importance, however, is the recognition that the process by which treatment facility moves from conception to utilization consumes considerable time and that there are literally thousands of such projects to be completed. A mad rush to pump these projects through to meet an unrealistic deadline will result in chaos at best or what is more likely, complete disaster.

It is obvious that one of the primary difficulties with P.L. 92-500 has been its tight deadlines. Some have been described as

ridiculous and in practice that description may be correct. However, to relieve the industry, the Congress, the Environmental Protection Agency and the hundreds of municipalities involved of the pressures associated with this deadline it seems appropriate that a rational time span be established in which to achieve the act's objectives. To this end, we would strongly recommend that serious considerations be given to the deletion of the July 1, 1977 deadline and that attention be focused rather on achievement of the July 1, 1983 deadline.

Delegating a Greater Portion of the Management of the Construction Grants Program to the States

This suggestion, clearly defined in legislation already introduced in the House of Representatives by Reps. James C. Cleveland and James C. Wright with substantial support from their colleagues, has broad acceptance. We of the National Society of Professional Engineers add our endorsement of the concept.

However, in offering this endorsement, we would also call attention to the fact that some cautions should be acknowledged. There are certain responsibilities such as those imposed by the National Environmental Policy Act, which cannot be delegated to the states. There is the inherent danger that the process of individual states building their capacity to assume additional responsibilities and the transfer of those responsibilities following certification by the Administrator, could and perhaps will cause disruptions in the program resulting in further delays. There is the likelihood that not all states will achieve -- and in some instances desire - the authority which would be granted under this procedure. In those instances, the Environmental Protection Agency would by necessity retain management responsibility and as a result to avoid duplication within those states some Federal-state accomodation would be required. We would also emphasize that the process by which state certification is secured will be extremely important in order to insure the viability and integrity of the program.

The above is not intended to imply that we will not give this recommendation full support. It is intended to acknowledge that certain realities must be recognized if the implementatin of such a recommendation is to achieve its most positive impact.

Summarizing, we fully support this proposal but caution those who would view it as the panacea.

Conclusion

The above recitation indicates that the National Society of Professional Engineers essentially opposes major changes in P.L. 92-500. This position is firm. Any tampering with the law or its associated regulations automatically impedes the construction grants program. We do not believe any of the above proposals, with the exception of

the extension of the July 1, 1977 deadline, and perhaps the Cleveland-Wright Bill warrants serious consideration at this time.

Although we express this word of caution, we support the concept of study and analysis of P.L. 92-500 with the objective of improving it and as a result, speeding the day when its objective of clean water will become a reality. The NSPE trusts this kind of review will continue and appreciates the opportunity to participate.

July 7, 1975

Office of Water and Hazardous Materials
Environmental Protection Agency
Room 1033, West Tower, Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Gentlemen:

The North Central Texas Council of Governments Water Quality Council Committee as well as the Executive Board met on June 25th and 26th respectively to discuss the five proposed amendments to P.L. 92-500. After an indepth analysis of each of the proposals, the following positions were approved on each of the issues:

1. Reduction of the Federal Share - NCTCOG opposed any effort to reduce the Federal share from its present 75% to a proposed 55%. Financial planning by the area cities and Water and Sewer Agencies has been formulated on a 75/25 basis and a reduction in this percentage will cause significant delays in their overall program. City budgets are simply stretched to their limits with no reserve to take on added monetary responsibilities; likewise, the State budget would seem to offer dim prospects for absorbing any reduction of Federal participation.

2. Limit the Reserve Capacity of Facilities Eligible for Grant - NCTCOG, likewise, opposes the adoption of stringent limitations for future reserve design for plants and interceptor sewer lines. In a rapidly developing drainage area, such a policy would not prove economically advantageous since the cost to increase the pipe diameter to handle ultimate flow is minimal when comparing it with the cost of paralleling that facility after development has occurred in the drainage area. Such a policy would appear to discourage the regional approach to sewer interceptor design and such action, especially in combination with proposal number one, would cause cities to again revert to the old philosophy of designing for the city limits rather than considering the entire drainage area.

3. Restricting the Types of Grants Eligible for Grant Assistance - NCTCOG concurs in limitation participation to Items 1. Secondary Treatment Plants, 2. Tertiary Treatment Plants, and 4B. Interceptor Sewers. In addition, NCTCOG feels that Item 3A. Correction of Sewer Infiltration/Inflow should also be retained as an eligible project under P.L. 92-500.

4. Extending the 1977 date for the Publicly Owned Pre-Treatment Works to meet Water Quality Standards - NCTCOG concurs that one of two options should be allowed; either to extend the 1977 deadline to 1983, or to tie compliance with approval of the grant for Step 3, the Construction Phase for Sewerage Treatment Plants.

5. Delegating a Greater Portion of the Management of the Construction Grant Program to the State - NCTCOG approves giving States maximum authority for affecting compliance with P.L. 92-500 and supports House of Representatives Bill number 2175 on this point.

We hope that our position on these significant issues will be helpful to the Environmental Protection Agency in your evaluation of the need to amend P.L. 92-500, and if our position on each of the proposals needs further explanation, please let us know.

Very truly yours,

William J. Pitstick
Executive Director

WJP:cf

STATEMENT OF THE NORTH CAROLINA DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES - DIVISION OF ENVIRONMENTAL MANAGEMENT IN CONNECTION WITH PROPOSED AMENDMENTS TO P.L. 92-500

July 3, 1975

PROPOSAL NO. 1 - On Reduction of the Federal Share

The federal share should not be reduced from the present 75%.

The assumption that goals of the act would be reached more expeditiously by the use of more state and local funds so as to extend limited federal funds is not true in our opinion.

The State of North Carolina through the Clean Water Bond Act of 1971 authorized $50 million in State Bonds to assist in the construction of interceptors and wastewater treatment facilities and $25 million in State Bonds to assist in the construction of wastewater collection sewers. The $50 million was to provide 26% State matching grants in order to qualify for 55% Federal grants. However, after passage of P.L. 92-500 which increased Federal grants to 75%, the State revised its grant percentage to 12.5% of the eligible cost. The bond funds will not be adequate to supplement all projects funded from the FY 76 allocation and, to date, there have been no arrangements to provide additional State grant funding.

Under present economic conditions, there is very little, if any, possibility that the State will appropriate grant funds for wastewater facilities. This can easily be confirmed by the fact that the 1975 General Assembly had to cut both the expansion and continuing State budgets. Local units of government, especially small municipalities and counties, will have serious difficulty in providing the additional financing made necessary by a reduction in the percentage of the Federal grant.

It further appears that a reduction in the percent of Federal funding could delay projects which have completed arrangements for local financing based on receiving 75% Federal grant funds. Also, it is anticipated that a reduction in the percentage of federal participation would prevent the construction of regional systems which are determined cost effective to serve multiples of local governments.

The existing guidelines spell out in detail the methodology for cost/effectiveness analysis. Settlement of the question of allowable design capacity of treatment works will result in constraints such that cost reductions achieved by local accountability will, we believe, be accompanied by an equal reduction in effectiveness.

PROPOSAL NO. 2 - On Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

The generally accepted practice for design of wastewater

treatment plants has been 20 years and for interceptor sewers 40 to 50 years. One of the major factors considered in the design life of wastewater treatment plants was the amortization of the capital debt incurred in the construction of the facilities. However, with the higher construction costs and large percentage of Federal grant participation, the cost of reserve capacity has become a considerable issue. One factor which is also creating the need for larger capacities is the EPA requirement that by-passes must be eliminated from wastewater treatment facilities and capacities must be provided for all I/I which cannot be cost-effectively eliminated.

We agree that the high percentage of Federal and State funding has probably contributed to the desire of local units of government to build reserve capacities. The fact that Federal and State grant participation may be reduced at some time in the future is also an incentive to construct larger facilities with presently available grant funds. We also agree that an equitable method to limit grant funding of excess capacities of wastewater treatment works must be developed. However, if such policies do not allow for any growth or very limited growth, it will probably create a back log problem. We believe the California experience is the preferable of presented alternatives and in that case some provision should be made to allow additional capacity for plants having a design capacity of less than 1 mgd because of the extreme uncertainties in projecting growth for small communities. For example, a single small industrial addition could account for more than 15 years of projected population growth. Such industrial discharge rates become a part of the population/flow projection for large cities. Equitable consideration must be given small communities or whether their growth will be completely stymied or a backlog problem will be created.

PROPOSAL NO. 3 - On Restricting the Types of Projects Eligible for Grant Assistance

We believe that funding should be directed to project types I, II, IIIA, IIIB, and IV B. We recommend that projects for the correction of combined sewer overflows and for the treatment of storm water not be grant funded unless such work is more cost effective than providing additional treatment in water quality limited segments. It is further recommended that grants for collection sewers be given low priority.

PROPOSAL NO. 4 - On Extending the 1977 date for POTW's to Meet the Requirements of Section 301 (b) (1) (B) and 301 (b) (1) (c)

It is obvious that a large percentage of publicly owned treatment works will not meet the 1977 date of achieving effluent limitations based upon secondary or more stringent level of treatment,

if necessary, to meet water quality standards.

The Division of Environmental Management has recommended that 301 (b) be amended to allow achievement of 1977 treatment requirements to 1980 and by deleting the 1983 requirements.

It is further recommended that the regulations implementing 301 (b) (1) (B) be amended so as to permit the use of waste stabilization lagoons or equivalent treatment where water quality objectives can be achieved with their use.

We question the energy/economic prudence of establishing base level treatment as "best available" if there is no water quality need and of establishing base qater quality levels suitable for recreation in and on the water if there is no public use need.

PROPOSAL NO. 5 - On Delegating a Greater Portion of the Management of the Construction Grants Program to the States

We believe that HR 6821 should expressly provide for delegating the approval of facility plans and should be enacted. The Bill could expedite the grants program and minimize duplication if EPA objectibily delegates its functions to qualified States and uses its personnel to spot check the States and assist them in moving the program.

COMMENTS OF THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION ON PROPOSED AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT*

The National Independent Meat Pakers Association (NIMPA) is composed of over 250 member companies from 37 states who are involved in slaughtering and meat processing. On behalf of its members, NIMPA has actively participated in the various rule making proceedings under the Act which were applicable to the meat processing industry, and is one of the petitioners in a challenge of the meat prosessing effluent guidelines amd limitations which is currently being considered by the Eighth Circuit Court of Appeals in the case entitled National Independent Meat Packers Association, et, al. v. United States Environmental Protection Agency et. al. (NO. 74-1387)

Based upon this background of participation, NIMPA has become increasingly concerned with numerous problems created by the Act. Primarily among such concerns is the total lack of flexibility in the Act which, if available, would provide relief to the numerous dischargers who, through no fault of their own, have not been able to obtain NPDES permits so as to meet the December 31,1974 deadline imposed by S402(k) and /or are unable to achieve best practicable control currently available (BPT) by July 1, 1977, as required by S301(b)(1)(A).
Such problems have been well recognized and publicized by federal and state officials and yet, unaccountably, no relief in these areas is being urged by EPA.

The nonissuance of NPDES permits by December 31, 1974, was specifically referenced by Brian Molloy, director of EPA's water enforcement division, at an American Bar Association - EPA conference on enforcement of water laws on December 10, 1974. While noting that EPA will not move against dischargers without permits, Molloy acknowledged that nothing prevents the Justice Department or private citizens from taking action, based on the Water Acts Section 505 citizen suit provision. A similar analysis was advanced by Alan G. Kirk II, EPA assistant administrator for enforcement and general counsel, in a letter to the National Association of Manufacturers dated September 6, 1974. For the text of said letter, see the September 27, 1974 issue of Environmental Reporter, p.118. For like observations by other EPA officials, see the December 13, 1974 issue of Environmental

*Presented by J. A. Chittenden, Chairman of NIMPA's Environmental Activities Committee.

Reporter, p. 1268.

Reaching similar conclusions, the Water Pollution Control Federation issued a report entitled "P.L. 92-500: Certain Recommendations of the Water Pollution Control Federation for Improving the Law and Its Administration". Said report is dated Ocotber 10, 1974, and recommendation no. 5 thereof is as follows:

> "The Federation recommends that: (a) the Congress extend the December 31,1974 deadline for issuing permits to allow for the orderly issuance of meaningful municipal and industrial permits, based on a compatibility with local conditions, and to remove potential legal liabilities for good faith permit applicants."

NIMPA supports this recommendation and urges EPA to pursue such an amendment to the Act.

Similar commentaries and recommendations have been made concerning the inability of numerous dischargers to achieve BPT by July 1, 1977. An EPA internal memorandum from Alvin L. Alm, assistant administrator for planning and management, and James L. Agee, assistant administrator for water and hazardous wastes, to Russel E. Train clearly indicates that EPA is sufficiently concerned with the July 1,1977 date to have considered requesting authority to extend said date as part of its 1975 legislative program. For the full text of said memorandum, see the November 29, 1974 issue of the Environmental Reporter, p. 1119.

That EPA clearly recognizes the problems of an inflexible application of the July1,1977 date is further evident in the comments of Brian Molloy at the October 10, 1974 conference referenced above. Molloy stated that EPA will strive to set "reasonable" compliance schedules even if this means going beyond the 1977 statutory deadline for achievement of BPT. He further acknowledged that such a procedure would violate the requirements of the Act and would eventually have to be resolved either in the Courts or through legislative amendment. See also the reports of the May 13-14. 1975 hearings before the House Public Works Subcommittee on Investigations and Review to investigate ways of making the Act work more effectively. (May 16,1975, issue of the Environmental Reporter, pages 131-132). During said hearings, Charles A. Krouse, Subcommittee staff member, observed that the July1, 1977 deadline would not be met by all affected facilities and that although the staff believe said deadline for industry "may have to be faced in the months ahead", it was not prepared to offer a recommendation for resolving the problem.

Nimpa believes that the problem can not be ignored and urges that it be resolved through EPA's support of an amendment to the Act in accordance with recommendation no. 5 in the October 10, 1974 report of the Water Pollution Control Federation referenced above. Said recommendation is as follows:

"The Federation recommends that:...(b) the Congress provide, where appropriate, administrative relief to...industrial dischargers unable to meet July 1, 1977, effluent limitations..., provided such dischargers demonstrate good faith efforts to the satisfaction of the Administration."

Such an amendment is especially necessary in view of EPA's support of extending the July 1, 1977, compliance date for publicly owned treatment works, which proposal is the direct subject ot this hearing. While NIMPA supports the need for this extension it does not understand why like problems facing industry are ignored. Partciularly is this true since in many instances the ability of industry to attain compliance is directly related to the date by which publicly owned treatment works are updated to meet 1977 standards.

This occurs when an industrial discharger contracts to have its waste treated by a publicly owned treatment works, Said contracts are usually dependent on the completion of the modification and expansion of such works. Consequently, where such works are not completed by July 1,1977, the industrial discharger is placed in an impossible position. On the one hand, it would have to construct its own treatment facilities for just a short period of time which in most cases would be economically impractical, if not impossible, considering the EPA cost sharing requirements. Alternatively, the discharger would simply await completion and for the period of time between July 1,1977 and later completion would place itself in the precarious position of being in non-compliance and subject to heavy civil and criminal penalties.

Of course, there is a third alternative, i.e. to forego completely any contractual relationship with a publicly owned treatment works, For several reasons, this is not a practical or desirable alternative. First, due to the current progress of the NPDES permit program, contractual obligations for public treatment have already been incurred and are legally enforcable. Second, where contracts exist, public monies have already been expended based upon the inclusion of wastes from the industrial discharger. Even if the industrial discharger was able to disregard the contract, there would either be a severe monetary setback for the public authority or the necessity of redesigning the works at the cost of delaying the completion date even further beyond the 1977 deadline. Finally, the foregoing of contractual relationships between industrial dischargers and public authorities for waste treatment is directly opposed to the policy of EPA and the States to encourage such cooperation thereby reducing the number of point source discharges particularly where the indistrial discharge is totally compatible with the biological treatment utilized by publicly owned treatment works, such as in the case with meat processing wastes.

Based upon these considerations, NIMPA strongly urges EPA to formulate and actively support the amendments to the Act requested herein. At absolute minimum the Act must be amended to provide an extension for any industrial discharger that has contracted for (including an executed letter of intent) public treatment - said extension to be for the period necessary for the completion of the public facilities which are the subject of the contract. Such an amendment would not only remove the legal problems facing many industrial dischargers under the current inflexible provisions of the Act, but, importantly, would also further the policy of reducing the number of point source discharges.

Respectfully submitted,

National Independent Meat
Packers Association
/s/ J. A. Chittenden
JAC/keg

July 3, 1975

Mr. James L. Agee
Assistant Administrator for Water
and Hazardous Materials
Environmental Protection Agency
Waterside Mall Building
401 M Street, S. W.
Washington, D. C. 20460

Dear Sir:

The following comments are submitted on behalf of the membership of the National Association of Home Builders (NAHB) in response to the five papers prepared by your agency related to the Municipal Waste Treatment Grant program and entered in the Federal Register, Vol. 40, No. 103, May 28, 1975.

Paper No. 1, Reductions of the Federal Share.

In general, NAHB would not recommend a reduction in the federal share of the construction costs associated with providing the facilities necessary to comply with the provisions of P.L. 92-500. To do so would shift the burden of payment to state and local governments. EPA has already noted the difficulty municipalities have had in meeting their share of the funding program and considerable publicity has been given to local governments' financing difficulties in general. New York City is one example and Montgomery and Prince George's Counties in Maryland are others.

The result of the 1974 Needs Survey, $342 billion for facilities eligible for construction grants, is a staggering sum and one that creates a real problem within the program. Increasing the state and local government share of funding of it by decreasing the Federal participation will not resolve the problem, however, since this level of funding would be beyond their economic means. Despite a statement to the contrary at the end of the "Background"section for Paper No. 1, it should be well within the capabilities and resources available to the EPA to predict the effect of a reduced Federal share on local financing capabilities.

Comments on the listed issues to be discussed for Paper No. 1 are as follows:

1. Yes, a reduced Federal share would delay the construction of the needed facilities.

2. It is extremely doubtful that States would have the capabilities to generate loan or grant programs to assume a

larger share of the program.

3. Yes, it is believed communities would have difficulty in raising additional funds for a larger portion of the program.

4. A reduced Federal share would not necessarily lead to more cost effective design, project management, etc. This presumes that present designs are not cost effective despite the elaborate review and approval procedure to which they are now subjected.

5. A reduction in the Federal sharing of the costs will no doubt create delays in achieving the goals of the Act.

Paper No. 2, Limiting Federal Funding of Reserve Capacity.

The stated objectives intended to be achieved by limiting eligibility for reserve capacity need further analysis. As a prelude to the objectives it is stated that it is not intended to preclude the cost effective sizing and design of the needed facilities but the grantee would be expected to fund 100 percent of the reserve capacity. This then would permit realization of the first objective to allow Federal funding to go further in reducing the backlog of projects. In reality what this action would effectively accomplish is to transfer a greater share of the cost of meeting the total needs to the local governments as was proposed in Paper No. 1. It is doubtful that they can handle the increased financial burden.

The second objective is to induce more careful sizing and design of capacity to serve future growth. It is stated that this would reduce the tendency to provide excessive reserve capacity and would help avoid secondary impacts of growth. The second objective appears to be based on a premise that present design and design review processes are inadequate in the results achieved. If the reserve capacity included in a design exceeds that which can be supported by a cost effective analysis, reduction of the size should be directed during the review process to which it is subjected.

Also of concern are the negative aspects of the sub-objective, i.e., to reduce the secondary environmental impacts of growth. It must be recognized that the country and its people are not static. Moves and relocations will occur. New family formations will take place. New industries will be established and others will relocate. Many communities actively seek such relocations as they are related to the economic and social well-being of the community and its inhabitants. This growth must be accomodated and it must be recognized that to some degree it will take place nationwide. This inference that such growth is so detrimental as to be worthy of special review

is certainly biased and if carried out to the ultimate in reduction of the environmental impact, could result in a national no-growth policy.

Comments on the listed issues to be discussed for Paper No. 2 are as follows:

1. It does not necessarily follow that the 75 percent Federal participation leads to overdesign of treatment works. As indicated in the discussion on Paper No. 2 a preliminary survey indicated an average of 18 years reserve capacity was designed into 53 treatment plants. Cost effective analysis have generally resulted in approval of reserve capacities of 20 years for these facilities. These analyses, which it is assumed were correctly performed by competent persons, show that the facilities are not overdesigned.

2. This issue presupposes that problems exist in the program because of capacity. Since the design capacity is based on review of a cost effective analysis it would indicate the capacity is the result of a firm derermination of need. What rational exist for limiting population projections to the lowest of those projected by the Census Bureau? Why not select one that represents the average of all such projections?

3. It would appear there are no merits to prohibiting eligibility of reserve capacity. The penalties for this prohibition include the loss of cost effectiveness and economy-of-scale and also results in the transfer of a massive financial burder to local communities not gererally able to handle it. The result may well be under-designed facilities, or no construction of facilities at all, with continuing degradation of the waters a very likely result.

4. A ten year capacity is considered insufficient. From inception to operation construction of a sewage treatment facility may take four years. This would mean that the new plant would effectively serve the community six years before it would have to be modified, replaced, or duplicated to handle anticipated loads. Proper analysis based on projected annual increases in material, direct construction, construction loan, land and other costs should be made to determine the most cost effective design period. Previous or current analyses now in use support a 20 year reserve capacity. These surely remain valid.

Paper No. 3, Restricting the Types of Projects Eligible for

Grant Assistance.

Limiting eligibility for Federal assistance does not eliminate the need for the construction or correction of a facility deficiency which bears on the improvement of water quality. To do this would be another action which would shift the financial burden to local governments which are not generally capable of handling it. P.L. 92-500 anticipated eight types of projects would be needed to effectively control water pollution. The arguments presented in this Paper both for restricting and retaining the eligibilities are well stated. In reality, however, it must be recognized limiting the eligibility will most likely mean needed facilities will not be built.

Comments on the listed issues to be discussed for Paper No. 3 are as follows:

1. Restricting eligibilities will hinder the program objective to provide the greatest improvement in water quality. Concerns that facilities would be designed to take advantage to the eligibilities when in fact an administrative or management directive would achieve the desired results are not valid and do not give proper credence to the planning and review process.

2. In most instances as the discussion implies there is not likely to be adequate local incentive to build needed facilities without Federal assistance. It is not an issue of local pride but rather one of too little money with too many legitimate demands.

3. Again the question revolves around recognition of the difficulties facing local governments if they must increase their share of funding construction of the needed facilities. The inclusion of the possibility that they may have difficulties in the various papers itself lends support to the belief that such difficulties will occur. Suggesting relief may be possible through other Federal grant programs such as those available to the Department of Housing and Urban Development avoids the issue. Federal funds are still being spent for assistance. It would be logical to ask for a redistribution of the monies with a greater share to be allocated to EPA to support construction of the needed facilities.

Paper No. 4, Extending the 1977 Deadline Date.

The 1977 date must be extended until the funds are available

to provide the necessary facility construction. The date should be made in accord with the Federal financing ability in order to be realistic. In determination of a realistic date, adequate time for planning, design, and construction must be provided. It should be noted that although $18 billion are now available for construction only $ 4.8 billion has been obligated. Of the five alternatives, none properly reflect the relationship between the need for an extension and the availability of Federal financing assistance. Alternative No. 5, to provide an extension until 1983 and require compliance regardless of Federal funding, offers a reasonable increased period to plan and construct the necessary facilities but is unsatisfactory in that the needed Federal funding may never materialize. It should be reworded to require compliance contingent upon the availability of the Federal funds.

Comments on the other considerations offered with Paper No. 4 are as follows:

1. Yes, prefinancing should help local communities construct and complete needed facilities within the deadlines.

2. Some adjustments for industry would be necessary, but those with particularly toxic discharges should be required to provide treatment at the secondary level as soon as possible.

3. No, only when the discharge is so strong as to be a major contributor to the municipal plant loading and thus uses more than its proportional share of the municipal plant treatment capacity.

4. Compliance dates should be open-ended pending the availability of Federal funding assistance.

5. In most instances the economic situation at the local government level is such that across-the-board extensions are in order.

6. The various alternatives, except No. 4 which is related to Federal funding, would all impact State and local funding to some degree.

7. No comment.

8. A two year extension would be relatively meaningless in light of current economic conditions at all funding levels.

9. If the letters of authorization accomplish the same results as do short-term permits and are less costly to administer they should be used.

State certification of project documents and associated other requirements should tend to reduce the period for project approval and would place the review authority at a level sufficiently knowledgeable and concerned about local conditions as to be truly meaningful. Funding assistance to meet the added administrative costs would be required, however.

In summary it appears that a complete review of the intent of P.L. 92-500 and our national priorities is in order. One cannot argue with the need to control water pollution and to upgrade water quality. What is of concern is the time frame within which it is intended that this program of enhancement take place. The standards to be met and the time in which to meet them are unrealistic as originally conceived as is reflected in the estimated costs of the program. It is apparent that correction of existing conditions and provision of new facilities as authorized in P.L. 92-500 are essential to meet the water quality goals. It is equally apparent that funding to the level stated in the 1974 Needs Survey is beyond the immediate and near-term capabilities of the combined resources of the Federal, State, and local governments. This suggests that national priorities for environmental improvements need to be reviewed so that a reasonable level of funding to this end is made available each year and that realistic time tables related to that level of funding be established.

Very truly yours,
/s/ Brian R. Landergan
Director
Technical Services

BRL/bs

July 2, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033, West Tower
Waterside Mall
401 M Street S. W.
Washington, D. C. 20460

Gentlemen:

The Nebraska Water Pollution Control Association wishes to have the attached comments considered in your decision on proposed amendments to the FWPCA.

We were unable to testify at the June 17, 1975, public hearing but trust that these written comments will be entered into the records.

Sincerely,

NEBRASKA WATER POLLUTION CONTROL ASSOCIATION
/s/ Donald Hillrichs, President

/s/ Ronald Benson, Chairman
Governmental Affairs Committee

lp
Enclosure

TESTIMONY
ON PROPOSED FEDERAL WATER POLLUTION
CONTROL ACT AMENDMENTS
SOLICITED BY THE PUBLIC NOTICE
IN THE MAY2, 1975
FEDERAL REGISTER

The Nebraska Water Pollution Control Association Governmental Affairs Committee polled representative members of the Association and wishes to go on record with the following comments concerning the proposed amendments to the Federal Water Pollution Control Act.

First, a general statement to indicate displeasure in the general lack of, and tardiness in availability of information concerning the correspondence between federal agencies concerning these proposed amendments and policy statements by EPA. It is very difficult to make intelligent and meaningful comments when only generalities are available concerning the proposed amend-

ments and alternatives.

The five general areas in which amendments are proposed will be commented on in the same order they appeared in the May 2, 1975, Federal Register.

1. The proposal to reduce the federal share of construction grants is one which received a mixed reaction. The communities generally would prefer to see the Federal share of the grants remain at 75% while some Association members feel that a reduction in the percentage might enhance the viability of the program and ultimately result in more water pollution control construction activities. If the percentage were to be reduced it was the general concensus that a subsequent and proportional reduction should be made in the requirements for obtaining the construction grants. Notably, the infiltration/inflow analysis should not be a blanket requirement and much of the paper work involved in proceeding to the various steps should be reduced or eliminated.

2. The proposal to limit federal financing to serve the needs of existing population only was opposed totally by those contacted for opinions. It was generally felt that this amendment would result in reluctance to construct facilities with capacity to serve anticipated population since the excess capacity would have to be financed strictly with local funds. Design and construction of facilities strictly for present population would not be prudent and would result in nearly continual overloading of the facilities in a growing community and likely would result in a continuous series of construction grant applications to expand the facility as each successive one becomes overloaded. If the facility were designed to handle future population expansion it would be quite difficult to accurately determine how much of each unit process would be serving present population and thus be eligible for financing assistance.

3. Without knowing the specific alternatives in the proposal to restrict the types of projects eligible for grant assistance, it was difficult to evoke much response. It was generally felt that the present program is operating satisfactorily in regard to eligibility of projects and it was felt that there presently is a certain amount of restriction in the program since certain types of facilities, namely collection and transportation systems. receive a lower priority than treatment facilities.

4. The proposal to extend the 1977 deadline for meeting water quality standards met with general approval. However, it

was nearly a unanimous feeling that this should not be done unless some provision to prevent "foot dragging" was utilized. It was felt also that the 1977 deadline has always been unrealistic in light of the tremendous amount of work to be accomplished, the slowness of regulation for administerint the Act, and the unavailibility of sufficient funds for construction.

5. The proposal to delegate a greater portion of the management of the construction grant program to the States was found to be highly desirable to all those contacted. Those not approving whole heartedly of this amendment were not in opposition to it but indicated that they had not experienced difficulty in dealing with the federal agency but definitely encouraged elimination of the duplication of document review and approval to speed the processes up. If these responsibilities were delegated to the States, it is felt that the processing would be much smoother and quicker than it now is with duplicative reviews and dealings with persons not intimately familiar with the local situations.

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HONORABLE RUSSEL E TRAIN ADMINISTRATOR U.S. ENVIRONMENTAL PROTECTION AGENCY CARE WH-556 ROOM 1033 WEST TOWER
WATERSIDE MALL 401 M ST SOUTHWEST
WASHINGTON DC 20460
THE NEW JERSEY ALLIANCE FOR ACTION IS FORWARDING BY MAIL A POSITION STATEMENT ON PROPOSED AMENDMENTS TO PL92-500. THE ALLIANCES POSITION ON THE FIVE PROPOSALS BY OMB ARE BRIEFLY STATED AS FOLLOWS:
1. BECAUSE OF THE CRITICAL PHYSICAL CONDITION OF COMMUNITIES AND THE STATE A REDUCTION OF FEDERAL SHARE WOULD HALT MANY PROJECTS. THERE ARE NO OTHER SOURCES TO FILL THE GAP.
2. A LIMITATION OF FEDERAL FUNDING TO PRESENT NEEDS MIGHT BE PRACTICAL FOR PLANT CONSTRUCTION WHICH CAN BE SAVED BUT IT WOULD SERIOUSLY HAMPER ADEQUATE TRUNK AND INTERCEPT CONSTRUCTION.
3. WHILE STORM WATER MIGHT BE DROPPED FROM TREATMENT FUNDING OTHER PRESENT ELIGIBLE TYPES OF PROJECTS SHOULD BE CONTINUED TO ACHIEVE GOALS AND COMPLETE ESSENTIAL CONSTRUCTION.
4. SOME METHODOLOGY SHOULD BE INCORPORATED INTO THE LAW WHICH WILL GIVE EPA THE FLEXIBILITY TO ADJUST DEADLINES FOR EACH CASE BASED ON THE MERITS AND FACTS.
5. THE ALLIANCE SUPPORTS THE CONCEPT OF TRANSFERRING MORE RESPONSIBILITY TOGETHER WITH FUNDS TO THE STATES.

FINALLY THE ALLIANCE FOR ACTION ENDORSES THE STATEMENTS OF NEW JERSEY GOVERNOR BRENDAN P BYRNE AND COMMISSIONER DAVID J BARDIN WHICH HAVE PREVIOUSLY BEEN SENT TO YOU. WE FEEL THAT WITH DUAL INCENTIVE OF IMPROVING THE ENVIRONMENT AND STIMULATING CONSTRUCTION EMPLOYMENT THAT SHOULD BE NO REDUCTION IN THE PRESENT CONSTRUCTION GRANT PROGRAM.
NEW JERSEY ALLIANCE FOR ACTION DAVID J GOLDBERG GENERAL CHAIRMAN
219 EAST HANOVER ST TRENTON NJ

June 13, 1975
Mr. David Sabock
EPA OFFICE OF WATER AND HAZARDOUS
MATERIALS (WH-556)
Room 1033 - West Tower
Waterside Mall
401 M Street S.W.
Washington D. C. 20460

Dear Mr Sabock:

We are writing in favor of amending the Federal Register Pollution Control Act. Reference is made to amendment #1 - "a reduction of the Federal share" - as put forth in the Federal Register, dated May 2, 1975, pages 19236 and 19237.

It is requested that an amendment be made to EPA grant regulations allowing "primary treatment facilities", with ocean outfalls to make design modifications in lieu of a secondary plant; when it can be determined that EPA water purity standards can be attained.

The City of New Bedford, Massachussets has in operation a primary sewerage treatment plant. Under EPA rules, a secondary treatment plant is necessary regardless of whether or not, with modifications, the effluent from the existing system meets EPA standard of State water control standards.

In order to meet EPA funding requirements, the City of New Bedford engaged the engineering firm of Camp, Dresser and McKee to make a detailed study and to recommend water pollution controls, Camp, Dresser and McKee has recommended pollution controls that include a $21,585,000 secondary treatment plan...the Federal share to be $16,188,750.

Our chief concern in this matter is that Camp, Dresser and McKee indicates that in ocean outfall situation, such as, New Bedford's case, that in their opinion the existing primary treatment plant could be modified at a cost of approximately $2 million , to effectively treat the effluent to EPA water purity standards. Because of the letter of the law, the City, by making such a comparatively inexpensive modification could not obtain Federal funding under grant regulations.

By allowing modification to "ocean outfall" primary treatment

plants, that in turn will meet EPA water purity standards, cities such as New Bedford could reduce Federal participation from $16,188,750 to $1,800,000.

Funding requirement reduction such as the preceding, multiplied by this country's many coastal communities, will go a long was in reducing the $350 billion funding requirement.

Our committee represents thirty industries in New Bedford, with an employment of over 10,000 people and an annual payroll in excess of $100 million. We are all very much concerned about this situation and its employment effect, now and in the future, for the citizens in our area.

Very truly yours,
NEW BEDFORD INDUSTRIAL WASTE-
WATER COMMITTEE
/s/ George Bentley
Contineneal Screw Company

/s/ David Cameron
Morse Cutting Tools

/s/Phillip Murray
Cornell-Dubilier

/s/Richard Young
Acushnet Company

/s/Ernest Yuille
Polaroid Corporation

June 5, 1975
Mr. Russel E. Train, Administrator
Environmental Protection Agency
Washington, D. C.

Re: Changes Proposed For Federal Water Pollution Control Act Amendment (PL 92-500)

Dear Mr. Train:

I have reviewed the changes proposed in PL 92-500 and have several comments which I would like to place into the record.

Reduction of the Federal Share

The proposal to reduce the Federal share is untenable. The requirements of PL 92-500 necessitate in most instances, large capital expenditures in order to achieve compliance. The purpose in providing such a large Federal share was to relieve municipalities of the tremendous financial burden necessary to comply with the Act. A reduction of the Federal share would force municipalities to revise their long range fiscal plans and possible to eliminate certain other projects.

Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

In order for any treatment works system to serve its intended function, there must be reserve capacity to serve projected growth. The design period should not be limited. Frequently, is is more cost effective to construct interceptor sewers for time periods in excess of twenty years by considering service life, cost of replacement, etc. Also, at present, areas with a history of high industrial growth have no means of building in treatment works capacity for such future growth and, as a result, available capacity as provided for under present EPA regulations will be utilized in a short period of time.

Restricting The Types Of Projects For Grant Assistance

The cost of rehabilitating sewer systems for the correction of infiltration/inflow can amount to a substantial cost and, in the absence of Federal funds, may reduce the capability of financing other phases of the treatment works projects. These items should remain eligible for Federal funding.

Collector sewers should also be eligible for EPA funding in

instances where the continued use of septic tanks would present a definite health hazard.

Extending 1977 Date For Publicly Owned Treatment Works to Meet Water Quality Standards

It is impractical to expect that the 1977 deadline for complying with PL 92-500 in regards to secondary treatment (or advanced treatment where necessary) will be met by most municipalities, The extensive capital costs associated with most compliance activities are not within the fiscal capabilities of municipal budgets. If compliance is enforced regardless of Federal participation, other City projects with high priorities may be delayed. Consequently, we recommend that the deadline for compliance be shifted to allow more time for funding under PL 92-500. In no instance should compliance be enforced without Federal assistance.

Delegating A Greater Portion Of The Management Of The Construction Grants Program To The States

We concurr with the provisions of HR 2175 as outlined in the Federal Register May 28, 1975. There could be a substantial savings of time, expense, and manpower by providing States with the authority to adminsiter the EPA Construction Grants Program.

In considering all five proposed amendments to PL 92-500, we feel that the continued effects of the changes should be very carefully evaluated. If, for example, the Federal share were recuced to 55%, and there was no funding of reserve capacity, the economic feasibility of most wastewater treatment works projects would be very low.

Sincerely,
/s/ K.W. Riebe
City Manager

KWR/ehm

Position Paper presented at the Public Hearing on Potential Legislative Amendments to the Federal Water Pollution Control Act, conducted in Atlanta, Georgia, on June 9, 1975

The Metropolitan Government of Nashville and Davidson County, Tennessee, Department of Water and Sewerage Services, welcomes the opportunity to express its comments and concerns on the proposed amendments to Public Law 92-500.

The reduction in the Federal share would inhibit and delay construction of needed facilities due to limitation, which presently exist in monies available to local governments. The State of Tennessee does not have an available grant program, which aids the local governments, but it does borrow monies to fund a State loan program, which presently allows the cities of the state, who can meet the guidelines, to qualify for a 25% loan of the eligible cost. These loan monies can only continue until the indebtedness of the local community reaches its maximum capacity or the State refuses to sell additional bonds to support the program. The Department of Water and Sewerage Services, presently, cannot extend its own bonded indebtedness without an increase in the water and sewer revenue rates. The present economic condition of our community would find it extremely difficult, if not impossible, to obtain the support to pass a revenue increase in our local council. The Metropolitan Government is currently striving to obtain the optimum capital improvement per dollar invested, whether it be through federal grants or local revenues. All projects are viewed with the full understanding that the government must operate and maintain the constructed facilities, be it treatment plant, interceptor sewer, pumping station, etc., and it is our objective to obtain the best possible facility for the dollar, so we may use our annual budget to continue our water and sewer programs. The reduction in the Federal Grant to something less than 75% would place an added burden on the state and local governments to explore other sources of funding, and during this transition period, it would continue to cause us to lag further behind in meeting the goals of Public Law 92-500. Exactly what the impact will be on our programs can only be projected, but unless other funds are provided, we would have to delay our construction program. This is a drawistic approach for EPA to consider at a time when there is 9 plus billion dollars of construction monies, which could be used by local governments today, to build needed facilities that are tied up with continuing wraps of red tape. The everyday inflation in this country is eating at these dollars to the extent that the 75% grant today will only fund what a 55% grant would have funded some three years ago. Whatever action Congress might take relevant to the reduction of the federal grant monies will have a significant impact on the nation's objective of meeting the goals spelled out in Public Law 92-500.

The local governments have a responsibility to meet the needs of its citizens, and if it is projected, the population of an area is going to expand from rural land to a residential area, the city has the responsibility to protect the public health, the environmental quality of the area and the environmental impact on the area. The construction of sewer facilities provide all three of these needed functions for the community. The people are going to find a place to live, and if steps are made initially to consider the health and environmental considerations, then the cost to the community is much less.

The growth and development of a community should be a major factor considered in the design of a sewerage facilities. This design should not be for an estimated growth judged on 10 or 20 years, but on good sound engineering judgment, based on the particular situation under study.

Local financing and federal financing of projects should be established for a period that exceeds the useful life of such projects. At today's extremely high bond interest rates and amortization periods, less than thirty to forty years provide an annual debt service so great as to make conventional financing impossible, therefore, long term bond financing is inevitable. The plan to reduce the design period of a project to that less than the financing period of the project is folly economics. In effect, we are requiring our subsequent generations to pay for facilities that would have outlived their projected life.

The reduction of the types of projects eligible for grants assistance to only secondary treatment plants, tertiary treatment plants, and interceptor sewers would place a tremendous burden on any local government. It has been projected that it would take approximately 300 million dollars to just correct the combined sewer overflow in our system. At this time, correction of combined sewer overflow appears to be prohibitive with federal assistance, and without federal assistance, it appears impossible. If the responsibilities for correction of sewer infiltration/inflow, major sewer rehabilitation, collector sewers, correction of combined sewer overflows, and treatment or control stormwaters are placed back on the local governments with no assistance, the compliance requirements would have to be extended way beyond what presently exists for correcting these sources of pollution. The local governments would establish a completely different set of priorities for correction of its local pollution problems, such as the extension of sewers to presently unsewered area. If these types of projects are declared ineligible by EPA, most likely they will not be funded in the future.

The Metropolitan Government would recommend the 1977 compliance date be extended to late 1978, because this would be the earliest possible date our wastewater treatment system could meet the 1977 discharge

limits. This 1978 date is, also, assuming federal and state grant applications are processed promptly and no delays are experienced. During this extended period, the Environmental Protection Agency with the cooperation of the state agencies could develop a review board for each state, which would be responsible for establishing compliance dates for each discharger, taking into consideration the availability of resources balanced against the ultimate goals of Public Law 92-500. It is entirely impracticable to apply the same compliance date to all discharges without some type of balancing approach based on the limited resources available to correct the pollution problems of this nation.

An example of this is the treatment and control of discharge from wastewater treatment facilities and sanitary sewer system should have higher priority, whereas compliance date for the management and control of stormwater and combined sewer overflows could be set at a later date.

The State of Tennessee should be given a greater share in the administration of the Public Law 92-500, and this could reduce the unwarranted time delays we have experienced in processing our recent applications and reduce the duplication of efforts from the State to the Federal level.

The Metropolitan Government recommends that the State of Tennessee be delegated the authority to administer the Federal Construction Grant Program, as proposed in the Cleveland Bill, H.R. 2175. The existing Construction Grant Program has, by its very nature, inherent time delays, which have proven quite costly to local governments and American taxpayers. The duplication of efforts in review of engineering design and specifications, by both State and Federal Agencies, is just one example of such waste of effort and time delays. We have experienced delays, which have extended final approval on several of our projects, in excess of six months. These extended periods, coupled with the spiraling inflation, have cost the local government several thousand dollars, through no fault of its own. We would encourage this legislation to allow the United States Environmental Protection Agency to delegate its administrative authority to the states in relation to the Construction Grant Program.

The Metropolitan Government trusts the United States Environmental Protection Agency, after careful consideration and/or deliberation on the remarks given here today, will develop, for us, a more realistic and workable law.

June 25, 1975

TO: ENVIRONMENTAL PROTECTION AGENCY

The National Utility Contractors Association, representing the Nation's sewer and water facilities' construction contractors, appreciate this opportunity to comment on the five possible proposals for amending the Water Pollution Control Act.

However, we would be remiss if we did not express our concern over EPA's apparent emphasis on writing regulations rather than building water clean-up facilities.

In the month of May - one of the Agency's best months in the history of the program - EPA funded 59 construction projects but issued 42 pages of proposed regulation revisions and changes in the Federal Register totalling about 60,000 words, and issued 24 news releases.

Our members want work - NOT words. The American people want and need clean water. We respectfully urge EPA to get on with the job of cleaning up the Nation's water. The benefits to the environment, the economy and the employment situation are obvious.

Thank you.

Peter Inzero
President

EPA PAPER #1

The National Utility Contractors Association are in favor of any proposals that will increase the rate at which our nation builds the necessary environmental control facilities to assure the integrity of the nation's lakes and rivers. However, we do not believe that simply reducing the 75% Federal share to 55% will accelerate the program. A reduction in the Federal share:

(1) does not address the basic question concerning the willingness of the nation to pay the price for water pollution cleanup estimated by the Needs Survey (or an interpretation of the Survey);
(2) will not increase the rate of treatment plant construction because the principal problem is not funding but EPA generated red tape;
(3) will not increase the probability of producing more cost-effective designs;
(4) will probably not be accompanied by a comparable increase in state and local funds to fill the gap;

(5) discriminates against economically depressed areas; and
(6) would be unfair to those communities which failed to receive 75% Federal funding due to circumstances beyond their control.

Regardless of the accuracy of the Needs Survey, the Federal cost of building the necessary municipal treatment facilities is generally acknowledged as being much higher than the original $18 billion estimate. If the costs are $300 billion plus, then Congress must reconsider the desirability of commiting that large a portion of national resources through the existing program to construction of municipal facilities. This implies a reconsideration of the goals of the Act. The nation's price sensitivity at a 55% or 75% Federal share is likely to be low. If the costs are in the $30-$50 billion range, then the savings which accrue from a reduction in the Federal share ($6-$10 billion) must be weighed against the remaining problems arising from a change in Federal policy. A larger local share implies more local control which would apply to both setting water pollution cleanup goals and deciding what pollution control equipment is required.

NUCA is keenly aware and greatly disturbed that only $5 billion of the authorized Federal funds have been obligated by EPA with only a few days left in FY 75, which is the last fiscal year of authorized funds. If EPA cannot obligate the funds available at 75% Federal funding, there is no reason to believe that projects will be reviewed and funded at a faster pace with a lower Federal share. At EPA's average funding pace, the original $18 billion will not be obligated until January, 1982, seven years too late. This reduction in the Federal share will not result in an increased rate of funded projects unless the "red tape" created by EPA regulations and program guidance is reduced to permit more projects to be funded.

Another stated objective of the reduced Federal funding is to encourage greater state and local accountability for cost-effective design and projected management. This appears to NUCA to be an admission of EPA's failure to effectively implement its cost-effectiveness guidelines developed pursuant to Section 212(2)(c) of the Act. The implication that local and state governments will produce more cost-effective designs at 55% Federal funding than they did at 75% funding has little basis in reality. The kinds of legal and regulatory controls which EPA has developed but admittedly not succeeded in implementing are not even in existence at the state and local levels in most areas. NUCA believes that continuing substantial Federal assistance even at 55% will provide pressure for over-design. Simply chaging the Federal share will not create the incentive for cost-effectiveness which is implied.

The history of Federal funding of municipal treatment plants predicts the effect of changing the Federal share on state and local governments. Prior to 1956, Federal funds were not provided for the construction of treatment works. Between 1956 and 1966, 30% could be obtained for treatment works. During 1966 and 1972, a variable Federal percentage between 30% and 55% was made available, with the higher percentage made available to states which also provided funds. The Federal percent increased above 30% on a matching basis for each percent, up to 25%, that the state provided. This law clearly has an incentive for state aid. However, 13 (or 26%) of the states did not provide matching funds. Even those states which did provide matching funds often did not use the full matching provision. NUCA believes that shifting the burden back to state and local communities will result in a delay in communities' ability to clean up the nation's waters. As a result, economically depressed areas will be further handicapped and are less likely to benefit from the jobs created by the construction of collection and treatment systems.

Those communities which did not receive 75% Federal funding would be forced to pay a higher share of the clean up costs. While some transition provisions would be necessary, there is an obvious inequity when a community or state which was willing to pay a 25% share is suddenly forced to pay 45% of the costs.

EPA PAPER #2

Consideration of EPA's proposed 10-year/20-year design requirements reveals four basic problems: (1) it is arbitrary and conflicts with EPA's cost-effective guidelines; (2) it is a poor way of handling the broader issue of growth; (3) the design life allowed is too short, given the current delays in funding procedures; and (4) the restriction is prejudiced against the taxpayer moving into a growing area.

Limiting Federal funds to 10-year reserve capacity for treatment plants and 20 years for collection systems is an arbitrary and harmful method of saving Federal funds. The policy is an over-reaction to a recent CEQ study which found that sewers funded by EPA were often used to their fullest extent. This study, though, did not show whether or not the full utilization was due solely to induced or accurate predictions.

Here, EPA is suggesting that an arbitrary design life of 10 years preempts cost-effective design. The EPA regulations for cost-effectiveness already require phased construction if this is cheaper. But, EPA has almost totally excluded cost-effectiveness from their decision-making process by limiting communities' options to a decade of growth.

Another related issue is how to control or predict growth. The proposed amendment assumes that growth is solely induced by sewer construction and that growth is undesirable. But, highway locations, school locations, job availability and other factors also create conditions for growth. Sewers are a limit on, not a cause of, the pressure generated by these factors.

A ten-year limit on reserve capacity does not control growth any better than the present cost-effectiveness guidelines. This point becomes even clearer when one considers that the minimum time from conception to start-up of a sewage treatment plant is eight years under the current review procedures. Consequently, if plants are built for only 10 years of growth, communities will have to start planning their replacement two years after they come on-line. This two-year period is not likely to enable communities to make significantly more accurate growth predictions.

Restricting Federal funds for reserve capacity is also less equitable than the present program. Taxpayers in high-growth areas would have to pay higher taxes, because of the increased local expenditures required, and these taxes are likely to be much more regressive than those which fund Federal grants.

EPA's stated concern about current practices leading to over-design is contradicted by the existence of numerous over-loaded plants. In fact, recent surveys show that a majority of secondary plants cannot meet secondary requirements. NUCA feels that the harms of an over-loaded system are greater and more likely to occur than the disadvantages of excess capacity.

EPA PAPER #3

The third paper proposes that EPA limit eligibility for Federal funds to specific structural categories. The EPA's stated purpose is to limit Federal participation to those types of projects most essential to meet water quality standards. This goal can already be met under EPA's present ranking system. Guidelines pursuant to Section 106 require that states establish and maintain a priority list of municipal construction needs. This must be consistent with both the state's water quality management basin plans and the stream segment priority ranking. Additionally, EPA approval is required. This system is a rational and efficient method for distributing the limited Federal funds available.

EPA is proposing to replace this system with an arbitrary procedure which will incur a significant loss of both efficiency and effectiveness

in the nation's water pollution control efforts. The discussion paper suggests that treatment plants and interceptor sewers be selected for funding. These happen to be the segments with the lowest identified needs. The law views the collection and treatment of wastewater as a single system. Presently, sewer rehabilitation extension proposals are sufficiently high on state priority lists to receive funds. They achieved this ranking through the EPA's elaborate system of basin plans. Now EPA is attempting to abandon these collection systems in favor of less essential sewage treatment plant construction. The existing priority system of ranking construction needs is an integral part of state water quality planning and provides a much more cost-effective procedure than selection of projects through arbitrary classifications.

The high estimates received in the Needs Survey are no excuse for panic. Three factors have over-inflated the Needs Survey. The first problem is that the survey is tied to state allocations creating an incentive for states to over-estimate needs. Secondly, EPA has failed to clearly define its requirements and expectations for new technologies in areas such as combined sewer overflow.

Finally, the current funding system does not cover operation and maintenance expenses. This creates an incentive for communities to build a new treatment plant with Federal funds rather than improving the efficiency of the existing facility which would not receive Federal aid. This ploy is not often caught by EPA assessments. In fact, a study of the NPDES permit program, done for the National Commission on Water Quality, indicates that less than one-third of the sampled municipal permits had operation and maintenance conditions. This failure makes it seem unlikely that EPA would include these factors in assessment of construction grant proposals.

EPA's proposed amendments to P.L. 92-500 shift the emphasis of Federal fund allocations from maximizing benefits to building treatment plants and interceptors. This blind reaction to an over-inflated needs survey is a serious threat to the effectiveness of our water pollution control program.

EPA PAPER #4

Of the five options presented in Paper #4, NUCA supports a modification of the third. The 1977 deadline must be retained as a firm date except in those cases where it would be physically impossible to meet this requirement. If the deadline is impossible to meet, U.S. EPA should have the power to grant exceptions. However, NUCA disagrees that extensions should be based on "good faith efforts".

Instead, tight compliance schedules should be mandated for the Step 1 and Step 2 levels of decision. These revised schedules must, of course, be developed with care, yet once written into NPDES permits, enforced vigorously.

NUCA agrees that EPA must retain the ability to mandate Step 3 construction independent of Federal funding. This is necessary to keep local pressure on the bureaucracy to obligate funds. In addition, EPA should employ strong interim operation and maintenance conditions in the permits. These conditions, which are largely ignored by EPA presently, not only will improve our nation's water quality in absence of funding, but will also provide incentives to the community to work for long-term solutions to their pollution problems.

EPA PAPER #5

The National Utility Contractor's Association supports the greater delegation of the management of the construction grants program to the states. In a recent comprehensive evaluation by NUCA of the delays in the present construction grants program, it was concluded that the "Cleveland-Wright Bill" is one of the keys to accelerating the fund obligation rate. It believes that the bill will have two major benefits. First, it will eliminate the duplications inherent in the present system. Secondly, it will improve communication with the local agencies involved.

NUCA found in its study that the decisions were being made mostly by the EPA Regional Administrator, a level which is too distant from project details. NUCA recommended that a distribution of responsibility be given to single project management who are familiar with the myriad of project details. It is believed that consolidating all the aspects of project review at the state level would help in attaining accountability with local sensitivity.

NUCA also found that a single project can filter through governmental review process seven or more times with as many as 55 professionals reviewing various aspects of the project. Duplication of effort and lack of deadlines were serious problems. Consolidation of the program at the state level would minimize duplication, reduce manpower requirements, and allow states to be accountable for delays. It is believed this would allow EPA to have broader responsibilities in policy and finance.

Applicant agencies are more familiar with state agencies and regulations than with EPA program requirements. By restricting the EPA's role to general audit and review of state decisions, this gap would be avoided. The amount (up to 2%) required seems a very reasonable price to pay for moving nearly $13 billion of unobligated grant monies.

June 25, 1975

Mr. James L. Agee
Assistant Administrator
Water and Hazardous Materials
Environmental Protection Agency
Room 1033
West Tower - Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Re: Public Hearing on Potential Legislative Amendments to the Federal Water Pollution Control Act

Dear Mr. Agee:

Reference is made to the notice of public hearing to be held in Washington, D.C. on June 25, 1975. The following comments are submitted on your discussion papers and should be included in the hearing record:

No. 1 - REDUCTION OF THE FEDERAL SHARE

It is strongly felt that a reduction of the Federal share from the current level of 75 percent to a level as low as 55 percent would further delay the construction of needed facilities. In light of State and Local governmental budgetary problems, it is obvious that both governmental levels would lack financial capacities to assume a larger portion of the financial burden of the grant program. It is felt that a reduction in the Federal share would further make it impossible to meet the goals of PL 92-500.

No. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY

The only comment this office has is that projects should be designed to meet future growth within a specified time frame.

No. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

It is felt that no further restriction of the types of projects eligible for grant assistance be made. This office strongly recommends that EPA reverse its recent decision to declare projects involving the treatment of wastes from water treatment plants, ineligible for Federal grants. These restrictions further reduce the possibility of meeting the goals of PL 92-500 and place an unjust financial burden on local governments.

June 25, 1975

No. 4 - EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

This office strongly recommends that the 1977 deadline be extended to 1983 due to the economic situation in the nation. This will allow more time for research and development of more economical and effective means of treating wastes. It will also allow for the possible improvement of the national economic situation.

No. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF CONSTRUCTION GRANTS PROGRAM TO THE STATES

This office supports the delegation of management of construction grant program to the States. It is felt that greater delegation of program responsibility to the States will make the program more efficient without compromising environmental concerns.

I would be happy to answer any questions you might have on the above comments.

Very truly yours,

John E. Kemper
Principal Civil Engineer
Department of Utilities

JEK:gc
cc: Honorable G. William Whitehurst

June 24, 1975

Mr. David Sabock
Office of Water and Hazardous Materials
(WH 556)
U.S. Environmental Protection Agency
401 "M" Street, S.W.
Washington, D.C. 20460

Dear Mr. Sabock:

The National Wildlife Federation submits for the record the following comments on the Environmental Protection Agency's proposals relating to the Federal Water Pollution Control Act, Federal Register (May 2, 1972).

The Federation is a private, nonprofit organization which seeks to attain conservation goals through educational means. Established in 1936, the Federation today is supported by approximately three and one half million individuals who either participate in the more than 8,000 local clubs which comprise our affiliates in all fifty states, Guam, Puerto Rico, and the Virgin Islands; hold direct associate memberships; or contribute in other ways. Throughout the Federation's existence, the elected representatives of our affiliate members, now totaling approximately one and a half million persons, repeatedly have adopted resolutions at annual meetings in support of strong water pollution control.

Because the questions raised by the Agency in publishing these proposals cover a broad range of technical and administrative matters, we do not address all of them. Instead, our comments focus on selected issues which we believe deserve serious consideration in any evaluation of amendments to P.L. 92-500.

These comments are influenced by our understanding of four basic objectives established by the 1972 legislation. 1) No one has a "right" to pollute the navigable waters of the U.S. 2) A national water pollution control strategy should include a minimum level of uniform, mandatory control for each category of dischargers. 3) Because water pollution is a highly complex problem resulting from both point and non-point sources, control efforts should be coordinated at the local, regional, state, and national levels to ensure a comprehensive national strategy. 4) So serious is the nation's water pollution problem that it should be remedied as expeditiously as possible.

The particular urgency with which Congress viewed the need for pollution control is expressed in a number of ways in the law. Stringent deadlines for incremental improvements in controls were established

to ensure that the speed with which law is implemented corresponds to the urgency Congress perceived. To accentuate the need for strong controls, as well as to underscore the point that water pollution is not a "right," Congress called for the fulfillment water pollution control requirements with the ultimate goal in mind of eliminating all discharges by 1985. Finally, to demonstrate the full extent of its commitment to this massive cleanup program, Congress authorized $18 billion in contract authority to be committed over a three year period for construction of publicly owned treatment works (POTW).

We believe that Congress demonstrated clearly its recognition of the seriousness of the nation's water pollution problems and the need for a strong national control strategy. Since then, problems and disappointments have arisen in the implementation of this strategy. In our judgment, these are practical and administrative problems resulting from the formidable task of adjusting to a massive new control program and the demands it places on resources at the federal, state, and local levels.

However, in no way are these problems an indication of any diminishment in the need for such a strong pollution control program. In fact, since 1972, we have become even more aware of the value of a no-discharge goal to the protection of public health. At the same time that the government is releasing reports of the presence of carcinogens and other hazardous substances in drinking water systems, the National Cancer Institute is reporting that between 50 and 90 percent of all incidences of cancer may be environmentally caused. Scientists are suggesting that there may be no such thing as a threshold level of safety for human exposure to certain hazardous substances in the environment. Therefore, we conclude that any proposals for changing the 1972 Act should address the law's administrative problems without compromising its basic goals.

Reports by the Environmental Protection Agency as well as a House Public Works Subcommittee and Touche Ross & Co. (working under a contract from the National Commission on Water Quality) have evaluated the administrative problems of EPA's implementation of Title II of P.L. 92-500. Although each of those reports focuses on different aspects of the law, we particularly agree with the warning made by the Investigations and Review Subcommittee staff in their April Interim Report: "The Staff believes that caution should be the watchword in making changes in it (P.L. 92-500). The interlocking pieces of this very complicated legislation are only now being fitted together in a way that is understandable to officials in EPA, the states, and local communities. To make major alterations could be disruptive to the point of demoralizing on-going effort. Well-intentioned law changes could become a boomerang that only created a new generation of problems -- or exacerbated old ones." (p. 19.)

In addition to the problems of adjustment, the implementation of this law has imposed major resource constraints on EPA during a period in which the Administration has held tight rein on personnel increases. According to EPA's "Review of the Municipal Waste Water Treatment Works Program," (November 30, 1974), "The shortcomings in EPA's current method of managing the construction grants program revolve around two points -- inadequate manpower in the Regions and inadequate guidance from EPA Headquarters...In 1974 EPA obligated $2.6 billion with 595 program personnel; in 1968, when the program obligated $0.2 billion, it had 320 people." (p. 7.) If the recommendations for improving the program's administration were implemented, the Agency's report estimates that they "would require an increase of 700 positions above the current staffing level of 595 -- virtually an impossibility in the foreseeable future."

More recently, a task force reported to the Administrator that, "If a significant increase in positions is not possible in the next few months, serious consideration should be given to the alternative of revising sharply downward the Agency's obligation goals." (Air/Water Pollution Report, 6/16/75, p. 235) Speaking to the overall personnel problems which have arisen under the 1972 Amendments, the House interim staff report states: "EPA has not had enough trained people to handle the workload placed on it by the passage of P.L. 92-500." (p.2.)

It is clear that personnel shortages have considerably aggravated the adjustment problems posed by the new law. The efficacy of additional legislative changes will depend directly upon adequate resources. Therefore, we recommend that any amendment EPA submits to Congress be accompanied by a full statement of the program change's resource needs.

"Needs" and Federal Funding

While the fifth paper deals with personnel needs, the first four reflect financial needs. Current estimates of financial needs for complying with the law's requirements for POTW far exceed the capabilities of the federal government alone. Before any specific decisions can be made about any of the individual proposals, we believe that two questions must be answered. 1) What exactly constitutes "need"? 2) To what extent should municipal compliance with pollution control requirements be contingent upon the availability of federal funding?

There are two basic problems with the "needs survey" used to assess the nation-wide cost of fulfilling the law's municipal requirements. First, it encourages the states to overestimate costs to ensure that they will receive a larger piece of the federal pie when it is dished out.

Second, it fails to distinguish between total cost and the costs which local/state governments are able to assume without federal assistance.

While it is obvious that all communities will not be able to achieve the law's requirements on their own, it is unclear what a realistic estimate of the need for federal assistance is. Currently, the survey results are multiplied by the 75 percent share which the law requires EPA to assume when issuing a grant to a project, and the product is identified as the federal financial responsibility under the law. We recommend that EPA undertake a specific evaluation of state and local financial capability, separate from total needs.

Once such an evaluation of financial capability is completed, the Agency should reevaluate its policy on the extent to which the availability of federal funding is a prerequisite to compliance with the law. According to a December 28, 1973 memorandum from EPA's Deputy Administrator to the Regional Administrators, "...it should be noted that although the law does not make POTW compliance directly contingent upon the availability of federal funds, it is widely recognized that the increase of the federal share to 75 percent of construction costs makes it highly unrealistic in many cases for force municipalities to finance waste treatment facilities without federal funds...Each case depends on its own facts and circumstances, but normally enforcement actions should not be initiated if violations can be shown to have resulted solely from the lack of federal funds, although such enforcement actions might be initiated where other factors have contributed to the delay."

The legislative history includes considerable emphasis on the importance of federal grants to be law's implementation, but as the memo points out, nowhere does it say that compliance is unenforceable in the absence of federal funding. Sec. 106(b) of the law states clearly that the prevention, reduction, and elimination of pollution is the primary responsibility of the states. However, the assumption that compliance cannot be enforced in the absence of federal grants implicitly transfers final responsibility for pollution cleanup to the federal government.

Regardless of the different views on the accuracy of the needs survey estimates, their enormity convinces us that it is unrealistic to expect the major burden of the nation's municipal pollution control efforts to be borne by the federal government without an unavoidable, long-term sacrificing of the law's goals. If the country is to live up to the commitment Congress made in enacting the 1972 Amendments, it is essential that federal enforcement policy fully recognize the primary responsibility of local and state governments. Such a policy should condition enforcement on the extent of local/state efforts to ensure compliance with the law in the absence of federal funding. Only

when federal grants are viewed as a support to local and state pollution control efforts instead of the financial foundation upon which they are built, will the primary responsibility for the law's implementation be shifted to the appropriate shoulders.

Such a revised policy will create the necessary incentives for local/state governments to pursue the most cost effective approaches to municipal pollution control. This is especially important in view of the Agency's particular concern for the impact of all of its proposed amendments on local incentive and ability to satisfy pollution control requirements. While revision of the Agency's enforcement policy at this stage in the game raises problems of equitable treatment of grant applicants, its continuation entails a significant aberration from the goals of the law.

The Position Papers

The following comments on the specific proposals reflect our advocacy of clarification of "needs" and revision of the Agency's enforcement policy.

Proposal #1

In keeping with a revised enforcement policy, we oppose the continuation of a rigid federal share to cover municipal facility construction costs. Federal funding, to the extent it is available, should complement state/local financial capabilities to fulfill the law's requirements with new POTW. To facilitate this, we recommend a floating federal share, with a ceiling of 75 percent. This would enable EPA to award grants according to financial need, rather than arbitrary percentage requirements. At the same time, it would recognize a minimum local/state share in any project, in keeping with their primary responsibility for controlling water pollution.

Proposal #2

Disregarding the controversy over the secondary environmental effects of excess reserve capacity, the trememdous costs of construction alone raise serious questions about how much federal funding should be used for any reserve capacity in treatment facilities. Under the current enforcement policy, a decision to limit federal funding of reserve capacity imposes on a municipality responsibilities for future pollution control which it otherwise might not have to carry. However, if local/state pollution control responsibility is recognized in a revised enforcement policy, the question of reserve capacity takes on a new perspective.

Under such a policy, if the federal government continues to support reserve capacities of 25 and 50 years, less funding would be available for other communities to fulfill their pollution control responsibilities. On the other hand, if federal support for more limited reserve capacity is established, grants would be available for a greater number of eligibility projects. In either case, localities in general would have to assume a greater financial responsibility for pollution control than they do now. Consequently, the reserve capacity issue would become a question of what is the appropriate purpose of federal funding.

Given the goals of the law, the purpose of such funding should be to complement feasible local and state efforts to comply with the statutory requirements while upholding their primary responsibility for pollution control. The availability of sewage treatment capacity is a key factor in any community's ability to sustain not only additional growth, but different kinds of growth. The Council on Environmental Quality's report, "The Costs of Sprawl," concludes: "Planned development of all densities is less costly to create and operate than sprawl in terms of environmental costs, economic costs, personal costs, and energy costs."

Although not always, future growth in many communities is determined by local decision-making. If a community wishes to pursue additional growth, it should assume the full responsibility for its compliance with all existing environmental standards. When federal funding is not available to sustain such growth through reserve sewage treatment capacity, a powerful incentive is created for a community to plan growth that will minimize environmental degredation to the greatest extent possible and thereby minimize the additional financial burden of assuring compliance with pollution control laws.

In view of this, the Federation recommends that where it is essential to a municipality's ability to comply with pollution control requirements, federal funding should be restricted to construction of treatment capacity that will handle the waste load in existence at the time of the construction's completion and for a moderate additional increment of growth that is unavoidable during the subsequent five to ten years. (In making this recommendation, the Federation is referring to reserve capacity to handle additional growth, not capacity to handle peak load wastes.)

To ensure that such a policy does result in compliance with the law's requirements without adverse secondary environmental effects, we recommend greater emphasis on the preparation of environmental impact statements on construction grant projects. As it now stands, Agency plans call for the development of EIS on approximately five to ten percent of the grant applications. Only through increasing the number

of EIS can the Agency adequately monitor this problem and ensure compliance with the law.

Proposal #3

A major concern in the ongoing evaluations of EPA's implementation of the Water Act is the adequacy of administrative flexibility to facilitate individual polluters' efforts to surmount their peculiar waste problems while fulfilling the common objectives of the law. Limiting the eligibilities for federal grants may reduce the demand on funding. However, it also would diminish flexibility as well as discourage the pursuit of the most cost effective approach to the municipality's pollution problem, because communities tend to favor those strategies for which they are eligible to gain outside funding.

A more effective approach would be to regulate grant issuance according to established priorities. To implement such an approach would require modification of the formula for the allocation of grants according to state "needs" to take into consideration the relative priorities of the individual projects within each state.

Proposal #4

There is little question that a substantial number of municipal polluters will not achieve compliance with the 1977 requirements for a variety of reasons. As we pointed out in the beginning of our comments, the purpose of the stringent compliance deadlines incorporated into the law was to ensure the most expeditious possible implementation of pollution controls. Therefore, any extension on the 1977 requirements should ensure the maintenance of significant incentives for compliance with the law.

The Federation's advocacy of a revised enforcement policy already limits the acceptability of the different alternatives proposed. We recommend pursuit of policy number three, provided that adequate guidelines are developed which clearly define "good faith efforts" to meet the deadlines plus sufficiently stringent conditions for interim compliance schedules.

The position paper questions whether such a policy would open the door for amendments to the deadline requirements for industrial polluters. However, we believe that the situations of the two different types of polluters are not totally comparable. From the beginning, industrial dischargers have been confronted with the full responsibility for the control of their pollution. Municipalities, on the other hand, have

been allowed to operate under the assumption that their compliance with the law was dependent upon the availability of federal grants. In addition, regardless of the amount of federal funds available for grants, their issuance has necessitated an additional set of regulatory requirements which first had to be developed and then complied with. For this reason, we believe that a number of additional obstacles have confronted municipal pollution control efforts which have not impeded industrial efforts.

Proposal #5

As noted earlier, the Agency has been forced to operate under severe personnel limitations. As its responsibilities continue to increase substantially under the construction grants program, the Agency has stated in this year's "Justifications of Appropriations Estimates for Committee on Appropriations," that unless it is able to delegate more of its workload to the states, those responsibilities will not be fulfilled.

In our view, a major obstacle to an assessment of a state certification program is the lack of a comprehensive evaluation of the resources now available to the states and what they would need to take on added responsibilities. The certification proposal provides for two percent of a state's share of federal grants to cover the added costs of processing those grants. However, this extra money would come at a time when the states' other pollution control responsibilities are increasing and the Administration is pushing to cut federal support for those programs.

Despite the testimony of states in support of certification during congressional hearings, evidence has not been presented which persuades us that they either possess the resources -- funding and trained personnel -- to handle the job, or that they would be able to gear up to the added responsibilities quickly enough to avoid additional delays in the issuance of grants. In discussion the personnel problems of EPA's water program, the Investigations and Review Subcommittee's staff interim report notes: "The states, too, have been short an estimated 3,400 positions in their water pollution agencies. In spite of their very substantial personnel problems, the states are being encouraged to assume additional responsibilities...Needless to say, there are very troubling questions as to how well this work is being done." (p.2.)

EPA's November 30 report on the construction grants program refers to a study of increasing state delegations in July 1974 which "revealed that delegation would not provide a near-term panacea for relieving EPA of workload or staffing requirements, because the states require

time to organize and staff the actual implementation effort." (p.50.) The November report goes on to state: "The overall success, both current and prospective, of delegating the review of plans and specifications and operation and maintenance manuals is the result of the fact that states have performed these functions for a long time. As a general rule, however, the states have traditionally been less involved in most of the other program functions...and in all but a few cases, do not possess the technical and/or administrative experience to effectively perform these other functions....In short, constraints militate against significant immediate expansion of delegations and necessarily impose time delays (1 to 3 years) on any concerted attempt by EPA to encourage expanded delegations."

Because of the growing number of grants which must be handled, plus the additional responsibilities which must be assumed if grants are to be better administered, the November report points out that EPA personnel requirements will increase under state deletation as well as under continuation of headquarters' responsibility for the program, although not as much. In reviewing the different alternatives open to EPA to improve the issuance of grants, the November report favored continued reliance on federal administration of the program over state delegation. Only because of inadequate federal resources does the report suggest state delegation.

The purpose of state certification is not simply to take a load off EPA's back, but also to improve the administration of the construction grants program which has been widely criticized. In view of the reports by both the House subcommittee and EPA which suggest that serious resource problems exist among the states, we do not believe adoption of state certification at this time would achieve its intended purposes.

In conclusion, we urge the Agency not only to consider the recommendations presented in these comments, but also to fulfill its responsibility under the National Environmental Policy Act to prepare an environmental impact statement on any legislative proposal it does choose to submit to Congress. Thank you for the opportunity to present our comments.

Sincerely,

LOUIS S. CLAPPER
Conservation Director

cc: Russell E. Train, Administrator, EPA
Sen. Edmund S. Muskie, Chairman, Senate Subcommittee on Environmental Pollution
Rep. Jim Wright, Chairman, House Subcommittee on Investigations and Reviews
NWF staff

June 4, 1975

Mr. Edwin L. Johnson
Acting Assistant Administrator
for Water and Hazardous Protection Agency
Waterside Mall
Washington, D. C.

Dear Mr. Johnson:

Enclosed please find one original and two copies of testimony submitted for the E.P.A. hearings on possible amendments to the Federal Water Pollution Control Act Amendments of 1972.

The material is being submitted on behalf of the Milwaukee River Restoration Council, a local citizens organization working towards cleanup of the Milwaukee River.

It would be appreciated if this testimony would be made part of the hearing record. In addition, please be sure to provide me with a copy of the record once it has been printed.

Thank you for your cooperation in this matter.

Sincerely,

Gaylord Nelson
U.S. Senator
GN:ee
enc.

May 20, 1975
There follows the testimony that MRRC wishes to have entered on its behalf at the hearings on Potential Legislative Amendments to the Federal Water Pollution Control Act.

Problem I:

Many municipalities are in need of upgrading or expanding their sewage treatment plants. In many cases they are holding back on construction for only one reason: If they went ahead now and paid for it themselves, they would not be eligible to receive 75% federal funding via PL 92-500. The loss of such financing assistance from the federal government if a municipality pays the full bill first while waiting in line on their state's priority list, has probably done as much to hurt the fight for clean water as

the more positive aspects of PL 92-500 have helped in the effort.

We would like to stress that many municipalities have the resources, or could get them by short term borrowing, and want to go ahead now with construction of a new or expanded STP, but are not doing this. Officials cannot justify such loss of federal funds to their taxpayers. Add to this the fact that further residential, commercial or industrial development has been halted because of current inadequate sewage systems.

This presents a tremendous economic burden to the municipality and its taxpayers, while at the same time permitting discharge of their partially treated sewage into our waterways. It's a case of hurry-up and wait. Hurry-up with plans for the new or expanded plant, hurry-up and monitor their present "rich" effluent, then wait in line on their state's priority list while the federal funds trickle down to their community. It seems a bitter-twist tart with irony that this law should be known as the Clean Water Act.

ACTION RECOMMENDED:

The following action should be considered: If a municipality wishes to go ahead now with construction of an upgraded or expanded STP, and pay for it themselves, and if EPA has fully approved their plans and the completed project, then let EPA (or the Environmental Financing Authority) guarantee that the municipality will receive federal funding assistance in the future. The exact date of reimbursement to the municipality need not necessarily be specified, but the indicating of a reasonable time span would permit bonding or short term financing to expedite the project. EPA guarantees that it will be paid, conditional upon their prior approval, would guarantee such loans.

In this way these STP expansions and upgradings can get going now without fear of loosing out on federal financing aid. That would mean a lot for the clean water fight. Also, it would support sensible land use and permit development....which in turn would provide new jobs at a time when they are needed.

PROBLEM II:

There's not enough federal money currently available to match the national need for 75% federal funding assistance for municipal waste treatment grants.

ACTION RECOMMENDED:

Lower the ratio of federal funding assistance to municipalities from 75% down to, say, 55%, but spend as much or more nationally, for municipal waste treatment grants. Our rationale is that it would be more beneficial to spread the federal assistance in small proportion over many more municipalities.

We feel strongly that the net effect on our country's waterways

will be more clean water, sooner, from cutting more and smaller pieces of the federal money pie.

CONCLUSION:

Clean water makes sense. Spending money for clean water also makes sense. Spending money now for clean water makes even better sense. You're not really spending - you're investing. Clean water is a wise investment. America will become wealthy as clean water is achieved.

The Milwaukee River Restoration Council urges EPA to adopt these concepts in their recommendations for legislative amendments to the Federal Water Pollution Control Act.

Respectfully submitted,

Bob Fuller, President
Milwaukee River Restoration Council, Inc.

Mr. David Sabock
United States Environmental Protection Agency
Waterside Mall
Washington, D.C. 20515

Unable to attend hearing June 25th as state legislature is in session. On behalf of my constituency in western New York, I desire to protest any moves to legislate reductions in federal grant percentage or restrictions on types of projects eligible for federal grant assistance. The inflated costs of sewer construction of all types in this period of economic instability renders it virtually impossible for local taxpayers to add to their burden.

They have willingly supported environmental improvements on a state and national basis in the past but are unable to support the cost burden unaided.

Sincerely,
John B. Daly
Assemblyman
138th District

14:35 EST

RESOLUTION NO. 10576
RESOLUTION BY THE HONORABLE
CHARLES A. "PAT" ROSE FOR
INTRODUCTION AT THE 1975
NATIONAL ASSEMBLY
U.S. CONFERENCE OF MAYORS

Whereas, the Congress of the United States has established uniform national goals for the improvement of the quality of our national water resources requiring, among other things, local action to improve the treatment of sanitary wastes disposed of through municipal sewage treatment facilities and specifying that municipal governments utilize the best practicable treatment technology to effect a minimum of secondary treatment for sanitary wastes by July 1, 1977, specifying that municipal governments utilize the best available technology to treat sanitary wastes by July 1, 1983, and specifying that municipal governments eliminate entirely pollutant discharges to the waterways of the United States after July 1, 1984; and

Whereas, the Congress of the United States in Public Law 92-500, also known as the Water Quality Control Act, authorized the Environmental Protection Agency to supervise the implementation of these water quality goals and authorized the agency to assist municipal governments in the funding of improvements to local treatment facilities in order that the national goals might be met; and

Whereas, progress toward the national water quality goals mandated by Congress has been seriously delayed due to Presidential impoundments of funds, due to imperfections in Public Law 92-500, and due to deficiencies in the quality of the administrative actions taken by the Environmental Protection Agency; and

Whereas, among the major imperfections of Public Law 92-500 is the absence of a provision for retroactive funding of water quality control improvements undertaken by municipalities prior to the availability of federal funds under EPA-established priorities; and

Whereas, the absence of this provision is currently creating severe financial difficulties for many municipalities because of federal guidelines which (a) require that revenues to meet local costs of water quality improvements be generated exclusively from fees assessed upon users of municipal sewage systems and (b) provide that federal assistance is to be available only for water quality control improvements, such as treatment plants, which are currently assigned EPA priority but which do not increase the user base; and

Whereas, many municipalities have thus been forced to substantially increase the proportional rate of charges assessed on

users of their sewage treatment systems in order to raise revenues necessary to meet the water quality control requirements of Public Law 92-500 and of the Environmental Protection Agency, which increases have placed a severe and disproportionate economic burden upon the citizens and businesses who utilize the sewage treatment facilities of said municipalities; and

Whereas, the imposition of this disproportionate burden for the achievement of water quality goals would appear to violate the intent of the Congress of the United States as expressed in Public Law 92-500 which specified that said goals are of national importance and which appropriated general tax revenues to support efforts to achieve them; and

Whereas, the inequities inherent in the present priority funding system for water quality control projects could be materially reduced by the adoption by Congress of an amendment to Public Law 92-500 which would permit municipalities to utilize local funds to complete non-priority water quality control projects needed to solve pressing problems of individual municipalities, such as extending collector systems in order to increase the user base of a system, with the provision that such improvements, if approved by the Environmental Protection Agency, would be eligible for retroactive funding reimbursement at a future date if and when the federal funds became available.;

Now, therefore, be it resolved that the members of the United States Conference of Mayors do hereby declare that it shall be the policy of this body to support amendments to Public Law 92-500, the Water Quality Control Act, to permit municipalities and other eligible local governments to apply to the Environmental Protection Agency for authority to expend local funds for construction of secondary priority water quality control projects provided that such local expenditures for approved projects would be eligible for retroactive reimbursement at a future date if and when federal funds are available in accordance with standard federal and state priorities.

Adopted 5/27/75

North Bay Water Advisory Council
Comments for EPA Hearing on
June 19, 1975

The specific purpose of this organization is to provide a central agency through which local public corporations and private industries can cooperate for the purpose of improving water quality standards in the northern portion of San Francisco Bay. Furthermore, the organization will obtain and disseminate information and stimulate interest concerning water quality of the northern portion of San Francisco Bay and to cooperate with, be advisory to and consult with state and federal bodies and agencies in seeking the most satisfactory interim and long-range solutions to the problems of maintaining and improving water quality in the northern portion of San Francisco Bay.

I wish to speak to three of the five areas described in your hearing notice.

Reduction of Federal Share

We strongly oppose reduction of the federal share of project costs for a variety of reasons. Reduction of federal funding without reduction of federal requirements would place intolerable burdens on the already overextended taxing ability of local agencies. Voters are consistently refusing to take on larger property tax loads. The federal government, on the other hand, has the greatest capability of funding the national pollution control program through withholding taxes.

Our citizens are also opposed to increased service charges. Therefore, we reiterate a request that has previously been made to Congress; that the law be amended to permit use of Ad Valorum Taxes for maintenance and operation of wastewater facilities.

Of great concern to local agencies is EPA potential for enforcement. If federal funds were reduced, communities could be forced to reduce other necessary services, e.g. fire and police protection. To prevent such a disaster, we recommend an amendment which would prohibit enforcement whenever federal funds are not provided.

Also of concern is the possibility that the entire grant program will be prematurely abandoned, just as general revenue sharing threatens to be. We recommend that Congress be asked to commit itself for at least a ten year period. This would allow for a more reasonable scheduling of our programs.

Extending the 1977 date for Meeting Water Quality Standards

There has never been sound justification for the 1977, 1983 or 1985 dates in the Act. Therefore, they should all be deleted. Dates should be established at administrative levels where they

can be matched to local conditions. They should not be incorporated into a law, as they have in PL 92-500, causing both the federal government and local agencies to be in violation of them.

The 1977 deadline will be met by very few communities in the Bay Area. In most instances, federal and state planning requirements will prevent compliance. Industry is making an extraordinary effort to comply with the 1977 deadline. It is inequitable to make industry comply with a date that adjacent communities cannot meet.

There is insufficient information to support the timing of the 1983 deadline. The treatment requirements would be far more cost effective if they were directly related to the receiving water quality necessary to protect beneficial uses.

The 1985 date for elimination of discharge of pollutants is both unwarranted and confusing. This objective is open to interpretation. If it is kept in the Act, a more precise definition of what it means should be included. However, our preference is to delete it.

Delegating a Greater Portion of the Management of the Grants Program to the States

We strongly support full delegation of the entire program to California. This delegation should include grants, environmental impact, permits and enforcement. The State has a 25 year history of pollution control which has placed California well ahead of the rest of the nation. It is unsound government to overlay a monolithic federal program on the State. The same requirement which brings compliance in a less advanced state often brings over-reaction by California agencies. This governmental overlay gives local communities two masters who do not always coordinate their instructions. We see federal intervention delaying our wastewater management programs. Full delegation to California would speed up the program and make it more cost effective.

Gentlemen:

I am Seymour A. Lubetkin, a licensed Professional Engineer and Chief Engineer of the Passaic Valley Sewerage Commissioners, the largest Authority in the State of New Jersey and a Director-Elect of the Water Pollution Control Federation. This paper, commenting on the five papers, as published in the May 28, 1975 Federal Register, is presented on behalf of both the New Jersey Water Pollution Control Association and the Passaic Valley Sewerage Commissioners. As Chairman of the Committee which was asked to review the five papers, we offer the following comments and recommendations:

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

The proposal is a reduction of the Federal Share of Project Costs from the present 75% to a level as low as 55%. One of the stated purposes is to let the limited available funding go further. This purpose, we believe, is an illusion and, rather than aid, will adversely affect the individual taxpayer.

There is no question that, whether the State or Federal Government pays, it is still the taxpayer who ultimately foots the bill. But in all areas where the major expenditures are needed, the cities are finding it harder and harder to raise the cash. Bonded indebtedness of our big cities is one of the items that is shaking our country. The municipal bond market interest rates are going higher and higher - despite the fact that they are tax free. The public is losing confidence in the municipality's and authority's ability to keep on paying. Thus, if $100 million must be spent, it is cheaper on the taxpayers if the Federal Government spends it. Maybe Treasury Bills and Bonds may not be much lower in interest, but at least the Government gets back income tax on the interest made on its borrowing, while the cities are being forced to pay 8% and 9% of TAX FREE INCOME to its lenders.

In addition, the forced load on the Municipal Bond Market will hurt all other Municipal and State Bonds we issue, that might be needed for proper operation of our local governments. Remember, even though the U.S. now pays 75% of construction cost and local costs are 25%, the municipalities also pay operation, maintenance and ineligible costs, which, we believe, are not only higher than the construction cost, but many of these costs will continue to increase with our inflationary spiral long after our bonded debt service is stabilized.

As far as the specific issues raised in the paper, it is our opinion that:

(1) A reduced Federal Share will inhibit or delay construction of needed facilities because of the financial difficulties of local governments;

(2) Although State Aid would be better than no aid, we feel that the difficulty of getting State Aid and getting the necessary referendums passed by the taxpayers in the present climate of austerity would doom such a program and would certainly make it inequitable if some states would give aid and others wouldn't. We think greater State Aid as a substitution for Federal Aid is just not in the cards;

(3) There is no question in our minds that many communities (including those that need it most) would have difficulty in raising additional funds in the capital market for the reasons expressed before;

(4) We do not believe that reduced Federal Share would lead to greater accountability on the part of the grantee for best cost effective design, project management, and post-construction operation and maintenance. In fact, all those items, with the possible exception of design, are completely independent of grantee share. If the grantee is negligent with a smaller share, it will be equally negligent with a larger share. Its negligence affects its operation and maintenance cost more than the cost of construction. As far as effective design is concerned, we feel there may be a tendency to the opposite, namely, that design in many cases may be adversely effected by the grantee bearing a larger share of the cost. The inability to fund sufficient monies may force a reduction in construction costs by making an inferior or inadequate design in order that any work be done. Existing office holders may feel they can be reelected because of lower immediate capital costs, and the fact that reckoning on inadequacies may not have to be answered until later by their successors.

(5) We believe a reduced Federal Share would be detrimental to water quality because some of the necessary projects would not be able to be funded. There are some cases where sufficient local bonds would not be able to be sold economically, even if the city fathers were willing to take on the large debt.

In summary, we believe it would be a mistake to reduce the Federal Share; it would be much better to review and change the many questionable environmental standards and save money in that manner.

* * * * * * * *

PAPER NO. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

We think this is also an area where we must be judicious in our thinking. We think the principle is proper, but the number of years upon which to put a growth limitation requires careful analysis. Certainly the idea of zero growth is not equitable as we will find the population paying a bond debt service for facilities that are no longer adequate.

However, the principle of taking care of our immediate needs without sacrificing our economical ability to adjust to the future may be accomplished by breaking down the size of any project into hydraulic or physical size and size necessary for the degree of treatment mandated. We believe it is absolutely essential for a plant to be able to hydraulically handle future expansion to at least twenty years from completion of construction, even if we limit the treatment facilities' sizes to much lesser amounts. This is important because if a plant is not hydraulically able to accept or receive a given flow, wash outs, flooding or by-passing must occur, whereby a limitation on treatment equipment will just cause a gradual reduction in degree of treatment which, in many cases, can be easily tolerated. However, if this is done, I believe it is important to incorporate into the law some protection from requirements on a municipality or authority, by the USEPA in the near future, to force expansion shortly after completion of expensive facilities. We also point out that larger pipe to allow for proper hydraulic growth is a small percentage of cost, but would be very expensive to add to later particularly in high density areas. We might use the following principles:

(a) Structures, pipes, etc. to be built will be sized hydraulically for reasonable future expansion of growth;

(b) Room for future additional facilities to be allowed;

(c) Construction to be modular so that future facilities can be added in a practical and reasonable manner;

(d) The municipality or authority not to be required to add facilities to improve treatment until the treatment level, due to increased load, falls a significant or specific figure below the design or required criteria.

If, in the opinion of the Administrator, Item (d) is intolerable due to the critical nature of the receiving stream, then he must allow the facility to be built with greater reserve capacity. This is a judgment factor and must be decided before limiting plant size.

As far as the specific issues raised in the paper, it is our opinion that:

(1) Although current practice, in some cases, may lead to overdesign, we do not believe changing the 75% Federal Share to 50% would eliminate this. The proper place to eliminate overdesign is at the State or Federal review level. Certainly the State Certifying Agency should know how to properly distribute the available funds, so as to get maximum water quality benefit for the present and near future for its particular state. We believe there should be less legislative restrictions and more leeway given to the Regional Administrators, State Certifying Agency, and Local Authority.

(2) We agree with the principle as stated before of allowing full hydraulic growth but limiting treatment growth.

(3, 4 & 5) We believe the answers to these issues were covered in the discussions.

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PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR ASSISTANCE

We believe on evaluating the projects eligible for grant assistance, but not for the reasons cited, nor do we believe it should be by legislative decree. We think we have the necessary restrictions now with the priority system and limited money. Proper state evaluation of projects to determine the best water quality improvement for the dollar can be used as a basis for priority so that those projects needed most get funded first. Those projects not immediately funded, lower priority projects, would have to wait until they could be afforded. We think it improper to declare ineligible any type of project by class. Although we think treatment plants generally should have high priority and correction of combined sewer overflows and treatment or control of storm water should have low priority, possibly under certain circumstances there may be exceptions, and we should leave it to the State Certifying Agency to determine what is most needed to accomplish the goals of Water Quality Standards.

Another point which we feel is extremely important is to reinstate the reimbursable provision in the Grant Sections. We had discussed this in detail and felt the following would be not only equitable, but would aid in accelerating construction of needed work.

(1) Every municipality or authority submitting a project by means of a feasibility report would be placed on a priority list in accordance with the need of the project to accomplish the goals of the Act.

(2) As applicants complete approved plans and specifications, if they are high enough on the priority list, they may have their project approved for construction with available grants.

(3) Applicants with approved plans and specifications may, if they desire, proceed with construction if they are not high enough on the priority list; however, they must proceed without Federal financing, but they will be eligible for reimbursement if and when they become high enough on the priority list.

(4) At the end of each fiscal year the priority list is revised to remove projects already funded, add new projects, and re-evaluate the need for old projects, with the understanding that if a project was funded locally, its priority status cannot drop; that is, now new projects or old lower priority projects

may be put on the list ahead of the locally funded project.

Thus, if a municipality decides its project is important enough, or if it is near enough to the top to be funded in a following year, it might elect to proceed, saving the inflation costs of waiting and knowing it will not lose out because it was acting for the good of the environment. Any project on the priority list would move to the top eventually, if it proceeded with construction, as other projects were funded and removed.

As to the specific issues raised, we feel:

(1) That we should evaluate the priorities and therefore the environmental impact on the cost effective improvement to water quality; that is, the greatest benefit per dollar spent. Then, when this is done, we must finance the high priority type items first on both Federal and local levels. Also, we must not mandate local completion of lower priority items that do not get Federal Support. The important thing is to realize that we must not require municipalities to fund these lower priority items alone, but we must recognize they are postponable.

(2) The administration and assignment of priorities, and therefore construction programs, will be a State function.

(3) The progress and construction of both priority items and non-priority items would proceed more rapidly because of the reimbursement provisions proposed by us. This would increase employment, and if taken in conjunction with other recommendations made in the latter part of this paper, would improve the overall economy compared with the present situation.

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PAPER NO. 4 - EXTENDING THE 1977 DATE FOR THE PUBLICLY OWNED TREATMENT WORKS TO MEET WATER QUALITY STANDARDS

This is a self-evident must. The date was never realistic and made non-compliance practically mandatory. This may not mean much, except we lose confidence in a difficult law with an impossible goal. We are forced to look for invisible "loop holes" to enable us to make grants when we know the date cannot be met, and yet if the grant is not made, either we financially penalize an earnest attempt to clean up or nothing gets done. Of the five alternates, we think the most practical is a combination of alternate three and four, slightly modified as follows:

Seek statutory amendments that would maintain the 1977 date but would require the Administrator to grant compliance schedule extensions on an ad hoc basis based upon the availability of Federal Funds and upon actual time required with the expenditure of good faith efforts to build the necessary facilities.

We also believe that industrial deadlines should be capable of Administrator extension based upon physical impossibility of

compliance and when good faith performance is shown.

As far as the specific issues raised in the paper, we feel we have given our opinion concerning issues 1 through 6. As to the remaining issues we believe:

(7) EPA should definitely change the definition of secondary treatment to cover a large range of degrees of treatment (and abolish B.O.D. as a standard), and apply the necessary treatment (including the necessity of disinfection) on a case by case basis, giving the Regional Administrator wide latitude as to application, considering all environmental and socio-economic factors.

We feel extensions of the deadline would still be necessary because of the time lag due to construction and funding.

(8) We do not feel any specific extension in the legislation is proper.

(9) Yes, letters of authorization would be much better than the complex, paper consuming short-term permits.

* * * * * *

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

We feel this should be done when the state demonstrates it is capable of handling such a complex proposition. If, however, a state does demonstrate its ability and has a desire to do so, we believe it should be compensated by the Federal Government to offset the additional expenditure it makes compared with states that do not take over this management. We do not, however, believe the compensation should come from the State's allotment of Federal money as proposed. This would penalize states that did this work. We feel payment should be either from a General Fund or a Fund set up by taking up to 2% of the total allotment to all states (before allocation). At the end of the year any unexpended monies in this fund would be distributed amongst all states in the same ratio as originally to be used for grants. Thus, no individual state would be rewarded or penalized for not doing this work by affecting its grant allocation for projects.

* * * * * *

Besides the five specific items, we believe there are many more important items that could have been addressed, and since the notice stated that the hearing was not meant to confine the discussions, we are mentioning a few with a very brief discussion.

Item A: Have the Federal Government Guarantee the Payment of "Environmental Municipal Bonds"

This would allow the Government to move against a defaulting municipality for repayment if need be, but the real asset to the taxpayer would be to make all environmental bonds

(so certified to by EPA) Class AAA Bonds and the interest rate in many cases would drop from 8% or 9% to 4% or 5%. What a savings to our taxpayers for very little Federal cost.

For example, for each $15 billion dollars a year of Federal expenditure, there must be $5 billion of State or local monies spent (based on present 75% - 25% share). $5 billion dollars, on a 30 year bond issue of 9% and 5% gives debt services of $486,680,000. and $325,257,000. respectively. Thus, you can see that such Federal support could save municipalities $161,432,000. per year for 30 years for each $15 billion put up in Federal Aid. This is a reduction of 33% of the municipal share without increasing the Federal share.

This would also make the municipality put its priorities in environmental work, since other municipal bonds that were not guaranteed by the Government would be paying the high rate of interest (depending upon the rating and stability of the local government) called for by the local status. It is important to note that we are not recommending Federal backing of all municipal bonds, just those issues certified by EPA as environmental issues for work required by P.L. 92-500.

Item B: Review and Adjust our Requirements on a Case by Case Discharge Basis; Reduce Our Expenditure by not Requiring the Same Minimum Discharge by Everyone.

To require the high standards that we have defined for secondary treatment for discharges into the ocean, or even our large rivers, at all times, is the height of folly, and a waste of money. Mandatory year-round chlorination of all discharges is not only economically wasteful, but harmful to our environment. All discharges should be individually evaluated as to the effect on the environment and each Regional Administrator should be able to prescribe the required treatment and schedule for operation. We could save much money and at the same time aid the environment.

Item C: Do Not Mandate Some of the Theoretical Details Presently in the Law

Make the law more general and allow the Regional Administrator more latitude on details. As stated before, there is no substitute for good judgment, but make the law permissive enough so that the judgment of the Administrator is not overruled by an adverse ruling from O.M.B. or another watch dog agency. Generally speaking, we should go over the Act paragraph by paragraph and delete those parts of the Act which legislatively are in too much detail, particularly where we feel the item does not contribute to water quality, but is an administrative type of ruling which does not leave us much discretion. Things like equitable and user charges sound good, but in practice are defined

too strictly to permit a cost-benefit type of operation. If you have a law that states that costs shall be equitable, leave it to the municipality to determine what is equitable. If they are are wrong some taxpayer will take them to task. The present regulations are so complex that the cost of administrating, in many cases, outweighs our financial return at a net loss to the taxpayer.

We don't believe the Federal Government should get into the rate structure aspects of operation. It's just another expensive area for them to monitor with no direct affect on the environment.

Procurement is another area where we should be careful. The mandating of two name brands or equal could, in many cases, cause the purchase of inferior material that can lead to very high maintenance or replacement costs.

Item D: Improve the Cash Flow to Grantee After a Grant Offer is Accepted

At present, it is not until a portion of the construction is completed that we may apply for a partial payment of the grant money to cover the cost of that particular construction phase.

Even when all delays of processing are reduced to a bare minimum, there is a one month lag period from the time a Grantee requests this payment to time of receipt of check. To this must be added the time from construction in the ground until the time the engineer can certify this to the Grantee (and EPA) of approximately one month. Thus, if a contractor must wait for the grant funds to be available, he has a minimum of two months (and, in practice, three or four months) until he gets paid.

If, on the other hand, the Grantee pays the contractor when the money is due, as many do, it finds it is prefinancing a portion of the grant, to its financial detriment.

We suggest that the legislation or regulations be modified so that the funds be given to the Grantee in accordance with the cash flow schedule that is submitted with the application for the grant. Reports and inspections can be required, so that if construction is seriously lagging, a rescheduling of the cash flow can be made. In other words, let the Grantee have the money about two weeks before it needs it, so that when calculating its cash needs, the Grantee does not have to do some very expensive overfinancing.

* * * * * * *

Thus, the realization that we have limited funds must be extended to municipal participation. We must not just consider reducing Federal Share; we must reduce total share to highest priority items with greatest cost-benefit ratio.

The thing to bear in mind is that the reduction in the Federal Share, without corresponding reduction in local share, will contribute to Federal responsibility for bankrupting many of our communities which are presently in trouble.

Thank you for allowing us to present our views, and I shall be happy, on behalf of our Association, to answer any questions our presentation has raised.

Sincerely,
NJWPCA LIAISON COMMITTEE
S. A. LUBETKIN,
Chairman

TESTIMONY
ON BEHALF OF
NATIONAL ASSOCIATION OF MANUFACTURERS
BEFORE THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
"MUNICIPAL WASTE TREATMENT GRANTS"
U. S. CIVIL SERVICE COMMISSION AUDITORIUM
WASHINGTON, D. C.
JUNE 25, 1975

INTRODUCTION

Mr. Chairman, I am H. Neal Troy, Manager, Environmental Control, Owens-Illinois, Inc., Toledo, Ohio; and as such am responsible for the environmental protection programs for 137 manufacturing plants in the United States and a number of other countries. I also serve as a member of the Steering Group of the Environmental Quality Committee of the National Association of Manufacturers.

Accompanying me are Kenneth S. Watson, Director of Environmental Control, Kraftco Corporation, Glenview, Illinois, who has like responsibilities and is also a past president of the Water Pollution Control Federation, representing water pollution control experts in the United States and many other countries; and Daniel W. Cannon, Director of Environmental Affairs for the National Association of Manufacturers, a voluntary association of enterprises engaged in manufacturing in the United States.

We are appearing on behalf of the NAM, many members of which have cooperative arrangements with publicly owned treatment works for the treatment of industrial wastewater.

We would first like to make the point that we are strongly dedicated to this joint approach. Several years ago, the NAM Board of Directors adopted a formal policy statement that "Such regional solutions may achieve cost and technical advantages and are being accomplished in many parts of the country."

The NAM Environmental Quality Committee has consistently worked for laws and regulations which would facilitate and encourage sound regional solutions. Unfortunately, some laws and regulations have had the opposite effect.

We are, therefore, greatly appreciative for this opportunity to participate in hearings held to explore possible ways to achieve more efficient construction of publicly owned treatment works with least cost approaches.

LIMITING FUNDING OF RESERVE CAPACITY

Our attention is first caught by the proposal to limit Federal funding of reserve capacity to serve projected population and industry growth. We believe this would be a short-sighted

approach. We note that Review Paper No. 2 cites "a study on interceptor sewers conducted for the Council on Environmental Quality. This study was critical of EPA's present practice (of approving eligible reserve capacities of up to 20 years for treatment plants and 30 to 50 years for interceptor sewers) in that it occasionally permits excessive reserve capacity for interceptors, which facilitates growth and its attendant secondary environmental impacts."

We believe that there are adequate means to control the secondary environmental impacts of growth, and that this is the preferable approach rather than to impose a no-growth policy through limitations on the construction grants program. Arbitrary limitations wholly unrelated to cost-effectiveness analyses would be false economy and could lead to unnecessarily high expenditures in the future. In the light of the sharp upward trend in construction costs, this would appear to be inevitable.

Review Paper No. 2 itself points out that "large economies-of-scale are realized in interceptor construction--for example, a 10 percent increase in capacity represents only a 3 to 5 percent increase in cost. Second, traditional design periods are very long usually about 50 years." We believe that it is important not to create a backing of future problems by encouraging "no reserve capacity" design, and that allowing no reserve capacity for future industrial dischargers would stifle economic growth and be illogically discriminatory.

EXTENDING THE 1977 DEADLINE

Review Paper No 4 discusses extremely important issues related to the proposal to extend the July 1, 1977 deadline for publicly owned treatment works to achieve effluent limitations based upon secondary treatment, or a more stringent level of treatment if necessary to meet state water quality standards, in light of the estimate that 50 percent or 9,000 municipalities serving 60 percent of the 1977 population will not be able to comply with these requirements.

Among the questions raised by Review Paper No. 4 are:

"2. Is it fair to require industry to meet the 1977 deadline while extending it for municipalities?"

"3. Is it fair to make industrial requirements more stringent pending municipal compliance, as is the case with joint systems?"

Control Act Amendments of 1972 is such that a mid-course reassessment and correction is needed as a matter of overall national policy. The Act should be amended to provide that, after July 1, 1977, an assessment should be made of all of the nation's waters to ascertain what progress and what results have been attained under Phase I of the Act. Dischargers into waters which met State water

quality standards by that date would not be subjected to any more stringent effluent limitations. Dischargers into waters which still did not meet State water quality standards would be required to comply with more stringent effluent limitations equitably designed to help achieve receiving water standards for desired uses, which themselves should receive a 1977 review. This would be a program that would make sense from both the economic and environmental standpoints without raising any questions of fairness as between municipalities and industries.

DELEGATION TO THE STATES

Review Paper No. 5 discusses the proposal to delegate a greater portion of the management of the construction grants program to the States. We concur that, if the States were able to assume a greater degree of program management, if might be possible to expedite the flow of funds into necessary construction projects, thereby obtaining both environmental and economic benefits. We note that H.R. 2175 is designed with such an objective in mind.

SUPPLEMENTAL COMMENTS

Mr. Watson would now like to make a few supplemental comments, particularly from the standpoint of the food processing industry.

My name is Kenneth S. Watson, I am Director of Environmental Control for the Kraftco Corporation, directing this area of activity for the Corporation's four Divisions and roughly 150 plants in the United States and Canada.

My total professional experience has been in the field of environmental control. This experience has encompassed serving as Executive Secretary of the West Virginia Water Commission, the pollution control agency for that State: Assistant Secretary of the Ohio River Valley Water Sanitation Commission; Director of the General Electric pollution control program for many years; and my present assignment where I have served for a period of more than 5 years.

I am a registered professional engineer in a number of States and a Diplomat of the American Academy of Environmental Engineers. In an effort to help the environmental field evolve to cope with the tightening climate, I have served as President of the Water Pollution Control Federation and Chairman of the National Technical Task Committee on Industrial Wastes.

With reference to the Public Hearings scheduled by EPA concerning Changes in the Sewage Treatment Grant Program as detailed in the May 2, 1975 Federal Register, the Food and Dairy Industry has a general interest in all five areas outlined and would briefly like to address this fact prior to commenting specifically on point four being considered in the hearings.

It is hoped that, as a result of these hearings, EPA can

move its program in the direction of more flexible deadlines which will permit tailoring a program more nearly encompassing the many special considerations which apply to any particular community.

Since most food and dairy plants are properly connected into municipal sewer systems because their wastes are completely compatible and this approach thus represents the most equitable one for the total community, this industry feels that the use of the joint approach should be preserved and encouraged in any changes made in the EPA grants program. It appears that the specification that treatment required be fully cost effective will not necessarily be followed by EPA in many cases, particularly insofar as the best available, 1983 treatment is concerned. Since this is true, it is requested that any changes made in the EPA program thrust in the direction that expenditures necessary to meet EPA requirements be tested against the cost effectiveness principle before being enforced by that agency.

Extending the 1977 Deadline

Now with reference to "extending on a case-by-case basis the 1977 deadline for municipalities to achieve secondary treatment", if appears obvious that something must be done about this deadline because it simply cannot be met by all municipalities.

Flexibility on a case-by-case basis should be available for extending the 1977 deadline for municipalities. Obviously, the extension should also apply to Industrial plants discharging compatible wastes into any municipal system receiving an extension, even though the joint load of the home owners and the industrial plants may overload the municipal treatment plant until it can be upgraded.

Further, where contractual agreement has been reached that an industrial plant with or without pretreatment will be connected into a municipal sewer system when it is upgraded, it is not in the financial interest of the industry or the nation to require such a plant to provide some type of interim treatment pending the completion of municipal facilities if an extension of time has been granted to the municipality. The only exception to this position might be that of an industrial plant discharging incompatible wastes creating critical stream conditions, which had agreed to provide pretreatment prior to connection into the municipal system. If an extension were granted to the municipality during the period when planning and construction of the city project was being moved forward, it would be reasonable to expect the industrial plant to provide the pretreatment facilities agreed upon on a time schedule consistent with the construction time required.

Although the cost of industrial treatment facilities is not generally financed by public funds, case-by-case extensions of the

1977 deadline should also be granted for industry. An area by area approach on a sound judgment basis should be used and comparable extensions granted to industrial plants in an area if a municipality, which is a large contriubtor, has been granted an extension.

Since the points just outlined bear on the fact that citizens of an area and industrial plants discharging compatible wastes will most soundly and equitably be served in the fewest number of professionally operated treatment plants, it is desired to again appeal to EPA to encourage the joint approach. There appear to be many locations today, as the pollution control program is being moved forward, where the joint approach is not receiving great encouragement. This appears to result from the nation's consulting firms, perhaps somewhat encouraged by EPA, to attempt to connect together such large regions and plan so far into the future that excessively costly systems are being proposed. In such programs costly usable and expandable treatment facilities are being abandoned and this, along with the excellent new facilities proposed, is increasing costs to the point that, with the EPA cost recovery formula in effect for industry, which probably deserves some review thought also, the economic burden on the industrial plants is not consistent with the services to be provided. In light of the basic soundness of handling private citizen and compatible industrial wastes in common plants, one of the key objectives of the present national program should be to continue to make full use of this joint approach concept.

CONCLUSION

We appreciate the opportunity to present our views.

STATEMENT BY COMMISSIONER OGDEN REID FOR PUBLIC HEARING
ON POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL
WATER POLLUTION CONTROL ACT- JUNE 25, 1975
AT AUDITORIUM, U.S. CIVIL SERVICE COMMISSION
19th and E STREET N.W.
WASHINGTON, D. C.

I am Ogden Reid, Commissioner of Environmental Conservation for the State of New York.

I was a member of the 92nd Congress that enacted the Federal Water Pollution Control Act Amendments of 1972 and then voted to sustain them over the Presidential veto.

As State Commissioner of Environmental Conservation charged with the responsibility for implementation of the Act that I participated in drafting, I am in the dual position of progenitor and heir. From this double vantage point, I am pleased to present before this hearing, my views on the five topics the Office of Management and Budget feels should be discussed publicly with the aim of modifying the Act if necessary.

Lest there be any doubt of my position, I wish to state at the outset that I am convinced not one of the five topics are justifiable or necessary. The first three; reduction of federal share, limiting federal financing to existing population, and restricting eligibility for construction grants, will make a mockery of the goals established in the Act through failure to provide the federal assistance to communities promised by the 92nd Congress.

The motivation behind these three topics is the evident dismay of the Executive Department over the magnitude of the 1974 Needs Survey estimate 342 billion dollars to meet 1983 goals. This situation was foreseen precisely by the House Committee on Public Works in House Report No. 92-911, dated March 11, 1972 wherein on page 119 it states:

"The Committee received extensive testimony on the cost of the elimination of discharge of pollutants. While there is controversy as to the validity of the estimated costs to both the Federal, State, and local governments and to industry that were received, there is no question on the part of the Committee that the costs would be enormous. Faced with the wide variation in estimates, the Committee feels that it would be irresponsible at this time to impose this requirement on the Nation without gathering additional facts and without making a detailed and competent review by a multi-disciplined team which can review all facets of the social, economic, technological, and environmental effects of this requirement."

It was for this reason that the House bill HR 11896 provided a study group, later to become, in Section 315 of PL 92-500, the National Commission on Water Quality.

Any proposal contemplating amendment of the Act for these three topics is premature until the Commission Report is completed and submitted to the Congress as stipulated in the Act. Rather than seek to reduce needs by curtailment of federal grant participation, the efforts of EPA and OMB should be directed towards re-examination of rules, regulations and procedures that impose ever-changing criteria and standards at a cost that far exceeds the resulting benefits in water quality improvement.

I do agree that these topics can be discussed and I am prepared to do so.

PAPER NO. 1

In considering Paper No. 1 - Reduction of the Federal Share, as published in the Federal Register for May 28, 1975, I find that the background material is grossly understated. The first paragraph indicates that from 1966 to 1972 the federal share ranged from 30 to 55 percent. The paper neglects to state that in order to qualify for the 55 percent federal grant, there had to be a state matching grant of not less than 25 percent. The maximum grant available to a municipality was the sum of the two, or 80 percent. Therefore the grant available during that period exceeded the present 75 percent federal grant.

From 1956 to 1966 the federal share was 30 percent or a maximum of $250,000. In the case of multi-municipal projects this was increased to $1,200,000 maximum. However, under Section 206(b) of PL 92-500 all grants for this period were increased to the full 30 percent. If Paper No. 1 is intended to provide comparison with the past, it presents an inaccurate starting base.

The logic to support the assumption that the federal government must provide 75 percent of 342 billion dollars under the Act is unclear. I find no commitment to do so, and I again refer to the task assigned the National Commission on Water Quality to determine "the economic, social and environmental effects of achieving or not achieving" the 1983 goals.

States and local municipal bodies will find it difficult to raise funds to pick up the difference between the guaranteed 75 percent grant and a lesser amount. Over $5 billion in federal assistance has been obligated at a flat 75 percent of eligible project cost. It is unreasonable to expect that any significant number of States or communities will accept less.

For one intimately involved in the State and local budgetary process, the answers to the questions posed by Paper No. 1 are painfully apparent -

1. Yes, a reduced federal share will inhibit construction of needed facilities!
2. No, the States, or a majority of them, cannot assume a larger financial burden!
3. Yes, communities will have difficulty raising additional funds, not only in the capital market but from their voting public who must assume the costs of debt service.
4. Accountability is not an issue as this is accomplished by State review and surveillance regardless of the proportion of local funding.
5. The goals of PL 92-500 may have to be abandoned.

PAPER NO. 2

Limiting Federal Funding of Reserve Capacity to Serve Projected Growth, is reduction of federal grant assistance in another guise. The proposition is fundamentally the same as Paper No. 1.

The Environmental Protection Agency has already determined that reconstructing a sewage treatment plant every 10 years and tearing up a city's streets for new sewers every 20 years are not cost effective. They have conceded that plants should be constructed for a 30 year life but OMB is arbitrarily imposing a condition that federal assistance will be granted only for present population, with the State and municipality responsible for the added costs of planned growth.

OMB infers that constructing for growth results in over design. It should be easy for EPA to refute this from their own records by determining how many plants in existence, constructed in accordance with the growth policy under criticism, have actually proven to be over designed.

There must be few if any because if treatment plants had been over-designed in the past, there would have been no need for Public Law 92-500 in the first place.

Had our founding fathers, 200 years ago, established a national no-growth policy such as this, we would today still be 13 original states huddled along tidewater.

What would be the effect of federal assistance if projects were designed only for present population? Disastrous!

States and cities unable to increase their participation in sewage treatment works costs, would re-design their plants for existing population only. After completion, the plants would be already overloaded. The condition which PL 92-500 was designed to correct would worsen instead of improving.

I urge the prompt abandonment of the concept of Paper No. 2 which seeks to limit federal funding to serving present populations.

PAPER NO. 3

Restricting the Types of Projects Eligible for Grant Assistance is unacceptable. The U.S. Congress, after 1½ years of deliberation (May 1971 to October 1972) decided that the eligibilities for Title II Construction Grants were essential for attainment of the goals of the Act. Therefore, they should not be restricted irresponsibly in a misguided effort to reduce needs by sweeping certain categories of requirements under the rug.

The same panic created by the results of the 1974 Needs Survey discussed in the opening of my statement is responsible for this issue. The fear seems to be that States will be presenting blank checks for all of the eligible projects making up the 342 billion dollars of needs.

The Act makes the States responsible for a list of sewage treatment works projects in order of priority according to the severity of pollution. This "severity of pollution" may require action in any of the categories for which eligibility was established by the Act. It could be control of urban runoff, correction of combined sewer overflows, collection sewers or any of the others.

Therefore, for improvement of water quality, the goal we strive for, a State should be able to exercise the option of choosing a proper means for abatement of each specific pollution problem.

There is a growing need for the construction of new, or the rehabilitation of existing, collection sewer systems. Due to the costs of such works, the pressures of unemployment and inflation, more of our communities with a low tax base to begin with are finding themselves unable to provide the wherewithal to construct or repair such collection systems without the assistance of a federal grant. The programs of the Farmers Home Administration and the Department of Housing and Urban Development cannot cope with this situation.

The elimination of eligibility for collection sewers would set back the attainment of PL 92-500 goals indefinitely.

As I peruse the elaborate discussion, questions, suggestions and considerations devoted to Paper No. 3, I recall the words of Hamlet in Act III:

"Thus conscience does make cowards of us all
And thus the native hue of resolution
Is sicklied o'er with the pale cast of thought
And enterprises of great pith and moment
With this regard their currents turn awry
And lose the name of action."

PAPER NO. 4

Extending 1977 Date for the Publicly Owned Pretreatment

Works to Meet Water Quality Standards is not a matter of great moment. With the early impoundment of fiscal 1973 and 1974 allotments, the momentum of the previous Act was lost and has never been recovered. Failure to meet 1977 standards was predestined on December 8, 1972 when the impoundment was ordered.

I do not subscribe to any of the five alternatives discussed in the paper.

I do not agree that the decision on publicly owned treatment plants meeting secondary treatment standards by 1977, should influence the attainment of 1977 standards by industry with the sole exception when they discharge into a municipal system.

I do not agree that the 1977 standard should be extended to 1983 as this would give cause to delay on the part of those plants that can comply with 1977 standard.

I do not agree that there should be any enforcement proceedings against municipalities to obtain compliance with 1977 standards except in the most flagrant violation of water quality standards.

My approach is that the Agency should re-examine their secondary treatment standards. An effort has already been accomplished by the proposal to eliminate coliform standards from the definition of secondary treatment. There are many receiving water bodies where maintenance of water quality does not require 85 percent removals. The 1977 date should remain but application of the standards should be reasonable.

PAPER NO. 5

I am a zealous advocate for Delegating A greater Portion of the Management of the Construction Grants Program to the States. It was intended by the Act, and it is the stated policy of the Administrator, EPA. But is H.R. 2175 really necessary?

It is difficult to rationalize the desire of EPA to delegate more responsibility to the States while at the same time a regulation effective during the nine months since October 31, 1974, and which accomplishes even more than H.R. 2175, lies dormant. I refer to Section 35.912 40 CFR Part 35 as published in the Federal Register October 1, 1974. I also find it rather odd that the background in Paper No. 5 does not mention the existence of this regulation.

H.R. 2175 as presently worded is defective.

H.R. 2175 provides for state certification of only three elements of the Section 201 facilities plan, whereas the regulation delegates to the State, certification of <u>all</u> the facilities plan including the twelve elements of the plan described in 40 CFR Part 35, Section 35.917-1.

H.R. 2175 authorizes the Administrator EPA to reserve two percent of a State's allotment, in contravention of the Supreme Court decision that the entire amount authorized should be allotted to the States.

H.R. 2175 provides up to two percent only for those allotments made after the date of enactment of that bill. As the $18 billion dollars authorized by PL 92-500 have been fully allotted, there may not be further allotments until after September 30, 1977. Consequently, H.R. 2175 cannot be effective until too late for any benefit.

H.R. 2175 provides contract authority as a source of funding, whereas other state costs for administration of PL 92-500 are reimbursed from appropriated funds under Section 106 of the Act.

Delegation of authority to the States should be consummated through the currently effective regulations. New York applied for this delegation on October 31, 1974, and it has not yet been granted.

Funding should come from appropriated funds for "liquidation of contract authority" provided for Title II construction Grants.

SUMMARY

As I said in the beginning, I cannot support any of the five proposals for amendments to the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500.

I have given you my reasons in detail with suggestions for alternatives that seem viable to me.

I reiterate, no amendments should be made to the Act at this late date nor until the National Commission on Water Quality report is evaluated by the Congress.

I thank you for the opportunity of presenting my views on these matters.

4th Draft
6/12/75

Recomendations of the Nebraska Natural Resources Commission, Lincoln, Nebraska, on Potential Legislative Amendments to the Federal Water Pollution Control Act.

For Presentation to U.S. Environmental Protection Agency at Public Haring, Kansas City, Missouri, June 17, 1975.

Mr. Chairman:

My name is Sue Hoppel and I am representing the Nebraska Natural Resources Commission. Our address is 7th Floor, Terminal Building, Lincoln, Nebraska. We are the state agency preparing Nebraska's water quality management plans for implementation by the Nebraska Department of Environmental Control. We agree with and support the goals of P.L. 92-500 for fishable, swimmable waters, for zero discharge of pollutants, and for public support of wastewater facilities. We are making progress in Nebraska toward implementing those goals. We have our six most difficult water quality plans completed and we expect to complete the other seven in the next year. The Nebraska Department of Environmental Control is administering the NPDES program in the state and all municipal permits have been issued. They are implementing the plans through all their water pollution control programs. Public understanding and acceptance of P.L. 92-500 have come a long way as these programs have been implemented, and we have enjoyed a useful working relationship with the EPA Region VII office in Kansas City. For the sake of continuing this progress, and since we support the original law, changes which are not necessary for program function and improvement and do not, as an end result, accelerate goal accomplishment should be and will be opposed by this agency. We appreciate the opportunity to address the five amendments before this hearing.

Amendment 1: A reduction of the Federal share.

We oppose this amendment. The Federal share should remain at 75 percent and sufficient funds should be allocated to meet the needs. Clean water has been accepted as a public benefit and the public is going to pay for it one way or another. The most logical way to accelerate needed treatment is to require it and pay for it. We would favor setting an ending date for the 75 percent share, say 1983, after which the Federal share would decrease. This would discourage any unnecessary delays by grant recipients. Federal money must be raised, authorized, allocated, and spent if treatment facilities are to be built. That, not

the 75% share, is the real problem.

Amendment 2: Limiting Federal financing to serving the needs of existing population.

We oppose this amendment. As a planning agency we feel the legitimate needs of the future should be considered. If these needs are not met, we will always be behind and our water quality goals will never be achieved.

Amendment 3: Restricting the types of projects eligible for grant assistance.

From a practical point of view, the construction grant program in Nebraska is almost wholly directed toward treatment plants. We also fund some interceptors. We feel that the construction required under the most cost-effective solution should continue to be eligible for a grant, and changes in the law are not necessary.

Amendment 4: Extending the 1977 date for meeting water quality standards.

This deadline will have to be extended but it should be extended only on a case by case basis. We favor your alternate 3 which would keep the 1977 date but allow the Administrator to grant extensions. Secondary treatment is still a desirable minimum goal and will be achieved in many areas by 1977. Maintenance of the 1977 date should not be dependent on the availability of Federal funds.

Amendment 5: Delegating a greater portion of the management of the construction grants program to the States.

We favor this amendment which would expedite the construction grant process. The entire program should be transferred to the States as they are ready with appropriate reviews, audits, and funding by EPA.

In conclusion, I appreciate the opportunity to participate here today and I will leave copies of our recommendations. Thank you.

July 3, 1975

Mr. David Sabock
Environmental Protection Agency
Room 1031-D
WH-556
401 M. Street, S.W.
Washington, D.C. 20460

Re: Proposed amendments to the Federal Water Pollution Control Act

Dear Mr. Sabock:

It is hereby requested that the contents of this letter be entered into the record of the June 25, 1975 public hearing on the above captioned matter.

Before commenting on each of the 5 proposals separately, it is imperative that several general points be presented.

1 - When taken as a whole, the proposed amendments indicate a general desire on the part of EPA to "abdicate" authority and responsibilities for a program which they vigorously initiated and in which they encouraged the state and local bodies to participate, with the promise of adequate financial assistance in order to make state or local participation practical. We must express considerable opposition to this apparent attempt to suddenly relinguish responsibility in this matter.

2 - The strict standards and ambitious goals which were established by EPA, and which were thought to be excessive at their time of adoption, are now being confirmed as unreasonable when taken in the time frame of the act and the financial capabilities of both the federal government and local authorities.

3 - The federal budget problems, which are at the heart of most of the proposed amendments, are not only magnified on a state or local level, but the state and local authorities possess far less effective methods of raising the necessary revenue.

4 - The impoundment of most of the federal funds in recent years only served to diminish the already remote possibility of compliance with the goals of the act, since such impoundment not only made progress impossible during the period of impoundment, but meant that once the funds were eventually released, the inflated cost of treatment facility construction lessened the "buying power" of these funds.

5 - The fact is that the Federal Water Pollution Control Act of 1972 is one whose provisions exceed the technical and financial capabilities of both the Federal government and the state and local agencies and in order to correct this inequity, amendments to the act must be incorporated primarily for the purpose of modifying and lessening the goals and effective dates of such goals, which is the only practical way in which it is even conceivable that the federal spending obligations under this act could be decreased. However, as long as the goals and requirements of the act remain as ambitious as they presently are, it is inconceivable to envision any reduction in the financial responsibility of the federal government.

Our comments with regard to each of the proposed amendments are as follows:

1 - Reduce the Federal share for construction grants from the current 75% to as low as 55%.

At the present time, New Jersey is experiencing eonsiderable difficulty in raising the necessary 25% funding in order to supplement the federal allocation. It will be necessary to present a bond issue of approximately $350 million to the voting public in November, 1975, for the purpose of raising the necessary 15% on a state level to supplement the nearly $1 billion federal funding, and it is extremely doubtful if such a bond issue will receive the approval of the general public. Any reduction in the federal share will almost certainly result in the failure to construct many of the projects which New Jersey so desperately needs.

At the present time, 79 municipalities in New Jersey are prohibited from issuing building permits because the sewage treatment facilities which serve those municipalities have either reached or exceeded capacity. Federal funding under F.W.P.C.A is instrumental in the removal of such sewer bans and the proposed reduction in federal funds would only lengthen the time before such bans could be lifted. The net effect of such bans has been to discourage reduction of approximately 12,000 units of housing and has had an adverse economic impact upon the State of New Jersey in the form of a loss of $1.3 billion.

It is also highly doubtful that a decrease in federal funding would encourage more economic design on the part of the state or local agencies. Instead, we believe it is more likely that such a decrease in funding would simply discourage such necessary construction, thereby, serving neither the goals of the act nor

the purpose for which the act was created.

2 - Limit Federal funding of reserve capacity to serve existing population only.
We are in total opposition to this proposal and recognize it as an attempt to control population growth in a given area in much the same manner in which the EPA attempted to limit growth through the Central and Southern Ocean County treatment plant construction proposals last year.

The general reference to "reserve capacity" should be discussed in greater detail. If EPA is truly concerned with the most efficient measures possible, it is our recommendation that they encourage the design and construction of treatment facilities "in parallel," whereby smaller facilities with minimal reserve capacities could be constructed --- but where the size of sewer lines could and should be maximized to provide for reserve capacities of 50 years or more. This suggestion is most economical since the cost differences with regard to different size sewer lines is a minimal amount in comparison with the cost differences in the size of different treatment plants. In this way, it is possible to design and build treatment plants with limited reserve capacity and then construct additional treatment plants "in parallel" to serve actual increased demands, when they occur.

3 - Restrict the type of project eligible for grant assistance.
It is regard to this proposal that revisions can and should be made concerning the goals and requirements of the F.W.P.C.A. We believe that it is far more beneficial to achieve secondary treatment on as broad a scope as possible and to be satisfied with such an achievement than to attempt to bring plants to the tertiary treatment stage, which not only represents a relatively insignificant improvement over secondary treatment, but also mandates additional expenditures, which are not commensurate with the limited benefits which tertiary treatment brings in comparison to secondary treatment.

A modification in the goals and requirements of the act should make secondary treatment a priority item; should relegate tertiary treatment to a much lower priority; and should encourage and fund correction of sewer infiltration/inflow (III. A) Since such corrections are instrumental in providing relief from the sewer bans which we described in #1 above.

4 - Extend beyond 1977, the requirement that publicly-owned

treatment works achieve, um secondary treatment.
As we mentioned earlier, it is imperative that the act be amended to extend the date for compliance beyone 1977. However, it is fallacious to establish a date beyone 1977 and require compliance regardless of the availabilities or absence of funds. EPA must realize that state and local authorities are ill-equipped to assume greater financial obligations and only through the combination of an extended compliance date, less ambitious goals and requirements, and the combination of the present degree (not necessarily total dollar amount since such total dollar amount could be reduced if the effective date and the requirements were reduced) will the purpose of this act be met.

It is significant to note that most of New Jersey's large plants will be unable to reach secondary treatment by 1977, and is likely that they will not even be able to achieve secondary treatment by 1983 even with the continuation of 75% of federal funding --- and obviously any decrease in the level of federal funding will only increase the time necessary before such plants can eventually achieve secondary treatment.

5 - Delegate greater management of the construction grants program to the various states.
In the interest of encouraging more prompt approval of project proposals, we concur that this amendment is a worthwhile change to the existing act. It should also be noted that the state presently conducts a comprehensive review of such facilities and is, for all practical purposes, presently assuming the increased management function which this amendment proposes.

We are hopeful that the above comments will provide EPA with a clear picture of the proposed amendments to the F.W.P.C.A. as it relates to the State of New Jersey and the conditions which prevail in the State.

Sincerely,

Frank P. Farinella, Jr.
President
FPF:pc
cc: Commissioner David J. Bardin

July 7, 1975

Mr. David Sabock
Office of Water and Hazardous Materials (WH-556)
U.S. Environmental Protection Agency
Room 1033, West Tower
Waterside Mall
401 M Street, S. W.
Washington, D. C. 20460
Regarding: Comments submitted for the record of the June 25, 1975 hearings on potential legislative amendments to the Federal Water Pollution Control Act Amendments of 1972 concerning the Municipal Wastewater Treatment Grant Program.

Dear Mr. Sabock:

Enclosed are our comments on the above hearing which we request be included in the official record. In summary, our recommendations and concerns are that:

1. similar hearings should be held to consider other possible changes in the Act, specifically (a) extension of the July 1, 1977 deadline for industry, (b) industrial cost recovery and payback provisions, (c) the proper return of seafood processing wastes to the marine environment, and (d) the need for establishing 1983 standards at this time:

2. if reducing the Federal share will result in less municipal treatment facilities being built or in a drastic slow down in the program, the Federal share should not be reduced;

3. since industrial plants have problems similar to those of municipalities and many probably will not be able to meet the July 1, 1977 deadline, an extension of time for industrial plant compliance is also needed;

4. plans for the construction of many regional wastewater treatment facilities are being developed with price tags that are not commensurate with benefits that will be realized in water quality improvement. Hence, approval of funds for the building of regional treatment facilities (over $50,000,000 in cost) should not be granted directly to the states. EPA Washington should maintain control over the approval of such grants to insure that benefits in water quality improvement commensurate with the cost are to be achieved;

5. in the case of several treatment facilities in advanced stages of planning, industrial payback costs are projected to be much higher than would be the case if the industrial users were to

build treatment facilities of their own. In this regard, it is recommended that the Act be amended to provide that no industrial plant be required to pay more for treatment of its wastewaters by a municipality than it would have to pay if it were able to build and operate its own treatment facility;

6. current EPA policy requires industrial dischargers to satisfactorily treat their own wastewaters until such time as they can hook up to a municipal system, even if such treatment might require construction of a treatment plant to be utilized for a very short time period. Requiring industry to spend funds for such a purpose is certainly not practical considering present and projected financial resources. This is especially true in the seasonal food processing industry where the wastewaters discharged are comparable in content with domestic sewage.

We trust our comments will be useful to the Agency in their assessment of the construction grant program, and hope the Agency will give serious consideration to holding public hearings on concerns of industrial dischargers. We will be pleased to provide any additional information possible which the Agency may request.

Sincerely,

Jack L. Cooper
Assistant to the Director

cc: ad hoc Effluent Guidelines Technical Review Committee
for Seafoods, Fruits, and Vegetables

July 7, 1975

COMMENTS
by the
National Canners Association
for the
U. S. Environmental Protection Agency
on the
Public Hearings Held June 25, 1975
concerning
Potential Legislative Amendments
of the
Municipal Waste Treatment Grant Regulations
Established under the
Federal Water Pollution Control Act Amendments of 1972

The National Canners Association is a non-profit trade association with approximately 475 members operating canning plants

in 41 states, Puerto Rico, and American Samoa. Members of NCA pack approximately 85 to 90 percent of the total U.S. production of canned fruits, vegetables, soups, juices, meat and poultry products, seafoods, baby foods, puddings and specialty items.

We wish to commend the Agency for convening the above hearing and the others held on this subject earlier in the month. We believe public hearings of this type provide a good means of obtaining "grass roots" views on anticipated Agency actions. We wholeheartedly support the public hearing concept.

In this regard, we note that the above hearing was convened to obtain interested individual and group views concerning the municipal wastewater treatment grant program and specifically on the five discussion papers published in the Federal Register. We did not request to appear in person because we felt the Agency wanted to receive views from those most affected by the treatment grant program, e.g. public administrators and the construction and contracting industries.

Industry has problems with PL 92-500 which were not identified as topics for discussion at these hearings. For this reason, we suggest consideration be given to holding hearings on other aspects of the Act. Specific topics we would recommend for discussion at such hearings would be the industrial cost recovery provisions of the Act, the requirement that seafood processing wastes be treated prior to return to the ocean environment where adequate tidal flow and marine life exists to rapidly disperse and dispose of the material, the extension of the July 1, 1977 date for industrial dischargers, economic factors involved in meeting water quality standards, and the costs vs. benefits to be derived from requiring industrial sources to install BATEA technology.

Between 40 and 50 percent of the seasonal food processors in the United States use publicly owned treatment works for treatment of their food processing wastewaters. Because such a high percent of the industry uses municipal treatment systems, we have concern for any possible changes in EPA programs which would tend to increase the cost of such treatment.

DISCUSSION PAPER 1

It is apparent from statements presented at the June 25 hearing that local communities and the states have had and are likely to continue to have considerable difficulty raising the 25 percent share needed to qualify for full 75 percent Federal funding. Before EPA asks Congress to require local and state governments to come up with a higher level of funding, we suggest that a study be made to determine whether the additional capital needed can and will be raised at the local level. If reducing the Federal share will result in fewer publicly owned treatment

works being built, as we suspect will be the case in many municipalities, it is likely that more food processors and others will be forced to build their own wastewater treatment systems. Also, many could be forced out of current municipal systems because of "overcrowding." Thus, if our suspicions are correct, we would not favor a reduction in the Federal share.

DISCUSSION PAPER 4

We have no comments on discussion papers 2 and 3. However, we do have several about discussion paper number 4. As many individuals stated during the hearing, it is obvious that many municipalities cannot meet the July 1, 1977 requirements of the Act. The same is true for industry. For various reasons, many companies are not likely to be able to comply by that date. Thus, an extension of time for compliance in both the industrial and municipal sectors is appropriate.

We do not believe that it is a reasonable allocation of scarce industrial resources to require an industrial discharger of compatible pollutants, such as a food processors, to " . . . satisfactorily treat its wastewaters until such time as the plant can hook up to a municipal system, even if such treatment might require construction of a treatment plant to be utilized for a very short time period . . .", as is stated to be EPA's current policy. This policy is obviously counter-productive in encouraging industry cooperation and participation in the development of municipal treatment systems.

We believe the NPDES permit should be the guidepost to achieving desirable water quality standards. EPA should come to a realistic agreement with each discharger, whether industrial or municipal, concerning the BPCTCA for that plant, taking effluent guidelines and water quality considerations into account, and that a date by which compliance can reasonably be achieved should be determined. Compliance schedules should be written into permits and periodically monitored by the Agency to assure they are met. Legislated dates would then be unnecessary.

INDUSTRIAL COST RECOVERY

One issue about the construction grant program which was touched on by several speakers during the hearing but not addressed in the discussion papers is cost recovery. We support the statement by Mr. Watson of KRAFTCO, who testified on behalf of the National Association of Manufacturers (NAM), that the cost of many regional systems is excessive and as a result the economic burden placed upon industrial plants is not consistent with the services to be provided. Two examples in California are represented by the communities of Sacramento and San Jose.

In the case of Sacramento, large sums of money are projected

for the construction of a new super regional plant and abandoning substantial portions of secondary plants, which currently comply with EPA's requirements for 1977 and which essentially or entirely comply with existing local discharge requirements, with the exception of their point of discharge into the American River. It has been proposed that all discharges into the American River be ceased.

In another form, the regional approach is being attempted at San Jose, California, where the present secondary treatment plant achieves a better than 90 percent BOD removal, and where the receiving waters have shown a marked improvement in recent years. A 99 percent removal of BOD is now being proposed, together with transportation of this treated waste to a remote area without we believe full justification.

In both Sacramento and San Jose, idealistic environment objectives were established a number of years ago and we believe they now require a reevaluation to confirm that they continue to reflect the best interest of the community. The substantial improvements in the environment which have been made since initially establishing those objectives merit serious consideration in relationship to the complex economic factors and significant increases in project scope which these two examples represent. These are only two examples. Others exist throughout the country.

Because of the tremendous costs of these Regional Systems which are being assessed to industrial users, many firms are finding it more economical to treat their own wastewaters. However, many companies in such situations are unable to treat their own wastewaters because of location and hence are forced to pay for treatment capacity or other features of the regional system which they do not use.

We believe that the industrial cost recovery provisions of the Act should be modified to state that no firm should have to pay more for municipal treatment than it would have to pay if it were able to treat its own wastewaters.

DISCUSSION PAPER 5

In general, we support practical changes which will reduce costs and speed up the allotment of funds for building needed facilities. However, we believe EPA should retain control over the large regional plants (over $50 million) to be sure that they are indeed the most cost effective option available. We feel that monies should be allocated on a priority basis to build secondary treatment plants where no such treatment currently exists. It seems to us to be a waste of time, money, and resources to build regional facilities to replace existing adequate secondary treatment plants where there are no or only very limited commensurate benefits

in water quality improvement to be obtained. We believe EPA should retain approval authority for all such regional contracts to be sure that there are indeed commensurate benefits in water quality improvement that result from the expenditure of the funds.

* * * * * * * * * * * *

June 23, 1975

Russell E. Train, Administrator
U.S. Environmental Protection Agency
Washington, D. C. 20460

Dear Mr. Train:

New Jersey has taken significant steps over the past year to assume its proper role in administering the provisions of the Federal Water Pollution Control Act Amendments of 1972. We are beginning to see the fruits of our efforts in an accelerated rate of approval of waste treatment facilities. These projects are significant job creators today and will soon begin to improve water quality.

The potential changes in the program outlined in the May 28, 1975 Federal Register could once again disrupt the orderly development of projects in our State. We cannot afford such disruption to our water pollution control program.

We urge a comprehensive and positive program over the next ten years (fiscal years 1977 through 1986) for municipal waste-water. The most significant features of our proposal include:

1. A five-year national program (for fiscal years 1977 through 1981) should be established including:
   (a) Firm commitment of federal construction-grant money for each fiscal year;
   (b) Fixed allotment formula for distribution of funds to the states;
   (c) Seventy-five percent federal grants;
   (d) Continued eligibility of collection systems and of projects for the correction of the combined wastes overflow problem;
   (e) Reimbursement to municipalities which proceed with construction even if money is not immediately available from the current year's allotment to the states. (Reimbursement should be possible from the remaining funds of the five year program.)
2. Greater delegation to the states of the management of the grants program should be accomplished. We support the provisions of the proposed legislation to compensate the states for this added responsibility.
3. The rigid 1977 deadline for achievement of secondary

treatment by municipal-type plants, or higher if required by water quality standards, should be modified. Schedules of compliance should be established to reflect the availability of funding under the five-year program, realistic project development and construction periods, and construction of the advanced waste treatment phase where required after the first five-year program.

4. The first five-year program should include the planning of projects to correct the combined waste overflow problem, selective construction of combined waste corrective projects and the planning of the advanced waste treatment phases where required to comply with water quality standards.

5. A second five-year program (for fiscal years 1982 through 1986) should provide for the implementation of the plans to correct the combined sewage problem and to construct the advanced waste treatment phases where needed.

We urge your careful consideration of our proposal, and of its detailed presentation in the attached letter from Commissioner of Environmental Protection David J. Bardin, since it provides for the orderly and expeditious development and construction of the required waste treatment facilities.

Sincerely,
Brendan T. Byrne
GOVERNOR

Attachment

June 23, 1975

Mr. Russell E. Train, Administrator
U.S. Environmental Protection Agency
Washington, D. C. 20460

Dear Mr. Train:

This statement responds to the proposals of the U. S. Environmental Protection Agency as published in the Federal Register dated May 28, 1975.

We sense the need for expeditious construction of waste treatment facilities. Construction of environmentally sound facilities will achieve the objectives of the Federal Act and will also create jobs. Significant changes in the legislation or regulations governing the

program are liable to delay the needed facilities. Only now, over two and a half years after the passage of the 1972 amendments, are sizable numbers of projects proceeding to construction. This is the time for extreme caution in entertaining significant changes in this important program. The most immediate objectives must be to simplify the program regulations wherever prudent to stabilize the level of funding for at least a five-year period and to fix the basis for the allotment of funds to each state.

Efficient and effective management of this vast public works and pollution ocntrol program must rely upon an orderly development of projects. This includes the current group of projects finally starting construction after satisfying the many changes in the federal requirements. Other projects for construction start over the next five to ten years must now begin the preliminary studies and complete the necessary construction drawings and specifications.

Development of these new facilities cannot proceed in an orderly manner without knowledge of the basic factors for these projects, including:

(a) Continued availability and level of federal financing;
(b) Planning requirements including environmental evaluation;
(c) Levels of treatment mandated by the federal statute; and
(d) Timing of federal grant for each project.

Continued incentives are needed now to complete these projects as quickly as possible and to achieve the goals of the Act. Proposals to reduce the federal share, rigidly to restrict the reserve capacity of facilities and to change the type of projects eligible would create disincentives to move ahead. Moreover, the Environmental Protection Agency must recognize the interrelationship of any proposed actions.

We urge you to adopt a program which will stabilize and simplify the ground rules of this vital pollution abatement activity.

Our evaluation leads us to the following comprehensive proposal:

1. A five year (1977-1981) national program should be established including:
   (a) Firm commitment of money for each fiscal year.
   (b) Fixed allotment formula for distribution of funds to the states.

(c) Seventy-five percent federal grants.

(d) Continued eligibility of collection systems and correction of combined waste overflows. (Collection systems for existing communities are needed to correct serious health hazards, prevent runoff to the surface stream and to avoid contamination of our ground water resources. Correction of the combined wastes overflow problem must be planned and implemented to assure achievement of our water quality objectives.)

(e) Restoration of reimbursement: Municipalities should be able to proceed with construction even if money is not immediately available from the current year's allotment to the state. Reimbursement should be possible from the remaining funds of the five year program.

2. Greater delegation to the states of the management of the grants program should be accomplished. We support the provisions of the proposed legislation to compensate the states for this added responsibility.

3. The requirement for achievement by 1977 of secondary treatment (or higher if required by water quality standards) should be modified. Schedules of compliance should instead be established to reflect the availability of funding under the five year program, realistic project development and construction periods, and construction of the advanced waste treatment phase where required after the first five year program.

4. The definition of secondary treatment should be modified to allow many smaller existing trickling filters and lagoons to satisfy the Act.

5. As a matter of general policy, E.P.A. guidelines should establish criteria for reserve capacity in proposed facilities. However, each state should be given the responsibility to define their specific policy for the design of facilities, subject to E.P.A. review.

6. The first five year program should include the planning of projects to correct the combined waste overflow problem, selective construction of combined waste corrective projects and the planning of the advanced waste treatment phases where required to comply with water quality standards.

7. A second five year program (1982-1986) should provide for the implementation of the plans to correct the combined sewage problem and to construct the advanced waste treatment phases where needed.

The program which has been outlined above will make

possible achievement of the goals of the Federal Water Pollution Control Act Amendments of 1972. Furthermore, it will provide for the identification of a path to be followed for expeditious and orderly development of waste treatment facilities. The path must be clear and not subjected to unexpected detours as suggested by the E. P. A. proposals for funding and rigid requirements for reserve capacity and eligibility.

Faithfully,

David J. Bardin
Commissioner

CC: Assistant Commissioner Rocco D. Ricci

Comments on
Potential Legislative Amendments
To PL 92-500
EPA Public Hearing
June 25, 1975
Washington, D. C.

Presented by Alfred E. Peloquin, Executive Secretary
New England Interstate Water Pollution Control Commission

Mr. Chairman:

I am Alfred E. Peloquin, Executive Secretary, New England Interstate Water Pollution Control Commission. The Commission wishes to express its appreciation for opportunity of offering comments on the five issues noted in the Federal Register on May 2, 1975. The Commission's comments have been limited to the "Issues to be Discussed" portion of each issue paper as published.

EPA's issue papers were discussed at the Commission's Annual Meeting held June 19-20, 1975 and with the Directors of the water pollution control agency of each Compact-member State in a telephone conference call on June 24, 1975. The comments presented herein reflect a concensus of State views on the five issues and represent several hundred man-years of actual field experience in administering water pollution control programs at the State and local levels.

The comments are presented in the same numerical sequence as set forth in the Issue Papers.

Paper No. 1 - Reduction of the Federal Share

Issues to be Discussed

1. Would a reduced Federal share inhibit or delay the construction if needed facilites?

Yes. In the New England Interstate Water Pollution Control Commission Compact area, communities are geared to bonding for approximately 10 percent of the eligible project cost. Resistance to the funding of treatment works is already developing because the impact of operation and maintenance costs is beginning to hit home. A reduction in Federal share could cause a surge in project applications to beat a deadline in reduced level of funding; could cause a community to have its plans redrawn to a reduced scope consistent with available dollars, or it could completely kill credibility in Federal programs with all pollution control activity coming to a halt.

Initially, many States opposed the increase in grant level. However, subsequent to enactment of PL 92-500, States with grant authority to as much as 40 percent were forced to seek legislative amendments to provide for at least some local contribution. States

feel that the situation has stabilized and a change at this point would be extremely disruptive.

2. Would the States have the interest and capacity to assume, through State grant or loan programs a larger portion of the financial burden of the program?

State water pollution control agencies do have the interest to assume a larger portion of the financial burden. Realistically, many States are facing severe fiscal problems. States also realigned their grant structure in 1973-74 to conform to requirements of PL 92-500. Consequently, it is the concensus of the States that the State Legislatures would not look favorably on authorizing additional bond issues at this time. It should be stressed that all NEIWPC Compact-member States make State grants to communities in addition to the Federal grant.

3. Would Communities have difficulty in raising additional funds in capital markets for a larger portion of the program?

Many communities, particularly large cities are in severe financial difficulty. The larger cities are those needing the larger, costlier projects.

Considering recent developments relative to New York City's fiscal dilemma, we would expect communities to have substantial difficulties in raising additional funds.

4. Would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management, and postconstruction operation and maintenance?

Most States feel that the State water pollution control agency has good overall control over projects in their respective State. Reduction in the Federal share will not change local impact nor grantee accountability. In most cases, the grantee lacks the expertise to perform the functions necessary to preclude development of the problems noted in this item. A reduction in local share could lead to greater operational problesm as local communities in attempts to reduce the total project cost -- thereby reducing the local share -- accept unproven designs promoted as cheaper, more efficient systems.

5. What impact would a reduced Federal share have on water quality and on meeting the goals of PL 92-500?

The goals of the Act will not now be met within the framework of the law. Reducing the grant percentage would probably stretch out even further the achievement of the goals.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

Issues to be Discussed

1. Does current practice lead to overdesign of treatment works?

We question the validity of the statements under this item. Drawing on the Commonwealth of Virginia's analysis of this issue and recognizing that many overloaded works exist, it is the concensus of the professionals in the field that growth was there before the grant system was instituted. The study on which these statements are based is considered grossly inadequate. Before any policy change is directed relative to reserve capacity, a broader, more in-depth, imparital study should be made by professional in the field having the necessary expertise to adequately assess the problem - particularly on overloaded systems - to ascertain whether growth was definitely related to reserve capacity or to such other economics oriented inducements as improved highway and transportation systems, available labor force and availability of existing facilities left vacant by changes in the industrial/ manufacturing complex of an area.

2. What could be done to eliminate problems with the current program, short of a legislative change?

States are unanimous in the view that there are no problems at the present time. What is being espoused as problems is, in reality, the problems which will develop by cutting back on reserve capacity. States consider growth to be a local zoning issue, not within Federal regulatory control. Growth can also be controlled by appropriate management of the NPDES program. There is agreement on a need for greater refinement of population/industrial growth analyses. New technology and new discoveries, such as the pill, are changing many socio-economic structures. Planners, designers and governmental agencies must be attuned to ever-changing situations and, using computer and other technology, apply the best possible judgment to the issue under consideration.

3. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

Prohibiting growth reserve capacity may stretch available dollars among more projects. However, the end result could be disastrous. Reserve capacity provides a safety valve for water pollution control. It accommodates a degree of storm flow and developing infiltration as the collection system ages. Communities can also be expected to require design of facilities consistent with available grant funds - If this occurs, we will soon have gone "full-circle" and will face the problems of the 1956-60 era. We question the implication that monetary inefficiencies exist relative to over-design. Granted, there could be situations considered to represent "monetary inefficiencies" but the resultant problem is probably related to factors other than over-design. We also feel that there may currently exist over-designed systems, but the extent of this current over-design may be due to socio-economic-

industrial realignments within an area rather than over-design per se. At the time of initial design, such systems were most-likely consistent with the needs of the time.

4. What are the merits and demerits of limiting eligibility for growth-related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

Limiting reserve capacity would have the same impact as prohibiting reserve capacity.

5. Are there other alternatives?

In addition to comments under item 2 above, modular construction of treatment facilities should be considered; a better analysis of the need for reserve capcaity; consideration of a reduced Federal share for reserve capacity as opposed to a reduced Federal share across-the-board, and growth control through the NPDES program.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

Issues to be Discussed

1. What impact do different eligibility structures have on the determination of need for a particular facility?

Impact of different eligibility structures vary on a case-by-case basis. A national standard priority system is unrealistic and unworkable. The Commonwealth of Virginia has very eloquently illustrated the impact of reduced eligibilities. We strongly endorse Virginia's "Statement of Position" that States should have the option of recommending grant funds for projects that are necessary to meet water quality standards. Virginia's positon on this issue is included in its presentation at this hearing and is, therefore, available to you.

2. Is there adequate local incentive to undertake needed investment in certain types of facilities, even in the absence of Federal financial assistance?

In the early sixties, local incentive for water pollution control was high. Such efforts were considered local efforts and when spearheaded by a few local enthusiasts , great strides were made in developing and funding projects. These were considered local projects. Many large local bond issues were voted which water pollution control officials felt would fail. The advent of PL 92-500 imposed a Federal, highly complex program on the "grass roots" level. This was no longer a local issue to be addressed with pride. It was a dictated Federal program. This action combined with other priorities such as schools, highway, inflation, and unemployment to mention a few-- effectively killed local incentive to undertake the investments now needed to satisfy the requirements of the Act.

3. Is there adequate local financial capability to undertake investment in different types of facilities?

Paper No. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

Considerations

1. Should PL 92-500 be amended to permit prefinancing of POTW's subject to Federal reimbursement?

Many states feel prefinancing of POTW's should be reinstituted. Our compact-member states, however, feel that the Federal government has defaulted on its commitment as set forth in the 1965 Act and with 31 percent of the prefinanced amount still remaining unpaid, it is unlikely that the New England and New York State legislatures would again authorize prefinancing.

2. Is is fair to require industry to meet the 1977 deadline while extending it for municipalities?

The Act, by virtue of its grants provisions and administration, has generated conditions which have resulted in delays in the construction of municipal facilities. Most States feel that industry, other than those tieing-in to municipal systems, are not bound by precedent setting grant conditions and consequently should move ahead with their respective treatment works. For those industries scheduled to tie-in to municipal systems at a later date, we concur with the House Public Works Committee staff philosophy that some legislative language be considered to assure that such industries will in fact tie-in at the appropriate time.

3. Is it fair to make industrial requirements more stringent pending municipal compliance, as is the case with joint systems?

Requirements, whether industrial or municipal, should be made as stringent as necessary to meet water quality standards.

4. Should an outside limit be provided to the Administrator granting extensions, for example five years from date of amendment, or should the possible compliance deadlines be open-ended?

Extensions should be based on a realistic appraisal of the situation and on a case-by-case basis at the regional level.

5. Will EPA lose credibility supporting an across-the-board extension for municipal compliance, especially in cases where it is unnecessary? Or are the current economic priorities such that such an extension is only reasonable?

A case-by-case analysis on extensions would provide flexibility and a realistic approach to a critical field problem. This type of approach should enhance EPA's credibility. It is also the concensus of the States that the NPDES program provides the vehicle for granting extensions on a case-by-case basis. The NEIWPCC Compact-

member States are unanimous in their proposition to across-the-board extensions. It is felt that such action would delay achievement of the goals in that communities who would otherwise meet the 1977 date would tend to lag anticipating relief under the extension.

6. How big a difference would these alternatives make on local funding or State financing?

The NEIWPC Compact-member States are of the opinion that these alternatives would make no difference on local funding and State financing.

7. Should EPA consider changing the definition of secondary treatment to allow for classifications according to size, age, equipment, and process employed?

States have consistently recommended a change in definitions of secondary treatment. On June 4th, the Committee of 10 was told this could "only be done on the Hill". We disagree since this definition is regulatory as opposed to statutory. Again flexibility is needed to assure achievement of water quality standards. The States concur in the philosophy of secondary treatment but feel that the controlling factor should be the quality of the receiving water. It has been suggested that treatment works be designed to achieve secondary level treatment but that allowances be made for seasonal variations with threat of enforcement for temporary deviations from the stated definitions.

8. Would a two-year extension for compliance be preferrable to the six-year extension promoted under Alternative (5)? Is this alternative unnecessarily lenient?

Comments under Item 4 above apply.

9. Until such a time when a solution to current compliance delays is adopted, should EPA issue letters of authorization to those POTW's that cannot achieve compliance with the 1977 deadline instead of issuing short-term permits?

Most States feel that the permit program provides a vehicle for extending the 1977 deadline. Essentially, the simplest and most effective method of coping with compliance delays is recommended. Whatever method is used, consideration should be given to the procedures used by States having permitting authority so as not to override State actions.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

Considerations

1. What functions should be delegated?

The Act should provide for the delegation of all functions

identified in the EPA Title II regulations including environmental impact statements.

2. Should all parts be delegated?

Provisions should be made for delegation of all parts subject to negotiations between the State WPC agency and the appropriate Regional Administrator.

3. What difficulty may be encountered?

Provisions for use of up to 2% of a State's allocation should preclude the need for additonal financial commitment on the part of the State. For those States where receipt of Federal funds must be approved by the State Legislature some delays may be incurred. Several of the Compact-member states are performing various functions now and feel that additional staffing problems will be minimal provided guarantees of continued funding are available.

4. Will suggested funding be adequate?

Suggested funding in HR 2175 should prove adequate providing regulatory requirements are kept to a reasonable "real-world" achievement level. Every effort should be made to preclude the development of bureaucracies at State level for implementation of the amendment.

Section 213 (e) (1) of HR 2175 states that the 2 percent allotment will be made each year after the date of enactment. It is anticipated that the allotment will not apply to the presently available $18 billion. Since the next appropriation may not be until FY1977, implementation of the provisions of HR 2175 may not occur until 1977 or 1978. The language of the proposed legislation should be adjusted to allow for implementation of HR 2175 immediately upon enactment.

5. Will program efficiency increase?

Delegation of program responsibility to States will improve program efficiency unless the rules and regulations adopted for administration of HR 2175 generate the types of problems created in the past by rules and regulations issued under PL 92-500.

6. Time required for State assumption of responsibility.

Time required will be dependent upon the implementary regulations developed by EPA and whether such regulations will require State Legislative approval.

7. Alternative funding schemes.

States recommend that funds be made available by special appropriation rather than utilizing funds allocated for construction of treatment works. There should also be a reasonable guarantee of funding for a long enough period to provide program stability.

June 13, 1975

STATEMENT IN RESPONSE TO THE PROPOSED AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT 92-500

This statement is being presented to the Environmental Protection Agency on June 17, 1975 at the Radisson Muhleback Hotel in Kansas City, Missouri.

The statement is on behalf of the Nebraska Consulting Engineers Association which represents 85% of the private consulting engineers in the State of Nebraska and all of the major firms paracticing environmental engineering in the State of Nebraska.

We appreciate this opportunity to present our constructive suggestions to you. The consulting engineers in Nebraska have been involved in the administration and implementation of the grants program going back to its inception in the mid 1950's.

Our statements to the proposed amendments to the Federal Water Pollution Control Act by the Office and Management and Budget are as follows:

1. A reduction of the Federal Share
   a. In our opinion the construction program will be delayed.
   b. From our experience, some of our clients will experience financial difficulty in funding their share of the water quality facilities.
   c. As long as the NPDES Permit establishes efficiency standards and as long as USEPA regulations require cost effective designs and value engineering analyses, it appears to us that a reduction in federal grants will not increase the accountability of the grantee.
   d. A reduction in the federal share in our opinion will result in greater resistance on the part of the grantee to meet effluent standards and the goals of PL 92-500.
2. Limiting Federal Financing to Serving the Needs of Existing Population
   a. A proposal which would not permit design and construction for imminent population growth without adequate reserve capacity would not be cost saving. It also would not be effective in controlling water pollution. The expense of under design which could involve duplication of certain costs is penny wise and pound foolish.

b. The EPA has established adequate controls which, in Region VII, are being properly administered through metropolitan and state-wide planning agencies. The determination of local population projections is best done by these agencies.

c. The design and construction of facilities that do not include reserve capacity would result in many instances where these facilities are starting up at capacity or overloaded. This will demand that additional facilities be planned or under construction when the new facilities are started. Such planning of water quality facilities could not be cost effective.

d. It is our opinion that the design of treatment facilities to include a reserve capacity to 10 years from date of start up may be cost effective. The changing effluent standards and the state of the art make this a practical consideration. It is also our opinion that 20-25 years reserve capacity for sewers in many instances is not cost effective. Since sewers have a life in excess of 50 years, engineers should not be limited by an administrative cut off date, but be allowed to make a cost effective analysis over a longer period of time taking into consideration local conditions.

3. Restricting the Types of Projects Eligible for Grant Assistance

a. The states through their priority schedules can most effectively direct available funds to meet the standards of the Act PL 92-500. To restrict the types of projects that are eligible, ignores the reality of very diverse problems to be solved by the grantee. We feel that the present range of projects allows a better cost effective approach because all alternates are funded alike.

4. Extending the 1977 Date for Meeting Water Quality Standards

a. In our opinion, as a practical matter, it is impossible to meet this deadline.

b. It is our suggestion that the 1977 date for publicly owned pre-treatment works to meet federal quality standards remain in the law, but that the law be amended to permit extensions of time to be made on a case-by-case basis consistant with the availability of funding and the priority schedule determined by the states.

5. Delegating a Greater Portion of the Management of the Construction Grants Program to the States

   a. We concur with this amendment because it provides for more local control of the program. However, we also feel that the transfer of more administrative responsibility from the regional office of the EPA to the states should be done on a gradual basis so as not to slow down the program.

This statement is respectfully made for the Nebraska Consulting Engineers Association,

Bruce L. Gilmore, P.E.
Practicing Consulting Engineer
Chairman of the NCEA-EPA Committee

TESTIMONY OF DR. JAY H. LEHR OF THE NATIONAL
WATER WELL ASSOCIATION AND MEMBER-COMMISSION
ON RURAL WATER
MEMBER-NATIONAL DRINKING WATER ADVISORY COUNCIL BEFORE
THE ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARING
ON
POTENTIAL LEGISLATIVE AMENDMENTS TO THE
FEDERAL WATER POLLUTION CONTROL ACT
PL 92-500
June 25, 1975
Washington, D. C.

National Water Well Association
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Worthington, Ohio 43085
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My name is Dr. Jay H. Lehr. I am Executive Director of the National Water Well Association which represents more than 100 thousand men and women involved in the ground water supply industry in this country. This includes most of the ground water geologists and hydrologists involved in locating and developing our underground water supplies, the water well drilling contractors who construct our water wells as well as the manufacturers and suppliers of water well construction equipment.

We are primarily an educational and research-oriented organization which is concerned with the broad hydrologic picture of the nation's water supply problems. This includes of course both surface and ground water which are inexorably linked in the earth's hydrologic cycle.

While the Water Pollution Control Act, Public Law 92-500, deals primarily with surface waters rather than underground water, the pollution of either source of water affects the other and thus our science and industry are vitally interested in all aspects of this legislation. We had hoped years ago that the Water Pollution Control Act, when it was being written, would include a strong focus on the protection of ground waters but that was not, and is not the case. Now, at last in the Safe Drinking Water Act of 1974, PL 93-523, attention is being paid to protection of our ground waters. At this time, however, when the Government is considering amending PL 92-500, we feel that many improvements can be made which will specifically aid in the development of ground water protection programs by the states and generally improve the operation and implementation of the act with regard to surface

water protection which ultimately affects our ground waters.

To begin with, I would like to commend the Congress and EPA for establishing these public hearings and for its desire to consider recommendations for amendments to Public Law 92-500. It took many years of extensive effort to write this law with all its good intentions and now after more than three years of operation it clearly is time to rectify many of the problems which have developed, which had not been previously predicted.

I further wish to commend EPA for the production of the five position papers which focus attention on the more obvious problems in the legislation, the subjects of these papers bing 1) Potential Reduction of the Federal Share of Grants; 2) Possibility of Limiting Federal Funding of Reserve Capacity to Serve Projected Growth; 3) Consideration of Restricting the Types of Projects Eligible for Grant Assistance: 4) Consideration of Extending the 1977 Date for the Publicly Owned Pre-Treatment Works to Meet Water Quality Standards; and 5) which deals with the Delegation of a Greater Portion of the Management of Construction Grant Programs to the States.

I will comment briefly on each of these and then close with a discussion of general problems in the overall implementation of this act with regard to the states.

Reduction of the Federal Share of Construction Grants

We believe that the reduction of the federal share from 75% down to something in the range of 50-60% would be a wise change in the law. While such a move would not be without negative effects it would spread limited federal funds through more communities and lead to greater accountability on the part of grantees in establishing cost effective designs, management, operation and maintenance.

While such a reduction in the federal share might slow movement toward the ultimate water quality standards in some areas, it would expedite such movement in other areas. This is particularly true in rural low income areas where studies by the Commission on Rural Water have proven the problems to be most critical while the priority on the EPA schedule leaves them without any hope of Federal aid.

Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

We are truly pleased with the comprehensive consideration EPA has given toward limiting reserve for future growth. It is said that mathematicians and others can make figures and statistics lie. Thus, large sums of money made available for future potential growth allow also flexibility for shading the facts with figures. A much greater control of this activity should definitely be

required. It should also be recognized that the growth of the country is fortunately slowing and we should no longer be promoting growth by overbuilding facilities that effectively attract growth.

Thus, we feel greater limits on grant programs should be implemented.

Restricting the Types of Projects Eligible for Grant Assistance

In the way of restricting eligibility, we would strongly oppose any restrictions that would reduce the flexibility of the Environmental Protection Agency to help finance a project which would contribute clearly to the well being of our nation's waters. Here again, such limitations of flexibility would totally eliminate any hope of attention being paid the problem of low density, low income rural areas. If only the squeakiest wheel can get oiled, heaven can only help the poor voiceless minority away from the teaming cities.

Extending 1977 Date For the Publicly Owned Pre-treatment Works to Meet Water Quality Standards

We feel very strongly that the 1977 date which has been set for meeting water quality standards by publicly owned pre-treatment works is totally unrealistic and must be extended. At the same time, requirements on industrial treatment should in all fairness also be extended. We believe that compliance deadlines should be open-ended and that the determining factors be that everything within reason is being done to move in the direction of ultimately meeting the standards set out in the law whether it is an industry or a publicly owned operation. We do not believe that EPA will lose credibility in supporting such across the board extension for both municipal compliance and industrial compliance; rather its credibility will be enhanced when it is recognized that such a move is being made not due to failure to achieve previously set goals but rather due to a newly found understanding of the problems that inhibit the achievement of these goals in the previously designed time framework.

Even with an open-ended compliance schedule, industrial compliance should still be achieved well in advance of public utility complaince. The tools at the hands of our industrial organization as well as their ability to mobilize their efforts and finances far exceed those of the public sector whose interests, desires, and mobility are far more diverse.

Delegating a Greater Portion of the Management of the Construction Programs to the States

Here our industry has perhaps the greatest feeling and interest in regard to moving the center of effort from the federal government to the State government. The time has past in which the federal government could afford to look down at the states as a big brother telling

them what to do and how to do it as though they did not have the native intelligence to carry on for themselves. The federal government was never established to usurp any of the power of the states. It was established to allow a consistent form of government to allow a central authority to rule where diverse seats of power could not hope to be as efficient. These concepts have long ago gone astray. The power has unwisely flowed from the states to the federal center and this flow must be reversed. This is so even if a temporary loss in efficiency results although it is difficult for one to conceive of any operation less efficient than that of our own federal government.

I wish now to address my final remarks, and indeed those which I hope will receive the most attention, to the problems that Public Law 92-500 has had with regard to relationships between the federal government, specifically the Environmental Protection Agency, and the state agencies who would have the responsiblity of carrying out the requirements of this federal program.

It is no secret to anyone that this legislation has strained these federal-state relationships to the point where very real hostility exists. Not only has this hostility impeded progress in carrying out the very good intentions of this law, but additionally it has obstructed other similar programs because of a latent mistrust which has developed on the part of the states toward the federal government.

Much of this unfortunate situation is the result of a lack of pure and practical understanding on the part of the federal government with the very real problems that face the states in their attempt to obtain and maintain high quality water within the state boundaries. It is one thing to order the waters of our land to meet certain quality standards at certain dates -- it is another thing to achieve this condition. Sometimes such achievement within required time frames is much akin to attempting to gain blood from a stone. It simply cannot be done.

The establishment of unreal goals and then the attempt to force compliance where such compliance is virtually impossible, makes folly of the law and loses the respect of those who must get the job done for those who are pompously requiring that it be done.

There is no need to labor this point further because by now it has been clearly chissled in stone and is well understood by everyone involved. The problem is how can we begin a remedial program.

To my mind, the development of a remedial program could be carried out by heeding the apparent success of the new Safe

Drinking Water Act. This act is being implemented by EPA with a concerted effort to walk hand in hand with state officials in recognizing what needs to be done, what can be done, and when tasks can reasonably be expected to be accomplished.

The National Study Commission developed in the Water Pollution Control Act was an attempt at getting more input into the establishment of standards for our surface waters, but it did not truly integrate all of the feelings of the states. Nor did it go far enough in continuing as an overseer as new evidence and new problems developed in the implementation of the act.

The Safe Drinking Water Act is doing two things to overcome this. First, EPA, through its own desires, has utilized state officials at every turn to study the direction the implementation program should take. Second, and of equal significance, the act itself established a National Drinking Water Advisory Council made up of 15 individuals with close ties to water supply problems. The Council has the continuing task of advising EPA on the implementaiton of the Safe Drinking Water Act. In a very real sense, the Council having been chosen from all walks of American life, is the representative of the people in the continuing effort to carry out the mandates of the Safe Drinking Water Act.

The reason for the recurring disasters often produced by well intentioned legislation is that once a bill becomes law, the public loses its representation. The Congress goes on to other matters and except for infrequent oversight hearings in the House and Senate, the Federal Administration, made up of career bureaucrats and tenured civil servants, takes over.

Were it possible to write laws with true precision, there would be little problem as its reading subsequent implementation would be straight forward requiring little or no question of interpretation of the language of the law or the intent of the Congress.

But alas, this is earth peopled with fallible men, not heaven inhabited by perfect angels. And so while advanced mathematics and theoretical physics may achieve precise solutions to problems, man's written language still leaves much to be desired as an exact form of communication. Herein lies the problem-- namely that while the administrative agencies of the Federal Government were designed to implement the decisions of the people acting through the Congress, these agencies were not designed for, but frequently end up making the most important decisions of all, long after Congress is out of the picture and the people out of a voice in self-government.

But such will likely not be the case with Public Law 93-523 (The Safe Drinking Water Act of 1974). The mandate from the Congress states clearly that the 15-member National Drinking Water Advisory

Council not be a group of interested citizens merely placing a ceremonial rubber stamp on the activities of our non-elected administration officials, but rather that these 15 knowledgeable and involved representatives of all segments of the public guide the EPA in its interpretaion and implementation of a law passed for the benefit not for the detriment of the people.

True, the idea of a citizens' advisory council is not new, but the way in which it is working this time is quite unique. First, the Congress specified that the Council be composed of persons with direct knowledge of the nation's water supply problems and that 5 be chosen from representatives of state and local government, 5 from private organizations directly involved in water supply and that 5 be public citizens with an independent interest in the subject.

Second, the U.S. EPA, after selecting the 15 Council members according to the wishes of the Congress, pledged its sincerest cooperation in working with and for the Council toward the attainment of an implementation program which would advance the belief of the public in the workability of the American Federalist system.

That is to say, EPA recognized that this time their program for implementation of an environmental law must satisfy the needs and desires of the states, localities and individual citizens if there was to be hope for success. In the Clean Air Act of 1970 and the Water Pollution Control Act of 1972, the U.S. EPA tried unwisely to play big brother to the whole country in deciding that by some power vested in it, it knew what was best for the helpless unwitting public whose environment was being fowled by some evil arch enemies. What they never came to grips with was Pogo's early revelation that environmentally speaking "We have met the enemy and it is us." Thus in protecting us from ourselves, EPA was man-handling our lives and our ability to govern ourselves at the local and state level.

Admitting to little or no good sense on the part of those lower echelons of government, it (U.S. EPA) called all the shots in a dictatorial manner which created hostility, ill will and an unfortunate backlash which prevented the development of the necessary spirit of cooperation required for the ultimate achievement of these environmental improvements.

This time around, the U.S. EPA, from its Administrator, Russell Train, on down to each assistant and deputy administrator as well as its division and branch chiefs and their staffs has pledged and already partially fulfilled its intention to depend heavily on the feeling of the National Drinking Water Advisory Council as the voice of the people in an experiment of self-determination and self-government.

As Rome was not built in a day, the protection of our waters

will not be achieved tomorrow or even next year, but as a journey of a thousand miles begins with the first step, the path of the Water Pollution Control Act can be marked by small but determined steps all in the right direction. Success will come in a time frame determined by the practical ability of state and local government to achieve necessary change with adequate Federal support in the form of money, research capability and training programs.

Examples of a new look in the operation of EPA are many. At the philosophical level one can site the comprehensive strategy paper produced by EPA's Office of Planning and Management which describes the intended guidelines to be followed in the implementation of PL 93-523. It says brilliantly preceptive things about Federal-State relationships of which the following four paragraphs stand out as a shining example of a new awareness:

"The importance of involving the States to the maximum extent possible in the development and implementation of the Safe Drinking Water Program cannot be over-emphasized. The successful accomplishment of the majority of the program objectives will, in large part, be dependent on the enthusiastic acceptance of program responsibility by a majority of the States.

EPA's past experiences in programs similar to that required by the Safe Drinking Water Act have shown that neither the willingness nor the ability of States to assume their share of responsibilities can be taken for granted. To foster that ability and willingness, EPA must structure a system of both tangible and intangible incentives. These incentives must be directed at reducing obstacles which States will likely face in developing a capacity for implementing the program. These obstacles include but are not limited to:

Lack of funds; lack of trained personnel; distrust of Federal Programs; misunderstanding of the program including the need for a national safe drinking water program, the objectives of the program, and the role states are expected to play.

The degree to which EPA is able to overcome these obstacles will in a large part determine the success it achieves in accomplishing the important goal of fostering an effective Federal-State partnership for the implementation of the major programs under the SDWA."

The strategy later concludes with eleven basic principles for implementation of the Safe Drinking Water Act which should become a Federal Bill of Common Sense in implementing all legislation. They too bode well for the future of Federal-State relations:

"1. Public health considerations deserve highest priority.
2. The worst problems will be given first attention.
3. Take cost into consideration in all decisions made in

the Safe Drinking Water Program.

4. Encourage State and local participation in decision-making.

5. Reduce need for massive changes in current state operations.

6. Place maximum financial burden for implementation of regulations on the ultimate users of drinking water except as provided by State law.

7. Encourage public participation in all deliberations and decisions.

8. Require adequate attention to the environmental impact of decisions made under the Act.

9. Decentralize decision-making and operational responsibility for the Act to the EPA Regional Offices and to the State and local governments to the extent practicable.

10. Keep paerwork and red-tape to the absolute minimum.

11. Utilize existing Federal and State resources."

I strongly believe that the people of America whom EPA serves will relate positively to these principles and begin to acquiesce in their latent hostility toward this new federal program.

Thus, in conclusion, I wish to strongly urge that an amendment be made to the Water Pollution Control Act calling for a similar 15-member advisory council to be established on a continuing basis along the lines of the council in the Safe Drinking Water Act. This body would bridge the gap between the federal implementation of PL 92-500 and the people and the state officials who must comply with that implementation.

In this way, I believe a new and more realistic path will be laid toward the ultimate objective of every one of us in this room, in this city, and in the country; namely, the waters of our great nation be made safe from pollution and degradation so that man will ultimately reap the optimum benefits of nature's greatest of all gifts, our water.

POSITION STATEMENT
NEW YORK STATE WATER POLLUTION CONTROL ASSOCIATION
JUNE 25, 1975

The Executive Committee of the New York State Water Pollution Control Association has directed the preparation and presentation of this position statement on the five (5) published papers of proposals to amend the Federal Water Pollution Control Act of 1972. The statement was developed after careful examination of Notice of the Public Hearings and proposal papers printed in the Federal Register. The statement is predicated on the basic ground rule stated in the notice, that is, "none of the proposals would retroactively apply to the $18 billion presently authorized and allocated.

The New York State Water Pollution Control Association recognizes that the total price tag of $350 billion in municipal facilities construction resulting from the 1974 Need Survey has staggered the imagination of the Administration and the Congress of the United States and raised the question of whether the Federal budget could support or underwrite such a program. Regardless of this staggering estimated program cost developed from the Need Survey, this Association strongly supports P.L. 92-500 and its objectives required for these municipal facilities must come from the taxpayers whether on a Federal, State or Local level. With this in mind, we wish to present the Association's position on the five (5) papers under consideration at this time.

PAPER NO. 1 Reduction of the Federal Share

Even as P.L. 92-500 has been applied to date, with 75% of the eligible costs being borne by the Federal Government, the objectives of the Act have not been fully met. In most of the projects presently funded the grantee must invest more funds, often in excess of the grant monies, to achieve the satisfactory water quality. The Association therefore, feels that a reduction in the percentage of the grant monies of the eligible portions of a project wil not necessarily inhibit construction or slow down the abatement pollution program. In place of the higher percentage of grant monies, legislation which would aid local communities in financing their commitments to meet the requirements of the Act might be considered. Income tax relief to the taxpayers of communities that are moving to achieve the satisfactory water quality would ease the load and might very well expedite lagging projects. A reduced percentage of grant monies if coupled with a reduced involvement of Federal review would probably advance many projects.

PAPER NO. 2 - Limiting Federal Funding to Reserve Capacity to Serve Projected Growth

It is the position of this Association that considerations of this proposed legislation is unnecessary, and we, therefore, oppose this proposal. We feel that the proposal would be extremely difficult if not impossible to administer, and that the reduction in the Federal Share is an adequate constraint. Application of the 201 planning provisions of the Act and the proposed earlier fundings, of this portion of the program, the questions of reserve capacities will resolve itself. With the commencing next month of the 208 planning provision of the Act and the legislated requirement to complete this management plan in two (2) years time, any major changes in reserve capacities should be a result in this planning activity rather than a constraint to it. The local share of any project must be funded over an extended period of time and the facilities should serve the community at least for the duration of this debt redemption period.

PAPER NO. 3 Restricting the Types of Projects Elibible for Grant Assistance

This Association is opposed to this proposal primarily because there are different problems in different areas. The range of treatment requirements to meet water quality standards in New York State is very broad and is vastly broader across the nation. The Association feels that proper planning through the 201 and 208 activities and properly considered water quality standards is more important than limiting the eligibilities of projects. The completion of the 208 Planning activities and a resultant needs projection from this activity might better define any required limits of eligibility.

PAPER NO. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Work to Meet Water Quality Standards

This Association strongly recommends that this proposal for the extension of the date for compliance be approved. A more realistic date should result from the planned funding of known project needs under the 201 provision and the about to begin 208 planning provision. P.L. 92-500 necessarily had to run before it walked on many major pollution problems that were existing, but coupling this fast start with total overall compliance without the benefit of indepth study and planning was a weakness in the Act.

PAPER NO. 5 Delegating A Greater Portion of the Management of the Construction Grants Program to the States.

This Association strongly supports this proposal. New York State has for years developed and supported an exceptionally fine regulatory health agency. We feel that the New York State Department of Environmental Conservation has the experience,

capabilities and administrative staff to competently and efficiently manage the construction grants program. We are confident that their broad range of activities and their long standing knowledge of the needs of the State will result in the most orderly application of the Construction Grants Program.

If the Federal monies for this program came from a source other than Mr. and Mrs. Taxpayer, then maybe the Federal Agency would necessarily want and need the positive control of the program. Since it is the taxpayers money being returned in large amounts to the areas that will benefit all the taxpayers and since each additional review consumes time and money, the delegation of the management to the states should be cost effective.

STATEMENT FOR ENVIRONMENTAL PROTECTION AGENCY PUBLIC HEARINGS
WASHINGTON, D. C.
JUNE 25, 1975
by
NED E. WILLIAMS, P.E., DIRECTOR
OHIO ENVIRONMENTAL PROTECTION AGENCY
361 E. BROAD STREET
COLUMBUS, OHIO

The following are comments relative to possible legislative changes in five areas listed in the Hearing Agenda.

1. Reducing the federal share of grant projects: It is the State of Ohio's contention that the federal share as passed in 92-500 for wastewater treatment plant grants should have been 50% instead of 75%. This would allow Ohio to become involved in more wastewater treatment plant projects as well as being able to finance sewage collection systems instead of just wastewater treatment plant construction.

2. Limiting federal financing to serve only the needs of existing populations:

This would be a great mistake to finance capacity to serve only the needs of existing population. Since we have not reached zero population growth, growth and pollution problems will occur requiring greater expenditures for solving the problems at a later date.

3. Restricting the types of projects that are eligible for grant assistance:

Eligibility in Ohio on grant projects is limited by the funding available. At the present time, there is insufficient funding to provide secondary treatment at all locations. If more funds were available we could take advantage of financing collection systems controlling storm water. We are not in favor of reducing eligibility.

4. Extending on a case-by-case basis the 1977 deadline for municipalities to achieve secondary treatment and compliance with State water quality standards:

This will be necessary in Ohio because of the insufficient wastewater treatment plant grants awarded. A great many of our municipalities have not received a grant and will be unable to meet the 1977 deadline. One of the problems with 75% federal grant funding has been the elimination of enforcement action against entities which have not been unable to receive a grant. From a practical standpoint, if we do not get a grant to a polluter, we are unable to proceed with action against the entity. This was not the case when the federal percentage was a lower amount.

5. Increasing the States' role in managing the grant program:

The Ohio EPA is now approving construction plans and operation manuals. We are not approving specifications and bidding documents. One of the problems probably common to all states is budgetary; how to obtain the funding for the necessary qualified people to take over approval of additional work. Since this obligation would be transferred from the federal government to the states, one possibility would be that a certain percentage of the grant amount could be allocated to the states for use by the states to obtain good qualified people.

I appreciate the opportunity to appear at your hearing on these matters.

STATEMENT
OF
KARL L. ROTHERMUND, JR.
Executive Vice-President
OHIO CONTRACTORS ASSOCIATION
filed with
U.S. EPA Public Hearings On
Potential Legislative Amendments
to
FEDERAL WATER POLLUTION CONTROL ACT
at
Washington, D.C.
June 25, 1975

Mr. Chairman, I am filing this statement on behalf of the Ohio Contractors Association and the construction industry of Ohio.

It may be meaningful to state a few known facts which have already come before this hearing as a preface to this statment. Such facts would include:

1. That since the passage of the 1972 Clean Water Act, the administration of the municipal waste water treatment program has had only two productive months of grant awards, first, June 1974 when the pressure of the lapsing FY 1973 authorization forced an $888 million obligation, and second, May 1975 when these hearings motivated a $658 million obligation. Otherwise the grant awards have been moving along at a dribbling rate of $160 million or so a month.

2. One of the consequences of this grant award constipation has been that industry, through the permit program has, during the time since October 1972, committed almost twice the amount (more than $4 billion) to treat industrial waste water while the governments have authorized for construction only about 75 percent of the amount, although $18 billion, or four-and-a-half times the industrial commitment has been authorized.

3. Another consequence has been the delay in creating at least a third-of-a-million desperately needed jobs. The emphasis here was best stated by Mr. George Meany last April 22 when testifying for the Local Public Works Capital Development and Investment Act of 1975, he said, "Mr. Chairman, the depression in the construction industry dragged the rest of the economy into this mess. And an absolutely essential first step in economic recovery is restoring economic health to the construction industry." Awarding these waste water grants at a pace equal to authorization could solve up to 42 percent of the unemployment problem in the construction industry.

4. That there have been two separate professional analyses of the EPA's construction grants program which have concluded that the program is badly managed emphasizes the need for reassessment. The first was done last November 1974 by EPA's own Construction Grants Review Group and the second report, dated March 1975, was done by Energy and Environmental Analysis, Inc., for the National Utility Contractors Association. The most succinct statement from the first is, "Each EPA Regional Office has interpreted the program guidance differently . . . as a result there are ten programs functioning reasonably well, but in no instance are all the required elements fully implemented." The second report is even more blunt when it reports, "Everybody, including EPA, agrees that the program delays stem primarily from mismanagement. No goals are set, and no deadlines enforced."

5. That from Administrator Russell Train down to the first level supervision there is near psychosis with issuing multitudinous memos, directives, modifications, guidelines and just plain threats, many of which (Mr. Train's recent "Considerations of Secondary Environmental Effects" memorandum, for example) are aimed at stretching the EPA's authority, until now there is ten inches of it, requiring 55 people, 11 sign-off signatures and a ton of paper to process the average grant.

6. Ohio is a creditor state in the federal tax collection and distribution system. For every $1.31 Ohioans paid to the federal treasury in 1974, the state received back a single dollar in federal aid. New York taxpayers, on the other hand, paid in 85¢ to get back one federal dollar. Ohio ranked sixth highest in the nation as a federal creditor state and, as a consequence, would appear to qualify to testify on changes in federal programs which assert less federal funding and more local and state funding.

7. In both expenditures and tax receipts, local and state governments have been carrying a disproportionately high share of the increasing cost of government programs. Part of the reason for this is the perchance of the federal bureaucracy to mandate programs, like this waste water treatment program, and then run out on the responsibility for paying the bill. The 1975 budget hearings documented the tax and expenditure facts as follows:

GOVERNMENTAL EXPENDITURES AS A PERCENT OF GROSS NATIONAL PRODUCT

	Percent of Gross National Product	
	1946	1974
Federal Government	16.5%	18.0%
State and local governments	5.3%	17.4%

RELATIONSHIP OF TAX RECEIPTS TO GROSS NATIONAL PRODUCT

	1948	1972	Percent Increase (Decrease)
Federal	16.4%	14.5%	(12.0%)
Local	2.85	4.6	63.0

RATES OF INCREASE IN GOVERNMENTAL TAXES
(1968-72)

Federal .....6.7 percent
Local .....11.8 percent

Source: 1975 Budget Hearings

8. EPA's 1974 Needs Survey which estimated that approximately $225 billion in federal funds would be required to pay the construction costs to meet the 1983 fishing/swimming goals of the 1972 Act, has caused a flurry of agency hand-wringing and doomsaying about the structure of the '72 Act which is NOT justified by the validity or reliability of the needs study. Such emphasis would seemingly better be spent on improving the management of what we have.

9. As currently administered, there is some evidence that the Federal Regional cadres of this program view their role as a super-state instead of a Federal sub-office. The procedural efforts to restrict the approval authority of state agencies within the program is contrary to that which has historically existed in the Federal highway program.

Within the context of this hearing concerning potential legislative amendments and in light of facts, it is the position of this testimony that at this time:

1. There should be NO reduction in the Federal Share of support for this program.

2. There should be NO legislative restriction on ratio of Federal funding of any Federal requirement, including the funding of reserve capacity for growth. (State or local requirements ought to be funded at the level where the requirement imposed.

3. All projects existent as a result of Federal standards should be eligible for grant assistance.

4. If the date for publicly owned pre-treatment works is extended, so also should be the date for privately owned waste water treatment facilities.

5. The basic management, including authority to approve and certify plans, specifications and facilities, ought to be placed in the hands of the state agencies ready-or-not.

The specifics of the Ohio situation, which is a counterpart of the national picture of slow, paper-laden grant approval and

getting construction underway, is known to and will be the subject of testimony from Mr. Ned Williams, Director, Ohio Environmental Protection Agency, and has therefore been omitted from this statement.

Thank you.

July 7, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials (WH-556)
Room 1033, West Tower, Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Attention: Mr. David Sabock

Gentlemen:

Potential Legislative Amendments to the Federal Water Pollution Control Act

This is in response to your public hearing notice dated April 25, 1975, soliciting comments on certain possible amendments to the Water Pollution Control Act. The following comments express the viewpoints of the Orange County Water District (a Southern California agency) which operates a wastewater treatment facility besides being responsible for the management of a groundwater basin, both quantity and quality, containing 15,000,000 acre-feet of water.

1. A reduction in the current Federal share would create severe economic problems for wastewater treatment agencies. The competition for tax and service dollars is severe and unplanned expenditures, such as an increased share of a treatment facility, would at least cause a delay in construction. Our agency projects a five year budget and any major change in cost of any project means that other projects must be deleted, deferred or additional revenues must be obtained. We believe that it would be possible to reduce the Federal share in a long-term program; however, in looking at the time restraints of P.L. 92-500, it does not appear to be feasible.

As a sideline to this topic, we believe that in many cases, and ours is one of them, an ad valorem tax is the most appropriate way to finace treatment facilities.

2. We believe that it would be unwise to limit Federal financing to serve existing population; a reasonable allowance for excess capacity should be allowed. Our fear is that if capacity is limited to existing flows this would provide an incentive for the use of septic tank - leach field systems. In our watershed this would be especially harmful since the imported Colorado River water has more

dissolved minerals than most of the goundwater.

3. The types of projects eligible for grant assistance should be listed on a priority basis. Tertiary treatment plants coupled with reclamations programs should have a higher priority than secondary treatment projects that discharge effluent through long ocean outfalls to deep water. The benefits received from reclamation are greater than the possible benefits of secondary treatment for ocean disposal. The studies done to date on the ocean environment in the vicinity of ocean outfalls appear to be inconclusive as to possible detrimental effects, and we believe that until possible detrimental effects are more clearly defined secondary treatment for deep ocean disposal should be lowered in priority.

Very truly yours,

Neil M. Cline
Secretary Manager

July 2, 1975

United States
Environmental Protection Agency
Office of Water and Hazardous Materials (WH-556)
Room 1033, West Tower, Waterside Mall
401 "M" Street, SW
Washington, D.C. 20460

Re: Potential Legislative Amendments
on the Federal Water Pollution Control Act
(Based on Papers published in Federal Register
Volume 40, No, 103 - Wednesday, May 28, 1975
Pages 23107 thru 23113)

Gentlemen:

We wish to add our testimony to the hearing record on the subject matter as follows:

Paper No. 1: (Reduction of the Federal Share)
Continuity of grant programs is of utmost importance. Since passage of PL 92-500 in 1972, many projects have been and are being planned in anticipation of 75% Federal funding. A change to 55% could seriously jeapordize many of these projects and create further costly delays. Further, continued funding to 75% will relieve the Financial burden to the aged, unemployed, and those on fixed or low incomes, and will particularly benefit depressed areas.

Our experience indicates that funds, either local or the 75% Federal share are now being used in a cost effective manner.

Paper No. 2: (Limiting Federal Funding of Reserve Capacity to Serve Projected Growth)
We wholeheartedly agree with "Present Practice" as outlined in this paper. Such practice is not unlike that which has been carried out on most successful projects in the past. To limit design to the 10/20 rule would set aside a part of sewerage problems for later, less economical solutions. We are entirely opposed to the general concept of reducing reserve capacity if done as a means of controlling population growth.

Paper No. 3: (Restricting the Types of Projects Eligible for Grant Assistance)
No comment.

Paper No. 4: (Extending 1977 Date for the Publicly owned Pretreatment Works to meet Water Quality Standards)
We strongly recommend that the July 1, 1977 date be extended because it is impossible to adequately plan and construct the necessary facilities by that date.

Paper No. 5: (Delegating a Greater Portion of the Management of the Construction Grants Program to the States)
We firmly believe that the States must be given full authority to certify and administer projects if any reduction in costly delays is to be achieved. We suggest that the activities of the EPA be more directed to those activities necessary to provide for uniformity in the application of 92-500 rules and regulations between states and providing assistance to the states in an effort to speed up the overall review and approval process.

Thank you for allowing us to present these comments.

Very truly yours,

Donald W. Ringler
Director
DWR/bg

cc: Honorable Philip A. Hart
Honorable James G. O'Hara
Honorable James J. Blanchard
Honorable Robert P. Griffin
Honorable William M. Brodhead
Honorable William S. Broomfield

July 7, 1975

James L. Agee, Assistant Administrator
for Water & Hazardous Materials (WH-556)
Room W 1037-WSMW
Washington, D. C. 20460

Re: State of Oregon Comments on Potential Amendments to PL 92-500

Dear Mr. Agee:

Oregon Department of Environmental Quality comments relative to the five position papers pertaining to potential legislative amendments to the Federal Water Pollution Control Act are as follows:

Paper No. 1 - Reductions of the Federal Share. The Federal share should remain at 75% because of:

a) The great increases in project costs due to extensive federal requirements and time delays.

b) Inflationary increases have in some instances exceeded local ability to pay more than 25% share.

c) The high operation and maintenance costs of secondary and tertiary treatment plants are already a heavy burden on local resources.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth. Sewage treatment works capacities could reasonable be limited to 10 years projected growth. Plants should be required to be designed to facilitate economical expansion and debt retirement should not be allowed to exceed plant design period.

Interceptors should be constructed to be consistent with land use plan, or in absence of land use plan, for 25 years because:

a) Interceptors cannot be economically expanded or replaced, and

b) Additional size can be added at relatively low cost at time of initial construction.

Paper No. 3 - Restricting the Type of Projects Eligible for Grant Assistance. Limit eligibility to:

a) Sewage treatment works and interceptors, or

b) Maintain present flexibility and allocate total dollars to States strictly on basis of population. This would ensure selective funding of projects by States subject to EPA Regional

approval.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Works to meet Water Quality Standards. The requirement of the present law presents no particular problem to Oregon since Statewide secondary treatment has been essentially achieved. Additional time would undoubtedly be necessary in some States and should not cause irreparable damage to the program as long as reasonable progress is maintained. Program should shift to emphasize prevention of pollution in those states where standards are achieved.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States. Oregon favors increased delegation to the States, but in order to reap the potential benefits of such delegation, EPA would have to find a way to keep its audit/inspection procedures and rules simple and to a minimum. It wouldn't help to delegate the program to the States if EPA intends to continue to duplicate the States activities.

Sincerely,

LOREN KRAMER
Director

E.J. Weathersbee
Director of Technical Programs

EJW:lb
cc: Region X EPA

June 5, 1975

Mr. Russell E. Train
Administrator
U.S. Environmental Protection Agency
Washington, D.C.

Re: Proposed Amendments to P.L. 92-500

Dear Mr. Train:

Our attention has been directed to the Federal Register of May 28, 1975 concerning proposed amendments to the Water Pollution Control Act Amendments of 1972, and we appreciate this opportunity to make the following comments in behalf of the City of Orangeburg, South Carolina.

I. REDUCTION OF THE FEDERAL SHARE:

We do oppose any reduction of the Federal share as for several years our overall fiscal planning has been based on 75% E.P.A. funding of wastewater treatment works projects. Any change to lower E.P.A, funding level would cause substantial delays in providing waste treatment facilities as well as other major municipal services.

II. LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH:

It is our opinion that wastewater treatment works should not be designed on any arbitrary service period. Instead we recommend that reserve capacity be designed and constructed on the basis of cost effective analysis taking into consideration such things as actual useful life of structures and equipment, and incremental cost increases in design.

III. RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

We have no objections in regards to the changes proposed under this heading and are of the opinion that such changes are advisable, and will permit the funding available to go further.

IV. EXTENDING THE 1977 DATE FOR THE PUBLICLY OWNED PRE-TREATMENT WORKS TO MEET WATER QUALITY STANDARDS:

While we do not agree to any of the changes proposed under this topic, we feel that the 1977 date of compliance should

not be enforced in cases where there has been no Federal Funds available. We recommend that this 1977 deadline be shifted to some future date such as 1985, and that compliance by that time be based on the availability of Federal Funds.

V. DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES:

We wholeheartedly endorse the provisions as called for in H.R. 2175 as to delegating to the states the broad range of grant processing functions.

Again, we appreciate the opportunity to participate in this hearing and to express our views and recommendations in what can be a most important decision effecting the progress which is to be made in cleaning up the waters of our country.

Sincerely,

E.O. Pendarvis
Mayor

EOP:pb

June 23, 1975

U.S. Environmental Protection Agency
Office of Water and Hazardous Materials
WH-556
Room 1033
West Tower, Waterside Mall
401 "M" Street, SW
Washington, D.C. 20460

Gentlemen:

We are writing to have included in the record our comments regarding "Potential Legislative Amendments to the Federal Water Pollution Control Act". We will keep our comments brief inasmuch as most of the issues have been adequately covered under the separate papers published in the Federal Register.

It is on rare occasions that we find ourselves agreeing with the E.P.A. That, however, is the situation with regard to Papers No. 1, 4 and 5. We are in partial agreement with Paper No. 2. It is obvious that in some cases, considerable waste results from the current practice of designing for 20 to 50 year population projections. However, it is also obvious that in many cases a considerable amount of the projection years have gone by before the facilities are approved, constructed and ready for operation. This being the case, we would be opposed to any proposal that would limit funding to existing populations at the time of design. We would, however, favor the proposal that would achieve 10 and 20 year estimates for treatment plants and sewers respectively.

We are totally opposed to Paper No. 3. Any move, at this time, to reduce the scope of eligible projects is nothing short of being discriminatory towards municipalities that have not as yet had the opportunity to get their abatement programs underway. In addition, we can foresee a possible loss of incentive, due to the financial impact. Either or both of the above would in our minds be contrary to the overall objections of the Act.

We appreciate the opportunity to present our opinions and look forward to the EPA analysis and decision based on the comments received at the on-going hearings.

Sincerely,
JOHN M. KARANIK
Projects Officer
JMK:fb

Statement of
CONGRESSMAN RICHARD OTTINGER
before the
Environmental Protection Administration
Submitted for the Record
Wednesday, June 25, 1975

Good morning. I appreciate the opportunity to come before the Environmental Protection Administration today and present my views on proposed amendments to the Water Pollution Control Act in order to reduce the Federal share for construction grants under Public Law 92-500 from the current 75% to a level as low as 55%. To cut Federal aid and require local communities to contribute millions of dollars for more pollution abatement when the recession already has them impoverished, when cities like New York are on the verge of bankruptcy, school budgets are being cut for lack of an adequate local tax base, and municipal employees are being laid off in droves is just plan foolhardy in my opinion.

Let me address myself to the two stated objectives of such a reduction. One, it has been suggested that such an amendment would permit the limited Federal funding available to go further in assisting needed projects. This is nonsense. The State and local government, in their dire economic straights, simply won't undertake these truly needed projects at all.

Environmental facilities are today receiving precious few dollars from the Federal government. This is not the time to be cutting back further. If the Federal government wishes to impose environmental demands on the States and localities, the Federal government should also be willing to assume a substantial burden of the costs. Reducing the Federal commitment to the needed projects will not serve any purpose other than to directly and adversely affect the goals of P.L. 92-500.

A reduced Federal share will undoubedly inhibit and delay the construction of needed facilities. As the EPA itself accurately observed, "a reduction of the Federal grant share would reduce incentives" of a community to construct treatment plants. These reduced incentives, coupled with recent problems in the economy for which no clear solution is in sight, cannot help but to have an adverse effect on local financing capabilities. If the Federal government doesn't have the money, we certainly can't expect the States and local communities to be able to come up with it. Even assuming that all States had the interest and commitment in these programs -- which, unfortunately, is not a very accurate assumption in many cases -- the States do not have the capacity to assume, even through State grant or loan programs,

the financial burdens involved.

The second stated objective of the proposed amendment, to encourage grantees to assume greater responsibility and accountability for cost-effective design and project management systems by virtue of his greater investment in the project, is fallacious for the same reason. There will simply be fewer and fewer projects for which the grantee will spread his accountability resources. If the EPA wants to delay the construction of facilities or finds that current Federal resources do not permit the continued current commitment to the program, it should say so. It should not mask Federal funding problems behind a cloak of greater local accountability.

I might also point out that the requirement of a greater local commitment to secondary expenses such as cost-effectiveness studies and project management designs will also further inhibit the desire of a locality to get involved in the construction of needed facilities.

How, then, is EPA to meet the incredible gap between available and necessary funds to meet the mandates of P.L. 92-500? First, press hard and publicly for more adequate funding. After all, this is a matter of public health and safety. For my part, I will do all I can in the Congress to support the EPA's desire for more of these needed funds. And from the various alternatives which appear to be open with whatever inadequate funds the Administration will approve, I would think that restricting the types of projects eligible for grant assistance to those which are most essential to meet public health needs is most acceptable.

Any reduction of commitment of funds is a reduction of commitment to the law and to vital health needs in our communities. This is wholly unacceptable. I urge the EPA to abandon any such proposal.

Thank you.

June 13, 1975

Mr. David Sabock
Office of Water and Hazardous Material
Office No. WH 556- Room 1033
401 Kim Street, S.W.
Washington, D. C. 20460

Dear Mr. Sabock:

We have been advised through the Federal Register, Volume 40, No. 86, dated May 2, 1975, that the U.S. Environmental Protection Agency will hold a series of public hearings concerning proposed amendments to the Federal Water Pollution Control Act. It is understood that the proposed amendments include the following:

1. A reduction of the Federal share in the cost of construction for water pollution abatement projects.
2. Limiting Federal financing to serving the needs of existing population.
3. Restricting the types of projects eligible for grant assistance.
4. Extending the 1977 date for meeting water quality standards.
5. Delegating a greater portion of the management of the construction grants program to the states.

The cities of Oklahoma City and Mustang wish to advise you of their position on these proposed amendments:

1. A reduction of the Federal share

The environmental quality standards coupled with inflation have caused construction costs of pollution abatement facilities to increase faster than the cities ability to finance the local share of construction. If badly needed projects are to be financed, it is essential that the Federal share be maintained.

All local bond fund programs approved by the voters were funded in good faith according to the present Federal funding level. In Oklahoma City alone an encumberance of $24,958,987.00 was approved for specific projects through 1978. Without seventy-five percent participation it will not be possible for Oklahoma City to meet her commitments. At all costs, Federal funding at the present level should be maintained for all projects which have already received local voter approval.

2. Limiting Federal financing to serving the needs of existing population

Construction of waste water treatment facilities and waste water collection lines to serve existing population is not practical.

Such design criteria would mean that facilities would begin operation at capacity. We support the principle of designing for maximum efficiency but cannot support the elimination of funding to construct for reserve capacity to meet reasonable growth expectations.

3. Restricting the types of projects eligible for grant assistance

It is essential that Federal participation continue to finance all types of projects which affect water quality. Changes in eligible projects would unfairly penalize communities that have planned programs to meet water quality standards.

4. Extending the 1977 date for meeting water quality standards

The present process of financing and performing the Comprehensive Engineering Study (Section 201, Step 1) makes the 1977 date for compliance with new environmental quality standards unrealistic. A statutory extension to 1983 for compliance would be more reasonable and feasible.

5. Delegating a greater portion of the management of the construction grants program to the states

The Oklahoma State Department of Health has qualified staff capable of managing the Water Pollution Control program for Oklahoma. The cities of Oklahoma City and Mustang support the proposal to release management of the construction grants program to the State of Oklahoma.

The Mayor and City Council of Oklahoma City and Mustang will continue to cooperate with the U.S. Environmental Protection Agency and the State Department of Health to improve the water pollution control program. This position paper is submitted as a means of achieving that objective.

Very truly yours,

Patience Latting, Mayor
City of Oklahoma City
Geroge McWhirter, Mayor
City of Mustang

June 13, 1975

Environmental Protection Agency
401 "M" Street, S.W.
Washington, D.C. 20460

Attention: Administrator for
Water and Hazardous Materials

Gentlemen:

The Oklahoma State Department of Health wishes to express our concern and comments regarding the items to be discussed at the public hearing to be held in Kansas City, Missouri on June 17, 1975 to amend PL 92-500.

Item 1

A reduction in the federal share will probably delay or cancel the construction of needed facilities particularly in smaller towns which have very limited local funds.

The State of Oklahoma has no funds available to offset the loss of federal funds.

Communities cannot raise funds except through F.H.A. loans or bonds. It is difficult to pass bond elections for any purpose at this time.

A system should be devised to increase the accountability of local governments. There is some question that merely decreasing the grant amount would accomplish improved accountability. Better auditing systems might be a solution to the problem.

A reduction in federal share will have a definite detrimental effect on water quality and would at the minimum cause delay in compliance.

Item 2

In most cases, no overdesign is apparent under the present PL 92-500 guidelines.

We presently require some backup data as to the source of the population projections and normally use the Oklahoma Employment Security Commission projections.

The major disadvantages in design for the present population is that the facilities may be overloaded upon completion. This would cause parallel

construction at a much higher cost to provide for needed capacity and could continue to be a problem with a series of partial solutions. If reasonable excess capacity is not provided, we will continually be abating pollution problems and not preventing and controlling pollution.

It is felt that overdesign can best be controlled by review of the facility plans and population projections. The 20-year design appears to be a reasonable goal since this is generally the minimum term of bonds for capital improvements.

Item 3

It has been our experience that eligibility of project costs have little bearing on design. We have little exposure to systems that are not grant eligible at least in part. Based on past history, it is felt that the applicants have little or no capability to correct those items such as rehabilitation or correction of I and I problems without grant participation. Many of these problems have been evident for years with very limited programs to correct them prior to PL 92-500. Since these projects, along with treatment plants, have a direct bearing on bypassing wet weather flows, they are all considered essential to upgrading water quality.

Each case should be considered on its merit as to the most cost effective way to resolve a problem that degrades the water quality of a community. Restricting the eligibility of classes would limit the flexibility. It is our opinion that inflow is the major problem and should be corrected prior to infiltration analyses. Under the present program, we feel that costs of I/I studies are excessive in terms of benefits derived. In particular, we feel that the survey, if required, costs far more than the benefits derived for such a detailed study. In many cases, the costs of the study could be better used to reduce or eliminate the problem; therefore, we recommend that the requirement for the survey be eliminated.

Items 4 and 5

Concur without comment.

Very truly yours,

Charles D. Newton, Chief
Water Quality Service

CDN/mks

June 9, 1975

Environmental Protection Agency
Office of Water and Hazardous Material
(WH-556)
Room 1033
West Towers, Waterside Mall
401 "M" Street, SW
Washington, D.C. 20460

Gentlemen:

We offer the following comments on the discussion papers published in the Federal Register for 5/28/75 for inclusion in the record of the public hearings on potential legislative amendments to the Federal Water Pollution Control Act.

Paper No. 4 - It is obviously unfair to require industry to meet compliance dates earlier than those imposed on municipalities. It is also economically unreasonable to require industries which discharge to municipal systems to design their pretreatment facilities before the receiving municipality has designed its treatment facility. Compliance dates for municipalities should be established at the earliest date that the required facilities can reasonably be completed. To avoid the task of assigning individual compliance dates, categories by types and sizes of projects should be established with appropriate compliance dates for each.

Paper No. 3 - Federal funding should be restricted to treatment plants and interceptor sewers, and the cost-efficiency criteria of Sec. 313 of P.L. 92-500 should be rigorously applied. This will result in the greatest water quality improvement per dollar spent.

Paper No. 1 - Our suggestions above to provide reasonable and enforced compliance dates, and to commit Federal funds most efficiently, should be reinforced by a phased reduction in the amount of the Federal share to municipalities which willfully or negligently fail to meet compliance dates. For example, if a municipality were allowed three years to comply, and did so, it would receive the full Federal share. If it was one year late, it would receive 2/3 of the Federal share; 2 years late, 1/3 of the Federal share; and 3 years late, no Federal share.

Paper No. 5 - The delegation of the management of the construction grants program to the states, generally as proposed in H.R. 2175, is a logical supplement to the state's existing planning, permit, enforcement, and

grant programs. Numerous states already manage their own N.P.D.E.S. programs, which are closely related to municipal pollution abatement construction projects. State takeover of the construction grants program will reduce the number of levels of grant approvals and should, therefore, expedite completion of facilities, which is the ultimate objective.

Very truly yours,

L.W. Maxson
Director, Engineering Services

/dlm

June 30, 1975

Mr. James L. Agee EPA
Office of Water and Hazardous Materials
Room 1033
West Tower Waterside Mall
401 M Street SW
Washington, D.C. 20460

Dear Mr. Agee:

Comments to the administration proposal to amend the Federal Water Pollution Control Act Amendments of 1972, PL 92-500.

Paper No. 1

In general, PMA supports this amendment of reducing Federal funds from 75% to as low as 55%. Federal funding would be even more reduced if the quality of the receiving waters would be used as a basis for discharge guidelines. However, as far as a new lower level of support is concerned, it should be carefully analyzed as to its impact. Possibly, the levels should be flexible and support granted on the basis of need, case by case.

Paper No. 2

PMA supports this amendment as it, in spirit, falls along the lines of Paper No. 1. It will help stretch the dollars available and encourage cost effective design of reserve capacity. As you know, treatment works can be constructed in a modular fashion and a new capacity added as it is needed. As far as the collection system is concerned, the incremental cost for additional conveying capacity is relatively small. The area which is planning the treatment works can best tell what growth rate is to be expected and its cost levied to take care of the reserve capacity in that area.

Paper No. 3

PMA does not support this amendment, but feels a priority system should be established and assistance granted on a case by case basis. This priority system should be based on beneficial effect to the receiving waters.

Paper No. 4

One major reason for seeking this amendment is not having the Federal funds to meet the 1977 time frame. Also, national goals in this area

of water pollution control should be revised to reflect the ability of the economy to fund the projects needed to reach the goals. The same standards, goals, and deadlines should apply to industry because they do not have an extra pot of funds to meet criteria that the Government cannot meet.

Paper No. 5

This amendment is good, but has to be exercised with care as to the ability of the state to effectively handle the program. If a state is given the authority it has to be given to them with only audit type supervision and not close, shadow following that exists much of the time.

In summary, its good have local control, goals versus funding versus dates required should be based on receiving waters, if Industry is still required to meet PL 92-500 so shall the Government.

Duane Kiihne
Environmental Action Committee Chairman

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials
United States Environmental
Protection Agency
Room 1033, West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Dear Mr. Agee:

The May 2, 1975, Federal Register provided notice of public hearings on potential amendments to PL 92-500. This notice stated that the hearing record would be held open through July 7, 1975. We are, therefore, submitting the following comments on the proposed amendments in accordance with that notice. These comments are based on our review of the five papers published in the May 28, 1975, Federal Register.

Papers Nos. 1, 2 and 3 dealt with alternatives which alone or in combination would serve to reduce the demand for Federal funding for eligible projects. The need for such reductions is apparently based on the 1974 Needs Survey which indicated total needs of $342 billion for eligible projects.

We feel that the Environmental Protection Agency is reacting too quickly in proposing amendments to the Act based on this needs survey. Figures included in many categories of the needs survey are most likely "guesstimates" entered to insure that individual states were not slighted in allocations, since the total allocations were directly related to "needs." The time period over which many of these projects would be applied for is basically unknown, and the eligible costs could not be determined with accuracy until design studies were completed. The scope and costs of projects in categories IIIA, IIIB, V, and VI would fall into this area. This would mean that the vast majority of costs included in the 1974 Needs Survey were very uncertain.

The remaining $46 billion in needs for secondary treatment, advanced treatment, and interceptor sewers still results in needs in excess of the $18 billion presently authorized and allotted, but further measures short of the proposals developed could be taken to more closely match needs and funding. The present application backlog should be analyzed along with the $46 billion of needs to determine the timing of project applications and annual needs. Particular emphasis should be put on secondary treatment projects. This should more closely match needs and available funding. If additional funding is required, Congress should be requested to increase authorizations -- only as a last resort should consideration be given to reducing the Federal share, restricting

reserve capacity, or restricting eligibility. Adjustments to cover additional needs for categories IIIA, IIIB, IVA, V, and VI should not be proposed until more accurate information is available on eligible costs in those categories.

We also have specific comments on papers Nos. 1, 2, and 3. Implementation of the proposals presented in papers Nos. 1 and 3, and to a lesser extent No. 2, would place an additional enforcement burden upon the EPA if there was to be no delay in the construction of needed facilities. A reduction in the Federal share or restricted eligibilities would certainly cause local communities to give second thoughts to the undertaking of affected projects. This would also occur where the project included reserve capacity in excess of that allowable which would require 100 percent local funding. In many cases, such projects could remain on the drawing board unless forced by the EPA.

Unavoidable delays would result from funding problems. It is doubtful that States which are already under great financial pressures would provide additional funds to make up for the proposed Federal reduction under any of the alternates. The burden would, therefore, fall upon the local agencies. This would mean that delays would result from placing additional bond issues on the ballot, and processing such issues, and would be contingent upon ballot approval and a market willing to buy the bonds. This could be a real problem in communities with poor credit ratings or in areas where the bond market is already saturated. Even where bonds could be readily sold, agencies would not look forward to further increases in user charges to fund this additional debt service.

Restriction of reserve capacity is not a desirable alternative. It would increase the amount of paperwork, administrative reviews, cause further project delays, and probably result in underdesign of facilities. From the survey results included in the paper, overdesign does not appear to be a major problem. Designing for 18 years capacity for plants and 47 years for interceptors does not seem unreasonable, particularly when you consider that you may spend five years or more in obtaining a grant and constructing the facility. If a 10 year limit for plants and a 20 year limit for interceptors were implemented, there certainly would be a tendancy to design for those limits, obtain the full share of Federal funding, and then apply in the near future for additional grants for further expansion. This certainly would not be the most cost effective way to operate when all funding is considered, but it might be the most cost effective way for the local agency which is only concerned with the local share. The additional paperwork, reviews, and delays would not be in accordance to the Act's goal of "... drastic minimization of paperwork..."

Restriction of project eligibility by category as proposed in paper No. 3 seems neither desirable nor necessary in terms of determining priorities. The present State priority system is capable of placing the most desirable projects in position for funding and the least desirable projects low on the list. This system allows for consideration of projects individually rather than by category. This approach is far more desirable since what may be the best alternative in one situation may not be the best alternative in another situation. A priority ranking of individual projects allows for such considerations to be made.

Restriction of eligibility would certainly reduce incentives to undertake non-eligible projects and could result in biasing project evaluations in favor of alternatives in grant eligible categories. Enforcement provisions would certainly be tested for projects which were required but not fundable.

In summary, we feel that it is not desirable at this time to reduce the Federal funding requirements by one or a combination of the alternates presented in papers Nos. 1, 2, and 3. We feel a better approach would be to work with needs in categories in which costs are accurate and the projects imminent and to provide adequate funding for this work on a scheduled basis. Major modifications resulting from needs in other categories should be delayed until more accurate costs and schedules for this work are available.

Paper No. 4 concerns extension of the 1977 deadline for publicly owned treatment works to meet water quality standards. We fully agree with the need to recognize the fact that the majority of discharges will not meet this deadline. To ignore this fact would subject these agencies to enforcement action by citizen suits against EPA. We, therefore, feel that the Act should be amended to recognize this situation.

The paper included five alternates for handling the situation. Alternate No. 1 calls for no change, is not reflective of the problem and should not be considered. Alternate No. 2 calls for no legislative change, but would provide for selective enforcement. This alternate assumes that citizen suits would not mandate enforcement -- it seems likely that such suits would be filed and this alternate should, therefore, be rejected. Alternatives Nos. 3 and 4 deal with amendments to the Act providing the Administrator discretion to grant extensions in certain situations. While this is an improvement, it is not totally desirable in that it depends upon policy and policies are subject to change. Alternative No. 5 would extend the deadline to 1983 which should be sufficient, but it ignores funding problems.

We do not feel that the alternatives considered should be restricted to those five. We would like to propose that the deadline be extended through 1980, but that the Administrator be provided discretion to further extend compliance for individual projects based on time and funding considerations. This would allow most dischargers sufficient time to meet the requirements within the extension period, and still allow for discretionary extensions beyond that date if necessary. Such an arrangement would minimize the number of extensions requests the EPA would have to review, minimize the dependence upon policy decisions, and still provide enough flexibility to recognize exceptions.

We also feel equitable treatment should be provided for industry since in most cases it is economically desirable to provide joint treatment facilities. This concept has been fostered for many years and, if their compliance dates are not also extended, the incentive to consider joint treatment possibilities will be minimized. Requirements for short term upgrading of industrial treatment for discharges into municipal systems until the municipal plant is upgraded should be minimized. Such requirements often necessitate capital expenditures for equipment to achieve a degree of treatment which would not be required after the municipal plant was upgraded. Such expenditures are not really cost effective and further reduce industry's incentive to participate in joint treatment systems.

Paper No. 5 dealt with delegating a greater portion of the management of the construction grants program to the States. Our only comment on this is that careful analysis of the capability of the States to administer the program should be made. It is likely that many States do not have sufficient personnel or expertise to effectively administer the program. In such cases, further delegation of authority would only further delay the construction grant program.

I certainly hope that you will consider these comments in your determinations on legislative amendments. Present regulations involve significant amounts of paperwork, review, and delay, and further modifications should simplify rather than expand upon such matters.

Very truly yours,

Carmen F. Guarino
Commissioner

July 3, 1975

EPA
Office of Water and Hazardous Materials (WH-556)
Room 1033 West Tower
Waterside Mall
401 "M" Street
Washington, D.C. 20460

Gentlemen:

Attached herewith are some comments relative to the current hearings on potential legislative amendments to the Federal Water Pollution Control Act.

While the hearings appear to be restricted to certain aspects of the construction grant program, they are not all inclusive. As an example, in our opinion, the requirements for Industrial Cost Recovery are not even mentioned and we considered this provision to be very vicious, arbitrary and unreasonable. In our opinion, Industrial Cost Recovery provisions should be deleted, or at least modified so that the current interpretation of their applicability is drastically different from what it is now.

For many cities, including those in the Phoenix area, all the other changes being considered might go for naught and not provide the proper incentive to be involved in the Federal Grant process.

For your additional information, we request that you review those portions of the enclosed copy of testimony provided to the National Commission on Water Quality that pertain to Industrial Cost Recovery.

Very truly yours,

Art F. Vondrick
Water & Sewers Director

AFV:ra
Attachment

Comments on the Potential Legislative Amendments to the Federal Water Pollution Control Act

Paper #1 Reduction in Federal Share

Whatever level of Federal funding will be involved in construction grants, one of the most important issues is that, the level should be funded

and not remain a mere promise. The lack of funding bold imaginative programs has been a significant cause in the delay of needed projects, either as a basic financial need or as an excuse not to proceed.

The Federal Government has been quoted many times that they eventually will phase out construction grants, and put the full burden on the local entities and expect them to be eventually self-sufficient.

Paper No. 2 Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

The argument in itself, is partly purely academic and contrary to the philosophy of intelligent and rational pollution control. The only (probably) instance of where a local agency could and would build a sewer or a plant to serve ONLY today's needs would be in an instance where NO sewers or NO treatment works presently exist, and the project is starting from pure scratch. A ZERO limit for existing utilities would essentially mean that a treatment works would not be expanded until it were overloaded and polluting the stream, or a sewer would not be built unless wastewater was running down the streets and bubbling up through the manhole covers.

Including some future capacity or reserve capacity is essentially cost effective, since inflation and increased costs are as certain as the sunrise. Treatment works are more easily expanded on predetermined schedules, especially if a master plan of modular design is used. Large interceptors and outfall sewers provide additional important problems. The available rights-of-way may not have space for two large pipes, and easements for such large conduits are not easily obtained. Some segments of the pipelines which ultimately discharge into the plant headworks are more practically designed and built for the ultimate capacity of the treatment works to be constructed at that site, without regard to "years" of reserve capacity.

Paper No. 3 Restricting the Types of Projects Eligible for Grant Assistance

Certainly a high priority for Federal assistance should be the treatment works, and the priority becomes less and less as the progression down to the local lateral sewer is considered. The local facilities such as lateral sewers are usually the responsibility of the land developer and not that of the community at large. It is difficult to use the "broad brush" technique to establish priorities using the Needs Survey Categories since problems vary so much around the country. But from the standpoint of cost effectiveness and that of being most essential, Categories I, II and IV B should have first priority.

Another issue related to local financing is the ability of local entities to finance costly projects from fiscal budgets. Generally when a project is conceived general financing is self evident, but when construction contracts are awarded, the funds for the project award must be encumbered in their entirety. If local Bond Funds are available, the problem is less, but the sheer size of some projects make them impossible to finance from fiscal budgets. On the other hand, the capability and ability to finance smaller projects from fiscal revenues would make it appropriate to eliminate these from consideration for Federal assistance.

Paper No. 4 Extending Dates for Meeting Standards

In this discussion is the consideration to change the definition of secondary treatment to allow for classifications according to size, age, equipment, and process employed. We most heartily agree that the definition should be changed and furthermost heartily agree that the broad brush technique of applying the same treatment requirement to every works in the land should be abolished but certainly not in the manner proposed.

The fecal coliform level in the definition should be modified to be consistent with the capability of secondary treatment processes that are well operated, regardless of age, size, etc. The present fecal coliform level is a meausre of tertiary treatment. The imposition of the need for secondary treatment should be determined on the basis of the receiving waters, or whether there are any receiving waters at all, or ocean outfalls, etc.

Paper No. 5 Delegation to the States

We are in favor of this proposal, since it has been demonstrated in the past that this is effective. The statement in the Paper that additional staffing for the states will be necessary, however, escapes us. Generally, State Regulatory Agencies are charged with the responsibility of reviewing engineering plans and specifications for water and sewerage projects. The State Agencies that we are familiar with have accepted this responsibility for the most part and in fact do that very thing at present even with EPA's involvement in the review and bidding and contract awarding procedures. At the same time it is recognized that many State regulatory agencies are understaffed in order to accomplish certain objectives and programs. The comment has been made that the need for additional state staffing to take over the full grant program is a reflection of requests originating from the States themselves. We are tempted to ask, which states and how many are there? -- and what kind of employees are needed, clerks, typists, engineers or scientists???

Isn't this something they should be doing anyway even if EPA didn't exist??

STATEMENT MADE TO THE NATIONAL COMMISSION ON WATER QUALITY
April 3 & 4, 1975
Los Angeles, California
By
ART F. VONDRICK
WATER & SEWERS DIRECTOR
PHOENIX, ARIZONA

My name is Art F. Vondrick and I am the Water & Sewers Director of Phoenix, Arizona. Phoenix's Water & Sewers Department administers the operation of the municipally owned water system as well as the municipally owned sanitary sewerage system. The water utility is operated as a fully self-supporting utility, while the sanitary sewer operation is financed by general revenues of the City. Ad Valorem Taxes make up only about 17% of the total general revenues of the City.

The water system has about 226,600 water connections, and the sewer system has a similar number although we provide sewer service to some areas where we do not provide water service and vice versa.

We have been involved with various aspects of P.L. 92-500 since it became Law or rather even before it became the Law of the land. We have had numerous pieces of correspondence, many, many meetings and telephone conversations on the subjects covered in the Law which have in many instances ended with more than a normal share of frustration and disbelief.

Our problems with P.L. 92-500, the Rules and Regulations and the Environmental Protection Agency have centered around two principal areas, i.e., the Construction Grant Program, and the NPDES, the Discharge Permit provisions.

Before passage into Law, the issues were debated publicly and privately and we all thought that we had a basic understanding of what it was all about. When P.L. 92-500 finally was generated in a form that was an acceptable compromise, EPA people pleaded with the professional community to help pass the Law because we needed one badly. They said, "Don't worry what it means, we'll straighten that out later." Now most of our attention has been directed to the administrative activities of the Federal Government because we seem to have been led down a garden path. Many people who have been thoroughly familiar with the issues debated before Congress are held in awe by administrative rules and regulations and interpretations of legislation. "Is this what Congress meant?" is a very often asked question.

In Phoenix, we have believed in water pollution control long before the Federal government knew what the expression meant. Our considerations for doing were obvious. Our wastewater plant effluents discharged to completely dry channels which offer no dilution whatsoever, therefore a secondary treatment capability was always used Moreover, for more than 40 years now, the treated effluents have been diverted by downstream agribultural interests and reused and recycled.

We do not have a record of being water polluters, but as a matter of fact have been forthright in accepting our community responsibilities. I think it is important to state this, because in the discussion that will be presented herein, one might be tempted to ask "Since the objectives of the P.L. 92-500 and the National effort has been to eliminate and prevent water pollution, how does it come to pass that Phoenix and its neighboring communities have so much trouble with the implementation of the Law?" Everyone thought that the purpose of national legislation was to get after the guys in the black hats, the bad guys.

In retrospect, however, it seems that the national policy has been to lean heavily on some case histories of bad examples and paint everyone with the same big, broad brush. It seems that the only way to achieve success is to do it the way prescribed by EPA. The Rules and Regulations which augment P.L. 92-500 were intended to clarify the Law, but in truth in many areas they do not accomplish this and only need further interpretation. We believe such interpretations should be reasonable and prudent so that water pollution control efforts can be conducted on a professional, businesslike plane.

But this has not been forthcoming, in our opinion. Instead we have been confronted with a set of arbitrary, somewhat irrational requirements. What is most disconcerting, is that the changes that would be required will not improve the effluent. We don't seem to be concentrating on the issue, which is pollution and pollution control. We seem to be embroiled in the age old engineer's controversy of specifying methods as well as results. If I have to run my operation exactly the way the Rules and Regulations say, why should I be responsible for the results, especially since our results now, doing it our way, are more than satisfactory. Don't we get any credit for that? And by the way, most of the changes will cost money.

Responsible managers of local utilities have to answer to City Fathers and local taxpayers, and when regulations and stipulations are imposed upon us that would require serious and complicated revisions of existing local statutes and ordinances, many of which would require large additional expenditures of public funds, it is incumbent upon us to ask questions for which we should get satisfactory answers.

But getting to specifics, our experience with the construction grant program provisions of P.L. 92-500 might be of interest.

In the Salt River Valley of Arizona, Phoenix and several other cities have joined together in what is known a Multi-City Sewerage Plan. The best way perhaps to describe the plan is to tell you what it is not...rather than what it is. We have mutual contracts that provide for cost sharing of construction costs as well as operation and maintenance costs of the largest treatment plant that we have. We have a second treatment works that is wholly and solely operated for the benefit of Phoenix wastewater.

The Multi-City Sewerage Plan is not a governmental entity; it has no authority to adopt ordinances or impose any ad valorem taxes of any other charges; it has no direct financing authority; and it is not a Sanitary District. Each city controls its own general destiny by imposing its own Users Charges, Industrial Waste Control, and other functions. The City of Phoenix has no authority over industries in Mesa, Tempe, or Scottsdale, or vice versa. We do, by mutual contract, agree to control the specific character and quality of all wastewater discharged, that is tributary to the 91st Avenue Joint Plant.

The City of Phoenix operates the plant under these agreements and charges the other cities their proportionate share of the costs based on their respective sewage flow. This particular Multi-City Sewage System was envisioned many years ago and since its inception has been a model for cooperative agreements in other fields.

One of the incentives to centralizing treatment facilities was the posture of the Federal government in encouraging such installations in the interest of better water pollution control. We wholeheartedly concur with this philosophy and have been consistently concerned over adequate treatment and water pollution control partially because our effluent is discharged into dry river channels. We also recognize that treated wastewater effluent is a valuable water resource and have made important strides in promoting the reuse of our sewage effluent. In fact, we have recently entered into agreements with the utilities in this area where we will provide them with sewage effluent for use in serving as a cooling agent in a projected nuclear power plant. We are also carrying on extensive experiments partially financed by the Federal Government for use of sewage effluent in crop irrigation.

Our interest in the quality of our sewage effluent has caused us to engage in extensive surveillance in control of discharges from industries into the system. We require all of these industries to pretreat their sewage to the point where we believe they are effectively discharging a "domestic type" wastewater.

Industrial Cost Recovery - This extensive interest in the quality of our effluent resulting in the "domestic type" wastewater which is now discharged into our system by these industries causes us real problems with the industrial cost recovery regulations. It is our understanding that under the interpretations, industries which extensively pretreat their effluent are treated in the same manner in the Industrial Cost Recovery system as are industries in areas where such pretreatment is not required. We do not believe it is fair and equitable to expect such industries to construct their own facilities for pretreatment and then expect them to pay a special charge for a part of the cost of building required additions to our sewage treatment plant when the required additions are, in fact, not needed to treat their flow, but for the flow resulting from very rapid growth of residential development.

The logic of the interpretations of these Regulations escapes us. Industrial Cost Recovery Regulations, in our opinion, are more directly applicable to those municipalities that have industrial discharges, but where no municipal treatment works exist at present, or where an existing treatment works is overloaded by virtue of industrial discharges. We do not agree that existing industries whose waste discharges are being successfully accommodated or those new industries that will of necessity have to pretreat their wastewater to levels of normal wastewater, should be subject to Industrial Cost Recovery. In other words, if an industry discharges a "domestic-type" wastewater, then they have reached equity as far as Capital Costs are concerned. To do otherwise appears to be arbitrary, illogical and confiscatory. Adequate and equitable Users Charges, in our opinion, are sufficient to accomplish the intent and objectives of water pollution control in the Phoenix area. Treatment plant additions being constructed with the Federal Grants are not being built to serve these existing industries.

Some of our participating cities have entered into written agreements with specific industrial installations setting forth obligations of both City and Industry. There is serious question whether such agreements, entered into in good faith, would be violated by imposing certain interpretations of EPA, relative to Industrial Cost Recovery, particularly since the present agreements provide for adequate and equitable Users Charges.

The imposition of Industrial Cost Recovery on existing industries, whether they pre-treat or not, is additionally confusing as demonsrated by the attached example. With such an interpretation, an existing industry, whose waste is being adequately treated in existing Municipal facilities, would be expected to pay for facilities they would not use, and furthermore would be expected to pay not just once, but repeatedly, every time the treatment works expanded. Whether or not these present interpretations of the ACT and EPA Regulations will continue to prevail is not known. But without any assurance that some consideration would be given to the excellent workable system that we have in operation, we could not in good conscience agree to invoke Users Charges and Industrial Cost Recovery. As a result, the City of Phoenix, along with its partners in the joint treatment works, rejected a Federal Construction Grant rather than comply with EPA interpretations of the applicability of Industrial Cost Recovery charges.

To be completely open and fair about this particular situation, you should be aware that we did eventually receive the Grant in question but not because of compliance with these particular regulations, but due to a recent ruling that permitted the transfer of Federal funds from one fiscal year to another.

We did not, therefore, lose any construction funds on this project, but perhaps some valuable construction time during a period when costs were rising at the rate of 1% or more per month. The purposes,

objectives, and benefits of Industrial Cost Recovery ought to be re-evaluated. They do not achieve equality in Industry as far as we are concerned, but act as a penalty, that can be assessed times without number against such industries. In addition, the O&M expenditures required by the cities to administer this could exceed the revenues derived.

User's Charges - We fully appreciate and understand the concept and intent of User's Charges. In spite of this, however, we have had problems on this score. Adequate and equitable User's Charges applied simply probably would not be too formidable a deterrent to attaining compliance with the Regulations to qualify for Federal Construction Grants. But the situation gets more complicated in our scheme of things.

Each of the so-called "participating cities" is regarded as a joint power cooperative partner, and each partner has financed and retains a specific share of the joint treatment works capacity. Federal Grants that are awarded for Aid to Construction are shared by the partner cities and pro-rated in accordance with their share of participation in the construction project for which the Grant was made.

The Multi-City Regional concept grew from its initial beginnings by encouraging others to join. Some years ago, the City of Glendale, one of the participating partners, signed agreements obligating itself to provide treatment capacity to accommodate the wastewater flows from the Town of Peoria and from Sun City, by "renting" its (Glendale's) capacity at the joint treatment works. Neither Peoria nor Sun City are regarded as true partners and do not share in any Federal Grants since they do not participate in the financing of plant construction. They are, in fact, regarded as two of Glendale's customers, and what is more unique is that the Sun City Sewer System is owned and operated as a private, Investor-Owned Utility. Their discharges are measured and are subject to "quality controls" consistent with Industrial Waste Ordinances. The Town of Peoria and the Sun City Sewer Company both impose Users Charges on their customers, however the Multi-City participants have no control or authority over these charges. EPA stated that they would deny Federal Grants to Phoenix, Mesa, Tempe, Scottsdate, Glendale and Youngtown because individually or collectively we could not assure EPA that the Ordinances of the Town of Peoria and/or the fee schedules of the Sun City Sewer Company do comply with EPA criteria for adequate and equitable Users Charges and would continue to do so, or Industrial Cost Recovery, for that matter.

The City of Peoria and the Sun City Sewer Company do not share in the Federal Grant. If Industrial Cost Recovery Charges are imposed by, say Peoria, are they (Peoria) obligated to send 50% of these fees collected to the U.S., or is this an obligation of Glendale? If this is an obligation of Glendale, how can Glendale collect these sums from customers in Peoria that are Peoria's customers? We take the position

that Peoria and Sun City should be regarded as two customers of the City of Glendale as provided for in their written agreements, just the same as the TowneHouse Hotel and Western Electric Company are customers of Phoenix, or Motorola is a customer of Mesa, or Arizona State University is a customer of Tempe.

We are scheduled to have a number of additional joint sewer projects in our Valley and a treatment plant addition is scheduled once every five years based upon population projections, so we have some concern for the future.

National Pollution Discharge Elimination System - NPDES -For the past several months, the Phoenix Water & Sewers Department has been corresponding with EPA regarding the issuance of discharge permits for both of the wastewater treatment plants operated by Phoenix in accordance with the provisions of P.L. 92-500 for the NPDES.

We again find ourselves at odds with EPA over the interpretation of the Law and Regulations which have been promulgated. EPA would require us to do things we have no authority to do, to impose additional financial burdens on our operations, and to impose burdens on all the major industries in Phoenix and other Valley cities, many of which would be costly, but for all practical purposes would not improve the quality of effluent that we discharge to the dry channels.

The stated objectives of the NPDES is to eliminate discharges of pollution and to preserve the integrity of the nation's waters. However EPA deems it appropriate to dictate only effluent quality, but exact methods and procedures on how this should be achieved. It is not an overstatement of the fact to say that if the Phoenix plants discharged effluent of drinking water quality we would still be in violation of several permit provisions. Moreover, the only integrity in the channels is the integrity of our effluent, since the rivers have long since ceased to flow because of impoundment dams and the irrigation and reclamation practices employed.

There are several issues involved.

Electrical Power Standby - EPA would require us to install a 100% standby power system with an alternate source of power OR else certify that we could control our discharges AT ALL TIMES to meet permit requirements no matter what happens to the electrical power.

No responsible agency can certify flatly that they can control their discharges to at all times meet Permit Requirements no matter what happens to their electrical power. EPA has never required the City of Phoenix or any other agency that we know of, to install 100% standby power systems in new wastewater treatment plants as a condition for receiving Federal Aid for construction, including our present construction. The plans for this construction, we might add, were approved without provisions for standby power by the same EPA office. The cost of

installing generating capacity for 100% of plant requirements is considerable, and is money that we don't have, but what is more interesting is that we can find no authority given to EPA by P.L. 92-500 (nor in any of the Regulations) for including this condition in NPDES permits.

Pretreatment of Industrial Waters - Since the City of Phoenix operates the 91st Avenue Plant for and in behalf of several other cities, the City of Phoenix has been subject to the permit provisions and the enforcement thereof. Under this scheme of things, EPA would have Phoenix enforce Federal Laws and requirements not only in Phoenix but in all other cities and sewer systems that are tributary to the treatment works.

At the present time, we are unable to advise our partners in the Multi-City Sewerage Plan what is to be expected of them by EPA particularly with respect to industrial discharges. We are unable to advise our industries what is to be expected of them, and furthermore EPA has been unable to clarify what EPA expects of the City of Phoenix.

Likewise, the legal responsibility for administration and enforcement of Federal Regulations and/or permit provisions has never been clarified or resolved. We know not whether we have any legal authority or responsibility to impose EPA requirements on other municipal corporations, or on discharges located in other municipal corporations or whether or not we can even force Phoenix industries to comply with Federal Regulations.

It is impossible at the present time to make an assessment of the financial impact of these requirements on our operation. The type and kinds of data that would be collected by monitoring and surveillance of industries is completely strange to the traditional industrial waste control operation of municipalities.

We think that our industrial waste control program is very successful, namely because of the amenability that the wastes we receive have to biological treatment, as well as the quality of the effluents, but we cannot tell if our industrial waste control efforts are based upon better numbers than EPA or not, because we are comparing apples with oranges. It will take some concerted retraining or dual training of many personnel, with considerable amounts of budgetary expenditures for added personnel, vehicles, equipment, laboratories, etc.

Water Supply Salinity Monitoring - Another condition of the permits is a requirement for monitoring and reporting of the Total Dissolved Solids in the "municipal water supply". The City of Phoenix water supply consists of four surface water treatment plants, obtaining water from two separate rivers of differing water characteristics and watersheds, thirteen shallow river wells, and approximately one hundred deep wells widely scattered and pumping from many chemically different aquifers. There is no such thing as a typical sample of Phoenix water.

The TDS content varies widely over our 250 square mile water service area, sometimes from a month to month basis in specific locations.

In addition, the 91st Avenue Plant serves several other cities as well as Phoenix. Each of these cities has its own separate water system, with multiple, chemically different water sources. Likewise, our sewer system serves areas that are supplied with domestic water from a variety of investor owned water companies. Such data may not even be available to report.

Is the expense of such monitoring and testing justified? We think not.

Effluent Requirement - Fecal Coliforms - In the sanitary engineering field, the expression, "secondary treatment" has been used and developed to describe a quality of treated wastewater that was expected to be produced from several biological treatment processes, and expressed in terms of BOD and suspended solids. In recent months, EPA has seen fit to modify this tradition concept of "secondary treatment" by establishing a value level for fecal coliform organisms of 200 per 100 ml.

The values for BOD and suspended solids seem to be reasonable and should be attained by a properly designed and operated secondary treatment plant. However, the monthly mean value of 200 fecal coliform organisms per 100 ml is much too low and is not consistent with the levels given for BOD and suspended solids. This extremely low coliform level might be expected after secondary effluent has undergone additional physical or chemical treatment but can certainly not be achieved by conventional secondary treatment alone.

It is questionable if fecal coliform concentration is a valid index of the efficiency of secondary treatment. If, however, it should be included in a list of constituents intended to describe or define secondary effluent, then the fecal coliform level should be several orders of magnitude greater than the one given in the EPA rules. A fecal coliform level consistent with 30 mg/1 BOD and 30 mg/1 suspended solids would be more on the order of 1,000,000 fecal organisms per 100 ml rather than 200/100 ml. If the definition of secondary treatment is to be "that treatment given by a conventional biological process such as trickling filter or activated sludge plant followed by chemical disinfection" then the coliform level listed is still inconsistent with the BOD and suspended solids concentration of 30 mg/1. For instance, if chlorination or ozonation is to be used to reduce the fecal coliform concentration in secondary effluent to the 200/100 ml level, the massive dose required would also reduce the BOD to a level much lower than 30 mg/1.

Now I must admit that the foregoing discussion might be academic and that all might not agree with these views, but let us put this into perspective.

Both the 23rd Avenue and 91st Avenue Sewage Treatment Plants in Phoenix discharge their effluent to the dry Salt River channel. Much of the effluent is diverted from the channel downstream and used for irrigating non-edible crops in compliance with the Rules and Regulations of the Arizona State Department of Health Services. The remainder of the effluent evaporates or percolates into the dry river bed. The direct reuse of the effluent will greatly increase in the future. The Arizona Nuclear Power Project has entered into an agreement with the Multi-Cities to purchase 140,000 acre feet of effluent per year to be used as cooling water for nuclear generating units.

Unchlorinated secondary effluent has been discharged into the dry Salt River channel by the City of Phoenix for over forty years without adverse effect on the environment. We feel that a 200 organism/100 ml fecal coliform requirement is unrealistic and unnecessary for our effluent in view of particular local circumsatnces. A fecal coliform level of 200/100 ml is consistent with tertiary, not secondary treatment. This fact is fully recognized in the "Rules and Regulations for Reclaimed Wastes", Arizona State Department of Health, which were developed for the direct reuse of treated wastewater. A copy of this document is attached. The standards set forth in the regulations were rationally derived with realistic considerations, and provide for the maximum beneficial use of treated effluent consistent with good public health practice. Minimum treatment and effluent quality standards were established for various types of uses. Secondary treatment alone (no coliform limit) is required for the irrigation of crops not intended for human consumption. Secondary treatment plus disinfection (1,000 fecal coliform/100 ml) is required for the irrigation of food crops that are cooked before being eaten. For the non-restricted irrigation of edible crops, tertiary treatment plus disinfection (200 fecal coliform/100 ml) is required. It should be noted however, that the surface waters from the relatively pristine Salt and Verde River watersheds now being used for unrestricted agricultural irrigation in the Sal River Valley do not always meet the 200 fecal coliform/100 ml limit!!

It should also be noted that these same canals that deliver irrigation waters to the farms deliver water to our municipal water treatment plants. In other words, EPA is prescribing a lower fecal coliform limit in the wastewater effluent than there is in the raw water intake of our water plants and as stated above, we are blessed still with a rather uncivilized water shed almost pristine in nature.

Chlorination is the obvious method to achieve EPA coliform limits, and we have calculated that this will cost in excess of $200,000 per year for us, if the chlorine is available. We cannot get commitments from our chlorine suppliers to satisfy our needs for water supply.

The above discussion can be summarized with one question -- "What rational consideration dictates that the low fecal coliform levels are required for discharge of effluents into a dry river bed?"

About 95 MGD of treated wastewater effluent is committed to reuse by virtue of several contractual commitments, but EPA has decided unilaterally and in our opinion irrationally, that our treatment is not good enough!!

In fairness, it should be stated that we did win concessions from EPA on three counts.

Early versions of the permits included stipulations that the adoption and enforcement of User's Charges and Industrial Cost Recovery Charges were necessary permit requisites. Again there was no justification for this, legal or otherwise and EPA modified their stance by inserting the words "if appropriate" in the permit language. As you know, User's Charges and Industrial Cost Recovery provisions are related to eligilibity for construction grants and not to the NPDES.

A second issue was that, in spite of the fact that both of our plants discharge to the same dry river bed only a few miles apart, and that both are activated sludge plants, EPA set up a higher and more stringent effluent requirement for the 91st Avenue Plant than the 23rd Avenue Plant. Later it was revealed that this was developed from our plant data from a period of exceptional performance and this data was used to establish a sustained standard. The cost of providing these facilities would have been enormous.

A third issue was that upon the issuance of discharge permits, EPA required the commencement of effluent chlorination on the effective date of the permits whereas the Law states that secondary treatment must be in effect by 1977. If chlorination of the effluent was necessary, desirable or beneficial, we would have voluntarily complied.

Instead, however, we succeeded in getting this requirement relaxed based upon rational consideration of the conditions involved.

I realize that the stated purpose of this meeting was to concern itself with possible future amendments to P.L. 92-500 and yet many of my comments were directly related to the Rules and Regulations and even interpretations of the law and regulations. But they do seem to go hand in hand. In many instances, the Rules and Regulations are worse than the Act itself.

Part of the problem in determining financial impact whether it be capital expense or O&M is that we cannot get adequate answers to many questions. But in this day and age, O&M cost are increasing at a much more rapid rate than capital costs are, therefore the real impact of O&M constraints should not be neglected.

It would be much easier if we all kept the objectives of eliminating pollution in mind, instead of trying to measure success by compliance with rules.

A discharge permit ought to be based upon effluent quality, not the amount of paperwork that is generated.

RULES AND REGULATIONS FOR RECLAIMED WASTES

Article 6
Part 4

SEC. 6-4-1. GENERAL

REG. 6-4-1.1 LEGAL AUTHORITY

The regulations in this Part are adopted pursuant to the authority granted by Sec. 36-1854.3 and Sec. 36-1857, Arizona Revised Statues. (Added Reg. 1-72)

REG. 6-4-1.3 APPLICABILITY

A. The direct reuse of wastes originally containing human or animal wastes is prohibited unless such wastes comply with the standards in this Part.

B. Nothing in this section shall be constructed as an exemption from other applicable Rules and Regulations of the Arizona State Department of Health including but not limited to Reg. 2-2-4.9. (Added Reg. 1-72)

SEC 6-4-2. REQUIRED TREATMENT

REG. 6-4-2.1 SECONDARY

All waste shall receive a minimum of secondary treatment or its equivalent before they are used for any of the following purposes:

A. Irrigation of fibrous or forage crops not intended for human consumption.

B. Irrigation of orchard crops by methods which do not result in direct application of water to fruit or foliage.

C. Watering of farm animals other than producing dairy animals.

REG 6-4-2.2 SECONDARY AND DISINFECTION

A. All wastes shall receive a minimum of secondary treatment or its equivalent and disinfection before they are used for any of the following purposes:

1. Irrigation of any food crop where the product is subjected to physical or chemical processing sufficient to destroy pathogenic organisms.

2. Irrigation of orchard crops by methods which involve direct application of water to fruit or foliage.

3. Irrigation of golf courses, cemeteries and similar areas.

4. Watering of producing dairy animals.

5. To provide a substantial portion of the water supply in any impoundment used for aesthetic enjoyment or for purposes involving only secondary contact recreation.

B. Following treatment specified in A. above, the monthly arithmetic average density of the coliform group of bacteria in the effluent shall not exceed 5,000 per 100 milliliters and the monthly arithmetic average density of fecal coliforms shall not exceed 1,000 per 100 milliliters. Both of these limits shall be an average of at least two consecutive samples examined per month during the irrigation season, and any one sample examined in any one month shall not exceed a coliform group density of more than 20,000 per 100 milliliters, or a fecal coliform density of more than 4,000 per 100 milliliters.
(Added Reg. 1-72)

REG. 6-4-2.3 TERTIARY AND DISINFECTION

A. All wastes shall receive a minimum of secondary treatment or its equivalent followed by tertiary treatment and disinfection unless tertiary treatment effects disinfection before they are used for any of the following purposes:

1. To provide a substantial portion of the water supply in any impoundment used for primary contact recreations.

2. Irrigation of school grounds, playgrounds, lawns, parks, or any other area where children are expected to congregate or play.

3. Irrigation of food crops which may be consumed in their raw or natural state.

B. Following the treatment specified in A. above, the effluent shall not contain more than 10 mg/l of 5 day BOD, 10 mg/l of suspended solids and 200 fecal coliform per 100 milliliters. When the arithmetic average of five consecutive daily samples taken over a period not exceeding fifteen days is greater than the values given above for BOD of suspended solids or when the arithmetic average of five consecutive daily samples taken over a period not exceeding fifteen days is greater than the value given for fecal coliform, use of the effluent shall cease immediately upon notification by the Department. The use of such effluent shall not resume until the values of five consecutive daily samples taken over a period not exceeding fifteen days meet the requirements for BOD, suspended solids and fecal coliform listed above.
(Added Reg. 1-72)

SEC. 6-4-3. INDUSTRIAL USES

SEC. 6-6-3.1 GENERAL REQUIREMENTS

Reclaimed wastes used for industrial purposes shall have received a minimum of secondary treatment, or its equivalent. (Added Reg. 1-72)

REG. 6-4-3.2 OTHER REQUIREMENTS

The variety of industrial uses is so extensive that establishing specific criteria governing all uses is not possible. Each industrial use will be considered on an individual bases. In fixing such treatment requirements and quality criteria the Department shall give consideration but not be limited:

1. The degree of potential contact with the reclaimed wastes by the general public.
2. The degree of potential contamination of the products or by-products being produced or handled in the industrial process. (Added Reg. 1-72)

TYPICAL EXAMPLE OF INDUSTRIAL COST RECOVERY
(If existing Industries are required to pay)
In Addition to Users Charges

1. INDUSTRY "A" discharges at the present time into the existing plant, about 3 million gallons per day and this is being adequately pre-treated at the industrial site, and being adequately treated at the Municipal treatment works along with other wastes.

   According to EPA this Industry would be subject to INDUSTRIAL COST RECOVERY.

2. The present plant capacity is 65 MGD. The proposed additions are 30 MGD making a total of 95 MGD.

3. The Phase II Grant amounts to $1,065,000.
   Using the effective plant capacity of 95 MGD, the Grant amounts to $11,210 per MG.

4. Therefore Industry "A" would have to pay back $11,210 X 3 MGD or $33,630 of which 50% is returned to the U.S. Treasury.

5. On the same theory that existing Industrial Dischargers must be subject to INDUSTRIAL COST RECOVERY, what happens in 1978 when we add another 30 MGD addition to the treatment works??

   Following the same thinking, Industry "A" would have to repay again, even if their flow of wastewater remained the same at 3 MGD.

6. A 30 MGD addition in 1978 will cost about $13,020,000 at 1973 prices. With a 75% Federal Grant, Federal Aid will amount to $9,648,000. The effective capacity of the treatment works now will be 125 MGD, and the Grant will amount to $77,184 per million gallons.

7. Therefore, Industry "A" will have to repay $77,184 X 3 MGD or $231,552 for the 1978 expansion.

8. Evidently the same sort of formula would apply in 1982 when another expansion takes place.

   How many times does Industry "A" keep on paying for 3 MGD capacity???

June 17, 1975

Environmental Protection Agency
West Tower, Waterside Mall
401 "M" Street, S.W.
Washington, D.C. 20460

Attn: Mr. David Sabock

Re: Potential Legislative Amendments to the
Federal Water Pollution Control Act

Dear Mr. Sabock:

Notice was published in the Federal Register on May 2, 1975 (40 FR 19236) of a series of four Public Hearings to discuss possible Administration proposals to amend the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1251 et seq. Five papers for discussion were published in the Federal Register on May 28, 1975 (40 FR 23107-23112). A Notice of Public Hearings, Correction was published in the Federal Register on June 4, 1975 (40 FR 24044).

I regret that I will be unable to attend any of the Public Hearings. However, I welcome the opportunity to comment on the Federal Water Pollution Control Act Amendments of 1972, P.L. 92-500, and request that my comments, contained herein, be made a part of the record in accordance with the notice of May 2, 1975.

Without doubt, all who have had an opportunity or requirement to work within the framework of P.L. 92-500 have cursed the Act for its ambiguities, its rigor and the delays it has caused in restoring and maintaining the chemical, physical and biological integrity of the Nation's waters. The furor which has arisen over this Act indicates that some amendment of the Act is mandated. It is my believe that P.L. 92-500 is limpingly workable in its present form and, therefore, should not be subjected to massive amputation or mutilation. My experience is that the delay in the establishment of regulations to implement the Act on February 11, 1974 (FR 39, 5251-5270) and the difficulty of interpreting the regulations is more responsible for the frustration, bewilderment and stagnation of the construction program than the Act itself. I, personally, find the language of the P.L. 92-500 more lucid than the regulations dated February 11, 1974.

Despite the slow start and current obligation of only $4.8 billion of the program's $18 billion total, the program now seems to be crawling. Therefore, any amendments to the Act, which would tend to reverse this progress, should be resisted.

If the above appears to be critical of the Administrator's promulgation of regulations and execution of the Act, it is. However, I recognize the Herculean task the Administrator was faced with in mobilizing a capable staff, promulgating implementing instructions and finalizing the program, and doubt that anyone could have done it better. The State agencies were, of course, faced with the same problems. As a result, while the Administrator proclaims a program of logic and expedition, the communication and credibility gap between the various levels of political sub-divisions is such that too much effort is spent in crossing t's, dotting i's, and preparing CYA (cover your posterior) papers.

I would now like to turn to the 5 EPA papers and address them in order:

A. Paper No. 1. Reduction of Federal Share.

Before addressing the 5 specific issues a few general comments are in order. It is now obvious that the $16 billion currently in the program will hardly commence the effort necessary to attain the National goals edicted in the Act. Therefore, the Federal Government must commit vast new sums to the program whether or not the Federal contribution remains at 75%, is increased or is decreased. As a matter of practicality the total funding is ultimately extracted from John Doe, taxpayer, and because of their greater number and remoteness legislators at the National level can enact increased taxes with greater immunity from retaliation at the polls than legislators at the state and local levels. As a consequence, the greater the Federal share or funding the sooner the National goals are attained. I, personally, am opposed in principal to the increased reliance of local governments on Federal funds because of loss in brick and mortar due to siphoning off of funds to support layered echelons of bureaucrats. However, as a realist, I must beg for Federal funds because everyone else does it and because local voters are loath to approve the tax increases which would otherwise be required.

The specific issues are addressed below:

1. Would a reduced Federal share inhibit or delay the construction of needed facilities?

   Absolutely! A reduction in the Federal share will result in a larger indebtedness which must be liquidated by the sewer users. This can only lead to additional increases in sewer user charges which are already reaching astronomical levels as a result of sky-rocketing chemical, utility and labor costs.

2. Would the States have the interest and capacity to assume, through State Grants or loan programs a larger portion of the financial burden of the program?

This appears doubtful since all states have not yet established grant programs. As for loan programs this is just a device to switch the source of borrowed money. The only advantages being an evasive reduced interest rate on a loan to a municipality without a credit rating, the user must still pay the tab.

3. Would communities have difficulty in raising additional funds in capital markets for a larger portion of the program?

Undoubtedly some would and some would not. The ability to raise additional funds is not really the relevant question. The real question is the added cost to the individual users of the improved sewerage system. A question which is ignored in both P.L. 92-500 and the EPA Regulations of February 11, 1974. Cost effectiveness analyses mandated therein are geared to Capital outlay and other figurative costs without consideration of the final impact on the user charges.

4. Would the reduced Federal share lead to greater accountability on the part of the grantee for cost effective design, project management and post construction operation and maintenance?

The mere phrasing of this question is a slap at conscientious, efficient local administrators throughout the United States and could have only originated from the sublime ivoried vacuum of bureaucracy. As in all other areas of employment government administrators range from those who frugally and wisely manage all resources to those who expend federal funds with the same wild abandon they spend locally generated monies.

5. What impact would a reduced Federal share have on water quality and on meeting goals of P.L. 92-500?

Dependent on decree of reduction of the Federal share, the impact would vary from minor delay in attaining National goals to the eradication of the goals.

B. Paper No. 2 Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.

Specific questions are discussed below:

1. Does current practice lead to overdesign of treatment works?

Current practices encourage overdesign. This encouragement does not come so much from the 75 per cent Federal Grant rate as it does from the delays in obtaining Grant approval. My files

contain documentation of 8 years of agressive attempts to improve the treatment works and to date we do not have an approved grant. It will be at least three more years before we have a usable improved plant. We are not unique in this time lag. If not consciously, then at least subconsciously, we are encouraged to design for sufficient excess capacity to postpone for a few years, if not for a lifetime, the date on which we will have to again take-up the hassle. In addition, except for those larger systems which have an incremented program, because of the magnitude of the back-log, local governments look on the program as a once-in-a-lifetime shot.

2. What could be done to eliminate problems with the current program, short of a legislative change?

The Administrator's latitude to eliminate problems is restricted by the language of P.L. 92-500. However, I feel there is leeway to speed-up the process of grant applications, particularly those for which planning was well underway prior to February 11, 1974. The Administrator has some qualified experienced personnel on his staff as do state and local agencies. Instead of insuring that every step in the approval process is taken or retraced by the numbers, the effort would be better expended to establish rapport between the various echelons of government, and to use the available expertise to evaluate on the basis of existing documents with a view to minimize back-tracking to pick up steps passed before promulgation of the regulations and to maximize the use of the Administrator's authority to waive requirements for CYA documentation.

3. What are the merits and demerits of prohibiting eligibility of growth-related reserve capacity?

To prohibit eligibility of growth-related reserve capacity is to play the ostrich, since almost without exception growth can be expected at the local level. It now takes anywhere from 4 years upward to design and construct a treatment works, therefore, to prevent under-constructing, reserve capacity must be constructed.

4. What are the merits and demerits of limiting eligibility for growth related reserve capacity to 10 years for treatment plants and 20 or 25 years for sewers?

Limiting eligibility for growth-related reserve capacity will permit the accomplishment of more projects with available funds. On the other hand such limitations build in the need for constantly enlarging the plant on a cyclical basis. I recommend a 10

year limit on treatment plants and a 25 year limit for sewers provided that the program is assured as a continuing program so that municipalities will be eligible for a second, third or further generation grant based on priority rating. This would make the program more responsive to growth pattern changes while insuring maximum stretch of available bucks. In limiting reserve capacity, I further recommend that where future growth potential exists, provisions for ready future expansion, be grant eligible. Such provisions to include but not be limited to additional land procurement, knock-out walls, utility raceways, etc.

5. Are there other alternatives?

I have none to offer at this time.

C. Paper No. 3 Restricting the Type of Projects Eligible for Grant Assistance.

If the National goals established by P.L. 92-500 are to be met all of the types of projects now eligible for Grant Assistance must remain grant eligible. Even then, the goals cannot feasibly be met on the mandated schedule. The EPA track record thus far creates doubts as to whether or not total funds could be obligated if they were made available by the Federal Government. I would anticipate that the 1974 estimated $365 billion for eligible needs for all these facilities will continue to rise for at least the next 5 years and more likely the next 10 years despite improvements made during the same period. This increase will arise from the further deterioration of the Nation's older facilities, greater awareness on the part of local governmental agencies and findings unearthed either by infiltration/inflow analyses or sewer evaluations.

The question of local funding is not so much one of local incentive and funding capability as it is one of motivating the electorate to approve bond issues, tax increases or assessments. In this day of free cash flow from Washington to state and local governments for a wide variety of causes the greatest incentive for raising local monies is the prospect of obtaining more Federal funds. It is the fashionable way to go.

Developing and rapid growing urban areas can be expected to find both the ways and means to provide the required facilities. On the other hand the older more stable cities with fixed boundaries will normally be less aggressive in their support of new or improved facilities.

If any of the currently grant eligible project types are to be dropped, the first to be denied eligibility should be IIIA Correction of Sewer Infiltration/Inflow, IIIB Major Sewer Rehabilitation and V Correction of Combined Sewer Overflows. The above mentioned project types are broadly speaking maintenance projects.

In any event the National goals must be re-evaluated and a determination made on the order of priorities. For instance, may not the National goals be approached more rapidly if all tertiary treatment plants were postponed in favor of construction more secondary treatment plants?

Project Type VI, Treatment or Control of Storm Waters - should remain grant eligible since this is a new requirement not anticipated by most municipalities. On the other hand, as the pollutant characteristics of storm waters and the impact on water quality are more fully appreciated, emphasis may shift from the elimination of sewer infiltration/inflow and combined sewers to nationwide acceptance of combined sewers.

Project Type IV-B, Interceptor Sewers - must remain high on the grant eligible priority list if the regional treatment works concept is to be encouraged.

D. Paper No. 4. Extending 1977 Date for Publicly Owned Pretreatment Works to Meet Quality Standards.

The 1977 date for publicly owned pretreatment works to meet water quality standards which was ridiculous when P.L. 92-500 was enacted is even more ridiculous today. If major construction is required to meet water quality standards, unless construction is already in progress, attainment is already impossible. The Act itself, provides a discriminatory delay of up to 1 year for localities fortunate enough to obtain a grant approval prior to July 1, 1974. How can there be respect for a law which already placed 9,000 municipalities (50% of the Nation's municipalities) in violation.

The 1974 Needs Survey estimated the need for Categories I, II, & IUB to be at least $46 billion. If this is total cost, the Federal 75% share under P.L. 92-500 is $34.5 billion. Since only $4.8 billion has been obligated, only 14 percent of some 18,000 municipalities can possibly meet the 1977 deadline. Included within this 14 percent are municipalities which have an automatic extention granted by the Act.

I recommend that a statutory extension of the 1977 deadline to 1983 be sought that will provide the Administrator with discretion to

grant compliance schedule extensions on an ad hoc basis based upon the availability of Federal funds. Future fiscal year appropriations would be implicit in such an extension. I further recommend that statutory amendments sought maintain the 1977 date for industries but provide the EPA Administrator with discretion to grant compliance schedule extensions on an ad hoc basis, based upon actual time required with the expenditure of good faith efforts to build the necessary facilities.

The EPA has been much belabored for its slowness in approving grants. However, all of the blame for missing the 1977 date cannot be placed on those delays. Had all grants been made available immediately, it is almost a certainty that manufacturers and contractors could not have produced and installed the sophisticated equipment on a timely schedule. Utilities encountered this problem in meeting air quality standards.

E. Paper No. 5. Delegating a Greater Portion of the Management of the Construction Grants Program to the States.

Maximum management of the program, consistent with individual state capability should be delegated to the states and I recommend passage of the Bill, H.R. 2175 except for Section 213 (e). While the proposed 2 per centum may provide an incentive to the states to expedite obtaining capabilities to undertake the increased work load, the total program is currently so underfunded that the drain of any funds from the construction grant pot is unwarranted. Therefore, the states should accept the additional administrative costs as their contribution to expediting the attainment of the National and State goals.

In closing, I offer the following general comments:

1. Any amendments to the Act or any changes to the implementing regulations should specifically exempt projects which are under active design or construction at the time of enactment or promulgation, as appropriate. Much time and many dollars have been frittered away on projects in advanced design phases for the mere sake of picking up steps in a sequence which was previously nonexistent. Let's move forward - Stop trying to regain that which is past.

2. Guidelines and implementing regulations should be promulgated earlier than in the past.

3. Maximize delegation to the states.

Sincerely,

Arthur W. Berger, P.E.
City Engineer

AWB:bjs

cc: Council of Environmental Quality

National Commission of Water Quality
P.O. Box 19266
Washington, D.C. 20036

Ned Williams, Director Ohio EPA

N.O.A.C.A.

City Manager
Finance Director
Sup't of W.P.C.P.

Statement of
WESLEY E. GILBERTSON
DEPUTY SECRETARY FOR ENVIRONMENTAL PROTECTION AND REGULATION
PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL RESOURCES
at the
EPA Hearing - Municipal Waste Treatment Grants
June 25, 1975 - Washington, D.C.

We are strongly opposed to changes in the Federal construction grant share to any different level. What the municipal construction program needs at this time is funding stability for at least five years. Such stability would produce economies in the entire range of the program -- consulting, contracting, supplies, and administration. A change in the Federal funding level would disrupt administration of the program and would be inequitable to those projects which have already been delayed because of inadequate funding. We urged during the drafting of P.L. 92-500 that the grant levels provided in the Act be worded as "up to 75%" allowing the states flexibility in assigning and using allocated funds. We would not support even this approach now that the mandated 75% grant level has been implemented. A second reason for objection is that municipalities rely on the Federal grant to afford sewerage construction. Our experience indicates that even with the 75% grant, sewer rates are excessive in many small communities. Reduction of the Federal share may well make projects infeasible or at best will delay needed projects. Many of the projects now waiting for funding for new facilities are the small, less affluent communities which did not proceed when the grant levels were lower. Because of present economic conditions, states would not be likely able or willing to make up the difference of the reduced Federal share. We do not believe that reduction of the Federal share will have a significant influence on cost effective design either. We are not aware of any significant difference in project cost-effectiveness where grant levels were changed from 30% and 50% up to the present 75% level. If any changes are made at this time, we would encourage the inclusion of financial need as a consideration in determining project priorities. This rating factor was used prior to the passage of P.L. 92-500. Further, we believe that elimination of the 80% grant limitation should be allowed for small and impoverished communities. In summary, we believe that a reduction of the Federal share now would be a mistake and would have a serious impact on municipal compliance with the goals of the Act.

With regard to the issue of funding reserve capacity, we also encourage caution on the part of EPA. I recognize the problem of sewer service for growth and development siphoning off grant funds needed to correct pollution problems. However, if adequate consideration is not given to providing for reasonable reserve capacity, pollution problems will

reoccur with noticeable effects when facilities reach and exceed capacity. An arbitrary legislative limitation on the funding of reserve capacity and interceptors on treatment plants is approaching the funding problem with blinders. I do believe that there should be reasonable justification for reserve capacities provided and that sewer construction to serve new development should not be funded through this program now, but we do not believe that these concepts require new legislation. Full phasing into the Section 201 and 208 planning activities and up-to-date cost analysis techniques should be beneficial in providing for better and more realistic project design.

In a general way, I oppose changing the types of projects eligible for grants. I say this because it would be another unsettling and disruptive step. I agree that at this time there is not enough knowledge about the impact of storm water runoff to fund high cost projects when more basic waste treatment needs still are to be met. I believe that the state priority systems are designed and operated so that funds are channeled into the most urgent projects. These priority systems are more sensitive than broad-brush statutory exclusions. Funding of sewer rehabilitation and correction of infiltration and inflow also needs careful consideration.

There seems to be universal agreement that the 1977 deadline for achieving compliance with Section 301 of the Act will not be met in many instances. The EPA alternative suggestion calls for an extension or retention of the 1977 deadline. We suggest that an additional alternative that the 1977 deadline be modified to a goal but not a mandatory requirement. This would allow the administrator or delegated states through the NPDES program the flexibility to deal with scheduling of compliance on a case-by-case basis, recognizing the needs of each case. With the limits and uncertainty of Federal funding, it is senseless to mandate a national deadline for municipal compliance. As an alternative to this suggestion, I would be willing to support the concept of granting to the administrator or states with NPDES program delegation the discretion to approve compliance schedule extensions based on availability of Federal funding.

Delegation of more authority to the states for management of the construction grant program is a concept we have supported from the inception of this Act. Note that I said authority, not only responsibility because the two must go together. We favor the provisions of H.R. 2175 and we would be willing to phase into accepting an increasing amount of the construction grant program work load. I believe that the 2% level suggested will be adequate to support such a program. States should be delegated any portion of the program which they are willing to do and capable of doing. I caution you, however, that for this

approach to work, states must be given latitude to operate a program overseen, not directed, by EPA and there must be some assurance of continued program funding. State agencies even more than Federal agencies are sensitive to fluctuations and program funding levels. Such a program will require large increases and state staffing which probably could not be readily absorbed if Federal funding is cut off.

June 11, 1975

Mr. Russell Train, Administrator
Environmental Protection Agency
Waterside Mall West Tower
Washington, D.C. 20460

Attention: Mr. David Sabock

Dear Mr. Train:

The Florida Institute of Consulting Engineers and Florida Engineering Society thank you very much for the opportunity to present comments on the proposed PL 92-500 Amendments at the Atlanta, Georgia hearing, June 9, 1975.

In accordance with my commitment to Messrs. Rhett, Alm & Ravan, I am furnishing herein two (2) copies of our comments for your consideration and record. If you have questions or desire additional input, please contact us.

Respectfully submitted,

Phillip E. Searcy
For FICE/FES

PES/jw

FLORIDA INSTITUTE OF CONSULTING ENGINEERS
AND
FLORIDA ENGINEERING SOCIETY

COMMENTS IN REFERENCE TO EPA'S PROPOSED AMENDMENTS
TO
PL 92-500

ATLANTA, GEORGIA
June 9, 1975

Distinguished panel, ladies and gentlemen, my name is Phillip Searcy of Post, Buckley, Schuh & Jernigan, Inc., 2131 Hollywood Boulevard, Hollywood, Florida. I am representing Florida Institute of Consulting Engineers and Florida Engineering Society. My directive for this hearing was to be tactful, gracious, diplomatic and polite but firm and to the point. Out of respect for the others who also want to be heard, I am going to skip the first group of directives and get right to the

bottom line. We are opposed to Amendment No. 1; Amendment No. 2 is no good; Amendment No. 3 is okay with some reservations; Amendment No. 4 is fine if you choose the right alternative and Amendment No. 5 is great if you can really delegate. (Note "really" is underlined.)

Amendment No. 1, Reduction of Grant %

PL 92-500 was a very positive act. In fact, it was considered idealistic in parts. It took a struggling pollution control effort, set forth specific goals, provided some muscle and included the very important incentive of increased grants. Many projects are under construction today, many more are back-logged waiting for funds, many are in the Step 1 and Step 2 stages and far too many have not even started yet. Caught in the middle, are the many counties cities and communities who have banked on the good faith of this act and its 75% grant program. To reduce the grant amount at this time would be certain to rob the act, EPA and the Congress of the momentum gained to date. At the same time, the increased local share would send many projects into economic orbits which would eventually see the projects landing in some courtroom for determination of progress (?). (I have a question mark after progress.) There is mention of reduction of the federal share to as low as 55%. That is an 80% increase in the local share. During this period of high unemployment and economic distress, any increase in local demands is critical. An 80% increase would be disastrous. The nation's sagging economy has already stopped many water pollution control projects because politically sensitive public officials are unwilling to thrust new sewer assessments and rate increases as additional burdens on their already over-taxed constituents. These are people who believe in environmental protection, many of whom have worked long and hard to comply with state and federal programs.

The proposal to reduce the federal share to spread the money to more projects is based upon the assumption that additional funds will not be forthcoming. That assumption is the problem, and the solution is not the reduction of grants, but rather the realignment of federal spending. If we are going to have a viable water pollution control program let's quit playing "dodge ball" or "keep away" and get on with a positive program. I believe that is what this hearing is really designed to achieve. Incidentally, we believe the ratio of local/federal share has little or no influence over accountability for cost effective design, project management, or post-construction operation and maintenance. That statement is based upon a great deal of experience within the FICE with both this EPA grant program and other federal funding programs.

Amendment No. 2, Limiting Reserve Capacity

Here, again, the problem is the assumption that federal funds will not be available to meet the needs. The solution again, is to realign federal spending to meet the needs. If that is not possible, then neither will the program be possible, at least within a reasonable period of time.

Cost effectiveness must be the primary consideration in determining reserve capacity. To set arbitrary limits in the law will automatically narrow cost-effective determinants. What may appear to stretch or save federal dollars at this time may prove to make the next stage costs unreasonably high. There is a great need for a high level of flexibility in sizing pollution control facilities. We call for faith in the ability of the design engineer, the leaders of our communities and the professional staff of the States and EPA to arrive at proper reserve capacities. If there are those who would take advantage of such flexibility (and there are) EPA now has the responsibility and the authority to control the final decision. The California systen, as stated in the EPA position paper, is administratively expensive. We do not need any more administrative burdens. We need the limited funds that are available returned as directly as possible to the communities ("returned" is underlined).

Regarding the "secondary environmental impacts of growth" that could result from reserve capacity, we believe that issue belongs in the family planning program and not in the water pollution control program. We do not believe people stop to consider reserve capacity, but to do so in this manner is considered improper. If the people want federal population and land-use controls then let their elected congressional delegates establish such controls openly and directly.

Amendment No. 3, Restricting Eligibility

There is much concern and discussion in reference to incentives. Let's face it, for the most part communities build pollution control facilities because they are required to build them. If the cost per customer (voter) is not too unreasonable, the communities will work with the program. When the cost per customer becomes too high (and no one can predict what that breaking-point is) then the communities will fight against the program. Unfortunately, many believe we are rapidly reaching that point. The key to the per customer cost is the amount of grant and eligibility. Therefore, if you are to restrict projects for eligibility then serious consideration should be given to relaxation of requirements. Otherwise, the entire program could be thrown in reverse by strong reaction to cost prohibitive requirements. All parties would lose if that happened.

Eligibility must be tied to availability of funds. This is done now. Whatever reductions are made in eligibility, if any, it is our position that infiltration/inflow correction projects should remain as eligible projects, subject to cost-effectiveness. Excessive infiltration/inflow can have such a significant effect upon the cost, operation and maintenance of treatment works that correction programs should be a definite part of treatment projects.

Amendment No. 4, Extension of Compliance Deadline

It would be inequitable to simply extend the 1977 deadline to 1983. Many communities complied in good faith. Others have not. Those who have not should not be given unfair advantage. There are some projects, of course, which deserve additional time and the law should provide an honorable remedy. Alternative No. 4 presented in EPA's position paper is considered most acceptable. This provides authority for the administrator to grant compliance schedule extensions on an ad hoc basis based upon the availability of federal funds. The paper discusses a significant funding problem associated with this alternative due to the 75% grant requirement for eligible projects; however, that is a problem of funding priorities which is basic to the entire program and one which must be faced by Congress.

Amendment No. 5, Delegation of Management to States

We believe delegation of more program functions to States is healthy. The program is bogged down today with far too much duplication of effort. States review project documents which are then re-reviewed by EPA, sometimes more than once. The communities, the federal program, the taxpayers and the environment which we are trying to protect pay the bill in lost time and money. We believe administration of the program should be as close to the people and their projects as possible. Florida has the potential to administer the grant program in a sound and responsible manner and we would like to see a greater delegation of functions to the Florida program. However, we would not like to see "store front" or false delegation. If the proposed delegation is to be so closely scrutinized by EPA that states must constantly look over their shoulders to see how they are doing, then forget it. We need delegation of review and approval (or certification) of all grant documents with substantial acceptance by EPA and we need to have such delegation extended in an honest manner.

In concluding my remarks on behalf of FICE/FES I wish to express our appreciation for the opportunity to be heard. Our comments are given in a spirit of cooperation and dedicated concern for the EPA's mission to protect the future for the public we all try to serve.

June 24, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
(W.H. 556) Room 1033, West Tower
Waterside Mall
401 "M" Street S.W.
Washington, D.C. 20460

Gentlement:

I concur with the testimony of John L. Maloney given at the public hearing, San Francisco, California, June 19, 1975. Copy of his letter attached.

As an industrial developer in the City of Los Angeles, I have spent thousands of dollars on sewer line installation for our industrial tracts. For the privilege of hooking a building up to the sewer line, I must pay additional tens of thousands of dollars to help the City of Los Angeles meet your sewer treatment requirements.

If you prohibit new sewer hook ups, a badly needed source of revenue will also be cut off from Los Angeles to help it meet your requirements.

You are hereby requested to extend the July, 1977, deadline for meeting water quality control standards.

Respectfully submitted,

SANFORD P. PARIS

SPP:rd
Enclosure

June 17, 1975

Industrial Association of the San Fernando Valley
P.O. Box 3563
Van Nuys, Calif. 91407

E.P.A. Public Hearing, S.F. Cal.
Re: Proposed congressional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

Gentlemen:

Our remarks are addressed to parenthesis four (4) as one of the proposed amendments setforth, namely extending the 1977 date of meeting water quality control standards.

We believe this is the only proposition that should be enacted, and it should provide for indefinite extension of the date to meet water quality control standards.

E.P.A. has developed an embryo body of knowledge and experience in this water quality control field during its brief existence. It does not appear that it has as yet learned of the economic impact of its program on the communities affected when said program is too hastely applied.

Herewith is our assessment of the adverse economic impact in the San Fernando Valley community.

Jobs

Our 13 high schools, 3 colleges, and 1 university have enrollment of over 100,000. Almost all these students are preparing to enter the labor market. The workers now in the Valley labor market (approx) 300,000 will not be retiring when these students seek jobs. What do we do without growth?

Housing

The students, now seeking work, will nevertheless be forming family units. Where do we house them without growth?

Capital Investment

Our Valley industrial plant investment is $3 billion and the figure for commercial business is much more. What do we do if these sources of jobs, taxes and general properties are atrophied by "no growth?"

In our opinion this is pretty much the predicament of established communities throughout the nation.

Give us time to adjust economically while a workable clean water program is soundly developed. By 1985 we should be able to embrace such a program.

Respectfully,

John L. Maloney
President

JLM/bm

REMARKS
PUBLIC HEARING
ON
POTENTIAL LEGISLATIVE AMENDMENTS
TO
FEDERAL WATER POLLUTION CONTROL ACT
JUNE 9, 1975
Atlanta, Georgia

These remarks are presented by David G. Presnell, Jr., 100 East Liberty, Louisville, Kentucky, President of Presnell Associates, Inc. and General Manager of Vollmer-Presnell-Pavlo, the Management Consultant to the Louisville and Jefferson County Metropolitan Sewer District "Master Plan Expansion Program" which encompasses over $500 million in sewer construction and over 700 miles of sanitary sewers. More than 50 engineering firms will be involved in this very major project. The positions of the Kentucky Professional Engineers in Private Practice and the Consulting Engineers Council of Kentucky are also reflected in these remarks.

Categorically, the following is a response to the notice published in the Federal Register of May 2, 1975:

Issue No. 1 deals with a possible reduction in the Federal share. The integrity of the Federal government's role in Water Pollution Control would be impugned by these steps being taken and they would, in fact, significantly delay - and increase the construction cost - of all proposed treatment works. The statement in the Federal Register that "a prediction relative to the impact of a reduced federal share cannot be made" borders on irresponsibility by the author. We are presently in an economic structure which finds municipalities and states functioning with diminished revenues and eroded capabilities to market significant bond issues. Today's irrefutable example of this is, of course, New York City.

Treatment works and interceptor sewers do not produce customers, per se, and therefore generate no incentive for their construction. Reduced Federal funding would specifically encourage the continued construction of small treatment plants and collector sewers on a non-cost effective and fragmented basis - particularly by the private sector.

The grantee, typically, does not presently possess sufficient funding capabilities to properly advance a program and more importantly any concern regarding the accountability of a grantee would, and should, exist under the present program. Conversely, reductions in funding would ultimately result in higher costs because of the loss in the economy of scale.

Issue No. 2 - Limiting Federal funding of reserve capacity is an emotional issue and is not to be reckoned with in the realm of proper engineering judgment. It would be simple, and perhaps an appropriate filibuster, to cite - by rote - the myriad of reasons and specific examples as to the total lack of professional acumen attendant to a zero growth design.

120" & 72" vs. 132" - The objective cited in the Federal Register - "to induce more careful sizing and design of capacity to serve future growth" - borders very nearly on the height of absurdity and flies in the face of every conceivable sense of design. This fact is specifically concurred in by EPA in their statement regarding Issue No. 2, i.e., "The limiting of eligibility for reserve capacity is not intended to preclude the cost-effective sizing and design of the facilities. The grantee would be permitted and, in fact, encouraged to provide cost-effective reserve capacity, but he would be required to fund 100 percent of this capacity." This clearly, and unequivocally, depicts recognition by EPA that to do other than design for the future would be haphazard and a grantee would be derelict in his duty. This proposition appears only to be a readily assailable attempt to substitute the grantee's dollar for the Federal dollar.

Conversely, to adopt an unassailable posture, a professional approach by EPA in the establishment of a reasonable design criteria commensurate with controlled population projections is needed - legislative change is not the answer.

The demerits of prohibiting eligibility of growth related reserve capacity are that it clearly is an irrational thwarting of proper land use planning as a parallel objective of proper sewer design.

This philosophy assumes the following:

1. Sound land use planning can be accomplished at the local level, with appropriate legislative jurisdiction to enforce this planning.
2. EPA does not, and should not, have authority to perform or oversee land use planning at the local level.
3. The science of land use planning has not reached the necessary sophistication to precisely predict developement trends 20 years hence and, practically speaking, this can only be accomplished by an increased clairvoyancy on the part of planners.

Staging treatment plant works by 10-year increments may be a reasonable position -- attendant with the assumption that funding will, in fact, be available when expansion is needed.

It seems a "10/20", or "10/25", design program can be a reasonable approach to the problem of overdesign - as long as EPA allows this design period to be measured from when construction is predicted in the facilities plan for various segments of a treatment works. This is to say, however, that the time frame for the design of a specific segment should be 20 years from its anticipated construction period,

rather than the current EPA policy of designing a multi-year program as if it were all to be constructed simultaneously.

Issue No. 3 - This issue addresses restrictions on the types of projects eligible for grant assistance. Perhaps the single-most significant statement is that the need for a facility does not rise and fall based on the source of funding. The feasibility does, of course, change and sometimes this results in the construction of a less needed facility because it has become financially feasible to construct. Generally, a grantee is under considerable duress to build treatment plants and interceptors with available Federal funds because his fiscal needs outweigh the inflow of Federal funds and, because of this fact of life, funding for certain elements - such as collector sewers, is not sought.

The question has been raised as whether there is adequate local incentive to undertake the required investment in certain types of facilities - even in the absence of federal financial assistance. If eligibility is limited to interceptor and treatment plants, it will become imperative that grantees make appropriate investments in collection systems in order to provide a complete system. Collection systems are the easiest type of facility to show a direct cost-to-service relationship, therefore, the ability to finance directly is much simpler. Nonetheless, adequate legislation giving the authority to the localities for such construction must be available.

Storm water facilities and the correction of combined sewer overflows and infiltration/inflow problems could probably never be financed through local financial capabilities. Therefore, any local incentive may be totally outweighed by fiscal constraints from other, completely unrelated, programs.

Issue No. 4 discusses extending the 1977 date for the publicly-owned pretreatment works to meet water quality standards. It seems inconsistent for Congress to impose any deadline for achievement and then have the President freeze the funding necessary to meet the deadline. Congress, therefore,should consider passing legislation with the following provisions:

1. Establish a new deadline which can reasonably be met,
2. Provide the funding level necessary to finance meeting this deadline,
3. Place restrictions on the Presidential power to restrict funding, and
4. Place restrictions on EPA which will enforce the elimination of the myriad of red tape and initiate a realistic program to get sewers in the ground and treatment plants constructed without the present undue delays.

This entire section in the Federal Register discusses the failure of grantees to meet their deadlines because of funding problems and lack

of compliance by the grantees. It is high time to ferret out the real culprit - the program itself. If the nation is really serious about water quality, the present significant delays and stumbling blocks at EPA must be deliberately deleted from the program implementation.

This public hearing should be a forum to help us to strive together in streamlining both fiscally and administratively - the implementation of Public Law 92-500.

Simultaneous to the efforts to modify P.L. 92-500, efforts are being diligently pursued by EPA to establish "Minimum Standards for Procurement Under EPA Grants - Federal Register, Friday, May 9, 1975." These proposed regulations become another roadblock in the pursuit of pollution abatement, build in new bureaucratic bottlenecks, increase the cost to grantees, and establish procedures which can be expected to cause project delays of up to two years or more - with attendant increases in construction cost by as much as 25 percent.

Issue No. 5 - Delegating a greater portion of the management of the construction grants program to the states. The ultimate delegation of administrative authority would clearly be the most efficient. This should be funded over and above the state's funding, as it would reduce the EPA cost of administering the program. EPA and the state should jointly agree on the priority system and establish necessary policy. Then, all other administrative functions should be provided by the state - with EPA serving in an overview capacity. Consider also that the state should in turn be allowed to further delegate the plan review authority to the local agencies where adequate staff and expertise is available. EPA's role should only be in the proper disbursement of funds to the state and the appropriate review of the treatment works constructed in the field. The Federal Highway Administration has been generally successful in this type of role. The final proof of the pudding is not how much administration and bureaucracy can be involved, but how well water quality can be improved.

Efforts of EPA should be directed during such a transition period to assisting states in the establishment of proper staffs and programs to insure uniformity in the implementation of the program.

Thank you for the opportunity to make these remarks.

June 16, 1975

Mr. David Sabock
Grants Administration Division
Environmental Protection Agency
Washington, D.C. 20460

Dear Mr. Sabock:

I am presenting the statement today at the direction of the members of the Professional Engineers in Private Practice Section of the Kansas Engineering Society and the Kansas Consulting Engineers' Council.

I welcome the opportunity to provide input and comments regarding the proposed amendments to the Federal Water Pollution Control Act. I realized that there would be several persons appearing to present statements; and, therefore, I have attempted to be brief in my comments. This is a summary statement, and we may choose to present more detailed and specific written comments at a later date.

Very truly yours,

Frank Eaton
Chairman

FE/daw

Position Statement
of
The Professional Engineers in Private Practice
Section of the Kansas Engineering Society
and
The Kansas Consulting Engineer's Council
for Presentation
at
EPA Public Hearing on June 17, 1975
Kansas City, Missouri

Members of the above professional societies have met and reviewed the material presented in the May 28, 1975 Federal Register entitled "Municipal Waste Treatment Grants" and subdivided into designations "Papers No. 1 through 5". We present the following statements relative to each of these papers.

Paper No. 1 - Reduction of the Federal Share

In our opinion the reduction in the amount of the Federal share would inhibit the construction of the needed facilities and would delay the

meeting of the goals of Public Law 92-500. Local governments have generally adopted the criteria and water quality standards promulgated by the EPA in expectation of a promised high level of Federal funding. To reduce the level of Federal funding at this time would not be keeping faith with the local governments, and would seriously endanger local planning where local funding has been completed but Federal funding not allocated.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.

Anything less than a reasonable reserve capacity in treatment plants and interceptor sewers would be unsound economics. The incremental additional cost is small relative to future cost of parallel units. A reasonable reserve capacity cannot be described by a "10/20" program or by any other fixed time program. What is reasonable for one city is not necessarily reasonable for another. What is reasonable for a large metropolitan area is not necessarily reasonable for a city of 5,000 or 10,000 population. Reserve capacity should be evaluated upon the most cost effective approach for each project.

A reasonable reserve capacity should be included in Federal funding. 100% funding of reserve capacity by local governments will bring pressures for under design, and result in greater future problems.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance.

Restriction of the types of projects eligible for grant assistance and yet maintaining the existing guide lines for water quality can create great inequities in grant assistance. All projects are generally alike, but all projects are individually different. Another may require treatment plus inflow correction. Yet another may require treatment, inflow correction and combined sewer overflow correction. Restricting eligibility by type of project can result in doing only a part of the job and failing to meet the goals.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards.

It is of course obvious that direct action must be taken to extend the 1977 deadline. Of the alternatives presented in the May 28 Federal Register, that presenting the greatest fairness to the American people is to seek statutory amendments that would maintain the 1977 date but would provide the administrator with discretion to grant compliance

schedule extensions on an ad hoc basis based upon the availability of Federal funds.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

We support the passage of bill HR 2175 with EPA activities confined to overall policy making and auditing of the grant program.

June 23, 1975

Mr. David Sabock
Environmental Protection Agency
401 M Street, S.W. (WH 556)
Washington, D.C. 20460

Re: Federal Register, Wednesday, May 28, 1975
Page 23107, et al Section entitled "MUNICIPAL WASTE TREATMENT GRANTS FRL-39-8"

Dear Mr. Sabock:

The following is a statement of concern by the Sanitary District of Rockford regarding Papers No. 1, 2, and 3:

During the decade of the 1960's, the Rockford Urban Area faced tremendous growth and industrial development. This development placed many additional burdens on the Sanitary District. The additional burdens centered upon increased volume of sewage water and increase in the contaminate level of that sewage water. This development posed immediate and costly issues that had to be addressed during the early part of the 1970's. As I am sure you are aware, the changing nature of requirements placed additional and costly burdens on sewage treatment facilities due to increased standards.

Paper No. 1 - Reduction of the Federal Share

In order to meet the demands of both the urban areas and the state and federal regulations, the Sanitary District of Rockford voters, on April 3, 1973, approved a $15,000,000 bond referendum to be the local share of a $62,500,000 overall program. This program includes additions and improvements to present plant facilities, supplemental interceptor lines, and construction of new interceptor lines in expanding areas of the Rockford Metropolitan Area.

The bond referendum was passed on the premise that the $15,000,000 was to be the matched share with a federal and state participation level of 75%. It can be readily seen that if the federal share were to be reduced to 55%, a large portion of the renovation and plant expansion would not be realized.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

It is difficult for the Sanitary District of Rockford to understand limiting to twenty years the reserve capacity of interceptors in expanding urban areas where potential exceeds a normal twenty years

projected growth. The justification of interceptor design for a capacity greater than twenty years may properly request documentation exceeding that necessary for less than twenty years. Thus, a case can be made that by providing proper guidelines, interceptors may be designed in areas, such as Rockford, where growth direction may be forecast, based upon past and present land use development. This would be true especially in areas having well developed and detailed micro land use planning programs.

If a twenty year design requirement were to be enacted, areas such as the Rockford Urban Area would constantly be supplementing interceptors. Past design work has enabled the Rockford Sanitary District to operate fifty years with supplementation.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance

Please refer in part to statements made concerning Paper No. 1, specifically, those dealing with the overall need of the Sanitary District of Rockford. The voters of the Rockford Urban Area in accepting a significant financial burden, moved to improving all aspects of their sewerage treatment facilities. The overall cost of such a project is significant and beyond the means of the Rockford urban area to fund. For the state and federal governments to change funding programs previously promulgated is a break of faith and commitment which they in effect are committed to pursuant to the passage of Public Law 92-500. The Rockford voters cognizant of the federal commitment to that law, and in an effort to solve their own water quality problems, met the commitment necessary to participate in the spirit of the program.

A reduction in Federal participation would reduce the Rockford Urban Area's ability to meet the needs of its growing urban areas and the regulatory requirements forced upon that area by the state and federal governments. In order for the federal government to rescind its commitment in type of projects eligible for funding, it then should be willing to rescind significant parts of its standards and regulatory processes. The program as proposed by Public Law 92-500 was an aggregate and to eliminate some of the parts would not allow the objectives of the aggregate to be met. Thus, reductions in federal support levels and categories of the types of eligible projects would restrict the ability of local government to meet the dictums of water pollution control.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Pretreatment Works to Meet Water Quality Standards

The Sanitary District of Rockford is in favor of Paper No. 4, and feels the date should be extended due to the technical nature of the problems

faced and the length of construction time necessary to build necessary capital equipment.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Program to the States

The Sanitary District of Rockford feels that significant efforts should be undertaken to improve the grants program so that funds can be processed and awarded in a more orderly and speedier manner. To delegate the authority to the states is an acceptable means, but there should be requirements as to performance and managing the grants. The federal government should also have the responsibility of maintaining the performance standards and auditing the programs on a regular basis.

Thank you, Mr. Coordinator, for your presentation and reviewing of this letter. Upon request, I stand ready as District Manager to expound and to present evidence for any of the enclosed information.

Sincerely,

THE SANITARY DISTRICT OF ROCKFORD

Jon L. Olson
District Manager

JLO:nm

June 26, 1975
Mr. James L. Agee
Assistant Administrator
Water and Hazardous Materials (WH-556)
U.S. Environmental Protection Agency
Room 1033, West Tower
Waterside Mall
401 M Street, S. W.
Washington D. C. 20460

Dear Mr. Agee:

In accordance with the notice contained in the Federal Register of May 2, 1975 concerning five specific amendments to P.L. 92-500 I wish to submit comments as president of the Rocky Mountain Water Pollution Control Association. Comments concerning each of the five proposed amendments are as follows:

1. A Reduction of the Federal Share of Construction Costs

   It is recommended that the federal share of construction costs be reduced from 75% of eligible construction costs to 55% of eligible construction costs. The smaller federal share will make it possible for available federal funds to stretch farther and help finance considerably more construction. The federal construction grant program for wastewater treatment facilities was successful during the period 1956 through 1972 when the federal share ranged from 30% to 55%, so the return to a lower federal share should improve the facilities construction program.

2. Limiting Federal Financing to Serving the Needs of Existing Population

   This proposed amendment would be unfair to those areas which are subject to a considerable amount of migration into the area from other parts of the country. This proposed amendment also would probably result in the construction of inadequate facilities and also result in inadequate fiscal planning. This in turn would result in pollution problems caused from overloaded sewer and wastewater treatment facilities. It is thus recommended that this amendment not be approved.

3. Restricting the Types of Projects Eligible for Grant Assistance

Collection system construction and rehabilitation have historically been financed by the direct beneficiaries of such systems, namely the property owners. The construction of collection systems has historically been paid by special assessments against abutting property, by developers of land and the individual purchasers of properties. The treatment of stormwaters according to the 1974 EPA Needs Survey would be too costly to consider seriously, and the benefits of stormwater treatment are at best questionable. It is thus recommended that this proposed amendment be adopted by Congress to limit federal construction grants to interceptor sewers and treatment facilities, with replacement of collector sewer system segments to be eligible for construction grants only under extreme circumstances of adverse public health or environmental degradation.

4. Extending proposed amendment is reasonable because of the many administrative delays caused by PL 92-500 and the National Environmental Policy Act. Construction funds have been available from the federal government under only limited conditions, and the multitude of administrative delays have made the 1977 date unattainable. The benefit to the waters of the nation during the past 20 years has been much greater than normally publicized, and for these reasons the extension of the 1977 date for compliance is recommended.

5. Delegating a Greater Portion of the Management of the Construction Grants Program to the States

   The approval of this amendment by Congress would result in less delays to facilities construction because of the anticipated decrease in administrative delays if the states would administer the construction grants program. State personnel have considerably better insight into local water pollution abatement problems than EPA personnel, and with the National Pollutant Discharge Elimination System management being taken over by most states, better coordination of the NPDES management and construction grants management would be accomplished with the approval of this amendment. For these reasons it is recommended that this amendment be approved for Congressional consideration.

I appreciate the opportunity to submit these comments, and I hope they will receive your consideration.

Yours very truly,

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/s/ William E. Korbitz, P.E.
President

WEK/gh cc: Executive Committee, RMWPCA

NORTHERN CALIFORNIA
REGIONAL CONSERVATION COMMITTEE

Water Resources Division

Reply to:
232 Hillview Avenue
Los Altos, Ca. 94022

1 July 1975

Mr Davis Sabock
Environmental Protection Agency
401 M Street, Southewest
Washington, D. C. 20460

Dear Mr. Sabock:

Proposed Amendments to the
Federal Water Pollution Control Act Amendments of 1972

The following comments are to be included in the record of the public hearings on the proposed amendments that were held throughout the country from 9-29 June 1975. While Mr. Peter Zars has subnitted official Sierra Club testimony, the following is merely an addendum to his remarks.

We believe that it is necessary to speak in strong support of a particulat requirement of PL 92-500 that is presently under attack. Specifically, we refer to the provision that generally restricts the use of ad valorem taxes for the financing of wastewater treatment plants and their operation. The user fee is the fair and equitable approach to service charges. Use of ad valorem taxes would eliminate the incentive for large industrial users to reduce their discharges of pollutants (to the sewer system) by means of good housekeeping, internal process changes, and pre-treatment.

Perhaps of greater significance, the use of ad valorem taxes would greatly reduce the incentive for industrial --and, in some cases, residential and commercial--conservation of water. If wastewater user charges are proportional, or at least partly proportional, to water use, there will be a tendency to conserve water, Although such considerations have always been of concern to most Californians, conservation of water is becoming increasingly important across the nation. Controversies regarding additional water supplies for cities such as Washington and New York could become moot with significant strides towards water conservation.

Although the Environmental Portection Agency has no mandate to conserve water, it certainly should be interested in minimizing the amounts of water to be pumped and treated in increasingly expensive treatment plants. Energy savings could be significant if year-round discharges to all sewer systems were reduced by even 10 percent.

Thany you for your consideration of this matter. Please let us know when copies of the hearing record are available.

Yours very truly,
/s/ Jane O. Baron,
Co-chairperson
Water Resources Division

cc: Mr. Paul DeFalco, Jr.
Mr. John Rhett
Mr. Peter Zars

July 3, 1975
Mr. James L Agee
Assistant Administrator for Water
and Hazardous Materials
Environmental Protection Agency
Room 1033, West Tower
Waterside Mall
401 M Street, S. W.
Washington, D. C. 20460

Re: Public Hearing on Potential Legislative Amendments to the Federal Water Pollution Control Act

Dear Mr. Agee:

In connection with the public hearings that have recently been held on potential legislative amendments to the Federal Water Pollution Control Act, it is noted that the hearing record is to be held open until the close of business on July 7, 1975, for consideration of any written comments recieved by that date. This letter will constitute the written comments on behalf of the County of San Joaquin, a county of the State of California, and on behalf of the San Joaquin County Flood Control and Water Conservation District, which is a district embracing the entire area of the County of San Joaquin, and governed ex-officio by the Board of Supervisors of the County of San Joaquin. This statement is also submitted on behalf of several county maintenance districts which have been organized under and pursuant to the Improvement Act of 1911, and particularly Sections 5820-5856, inclusive, of the Streets and Highways Code, all of which maintenance districts are also governed ex-officio by the Board of Supervisors of the County of San Joaquin, This statement is submitted pursuant to the direction of the Board of Superivsors.

On the proposal to reduce the federal share for construction grants from the current level of 75% to a level as low as 55%, we are opposed to any such proposed reduction. If this porposal were to apply to projects presently funded it would increase the cost to the local government by an amount or approximately $357,200.00. This added burden would be very difficult for the local taxpayers to bear.

As for the proposal to limit the amount of reserve capacity that would be eligible for construction grant assistance from the federal government, we are also opposed to this proposal. Although this proposal would not substantially increase the cost to local

taxpayers, it would tend to limit provisions for planned growth in that any funding of excess capacity would be solely at local espense. In many instances, it would be more economical from the long range point of view to provide for reserve capacity when constructing a project.

As for proposal No. 3 which raises the issue of whether there should be a restriction on the types of projects eligible for construction grant funding, we are also opposed to this. There are other provisions that may be relied upon to restrict eligible projects. For example, a system could be adopted by that state which would, in effect, limit the types of projects to be funded.

As to the issue of whether the law should be amended to extend the existing date of July 1, 1977, by which publicly owned treatment works are to achieve compliance with the requirements of Section 301 of the Statute, you have set forth five possible alternatives. We would be opposed to both alternatives one and two, and we believe that alternatives three and four also present certain difficulties. As a matter of principle, it is not advisable to vest any administrator with a broad discretion. In this instance in particular the EPA Administrator and his Regional Administrators would well be swamped with applications for extension, all of which would have to be examined with the attendant necessary paper work and delay. We believe, therefore, that the fifth alternative, which is to seek a statutory extension of the 1977 deadline to 1983 and require compliance regardless of federal funding, is, therefore, the best. Any strict adherence to the present time table will undoubtedly create severe economic hardship throughtout the country and especially in rural counties such as San Joaquin which is already experiencing a depressed economy. Our only difficulty with this fifth alternative is that portion of the alternative which would require compliance regardless of federal funding. In order to meet the proposed 1983 deadline it still may be necessary insofar as the financial situation of a local agency is concerned to have federal funding. Otherwise the deadline could nto be met.

As for the proposal to delegate a greater number of functions and responsibilities directly to the states with EPA assuming more of an overview role, we strongly support this proposed delegation. Already in California there has been a substantial delegation to the State, and it is working out quite satisfactorily. We believe that this should be extended and supported.

Anything to eliminate duplication of the administration and duplication of the staff work is desirable from the point of view of all persons concerned.

We thank you for the opportunity to submit these comments and would appreciate being advised of any action that may be taken in regard to this matter.

Very truly yours,
/s/Adrian C. Fondse
Chairman

AFC/pm
cc: Advisory Water Commission
County Counsel
Mr. William J. Ward
Mr. A. N. Murray

July 3, 1975
Mr. James Agee
Assistant Administrator
Water and Hazardous Materials
U. S. Environmental Protection Agency
Washington, D. C.

Re: E. P. A. Administration Proposals to Amend the Federal Water Pollution Control Act

Dear Mr. Agee:

On June 17, 1975 your agency held a public hearing at Kansas City, Missouri for the purpose of obtaining public reaction to the potential legislative amendments to the Federal Water Pollution Control Act. Papers listing the potential legislative changes were published in the May 28,1975 Federal Register. The Springfield Director of Public Works, Mr. David G. Snider, attended the hearing at Kansas City and commented on the proposed changes in P.L. 92-500. This letter is to restate and expand on Mr. Snider's comments.

The City of Springfield currently has two major wastewater treatment plant expansion projects underway. The Springfield Northwest Wastewater Treatment Pland Addition project will have a total cost of approximately two million dollars while the Southwest Wastewater Treatment Plant Additions project will cost approximately forty million dollars. Both of these projects were funded with 75% federal funds, 15% state funds, and 10% local funds. Interceptor sewers are also presently under design to serve growth areas of Springfield not now served by the Springfield sanitary sewer system. It is estimated that construction of these interceptor sewers will cost more than twenty million dollars. It is, therefore, evident that changes in P.L. 92-500 will drastically affect the City of Springfield in its plans for expansion and improvement to the sanitary sewer system.

Paper No. 1 - Reduction of the Federal Share.

Reduction of the federal share of eligible projects from 75% to 55% or any reduction from 75% will certainly delay the construction of needed facilities in the City of Springfield, Missouri. Although both of our plant expansion projects are under construction of interceptor sewers which are needed to replace small improperly operated wastewater treatment facilities. The City of Springfield does not have surplus funds available to pay more than the 10% local share and, in fact, we have geared our sewer

use charge to finance only 10% of the construction cost of the interceptor sewers. It is very doubtful that bonds would be voted by the citizens of the city to finance the additional 20% local cost if the federal share was reduced to 55%.

This paper also listed the issue "Would the reduced federal share lead to greater accountability on the part of the grantee for cost effective design, project mamagement, and post construction operation and maintenance". These considerations have always been important to the City of Springfield and we don't feel that our review of the design of our wastewater facilities could or would be any more critical if the federal share in these projects is decreased.

It is felt that the proposed reduction in the federal share will have a significant impact on water quality and meeting the goals of P.L. 92-500. In Springfield this will mean that some improperly operated and overloaded wastewater treatment plants will continue to be used much longer than if 75% federal funding was continued.

Paper No. 2 - Limiting Federal Funding of Reserve Capacity to Serve Projected Growth.

The proposal to limit federal funding of reserve capacity to serve ten (10) years of growth for treatment plants and twenty (20) years for sewers will cause many communities, including Springfield, Missouri, to design and construct sewage facilities for only the reserve capacity which is federally funded. In most cases this is not the most cost effective design and will cause increased costs to the taxpayers in just a few years. If communities had the local funds, they could, of course, construct the sewage facilities to serve the ultimate population of this area, but, unfortunately, this is not the case with most communities.

The limitation on federal funding could cause a 15 inch trunk sewer to be built parallel to a 60 inch trunk sewer twenty (20) years after the 60 inch sewer was constructed. If the necessary reserve capacity had been built into the initial trunk sewer, the cost would have been much less. The construction problems in paralleling trunk sewers after the area is nearly fully developed, or increasing the capacity of a treatment plant every ten (10) years, should also be considered in the evaluation of this proposed amendment.

Paper No. 3 - Restricting the Types of Projects Eligible for Grant Assistance.

It is our opinion that construction grant funding should be limited to certain types of projects. Those types of projects which we feel are most necessary in meeting the goals of P.L.92-500 are Secondary Treatment Plants, Tertiary Treatment Plants (where necessary), Interceptor Sewers, Correction of Sewer Infiltration/Inflow and Treatment or Control of Stormwaters. These types of projects are chosen, of course, because of Springfield's own unique water quality problems but would seem to be priority projects in most communities.

Paper No. 4 - Extending 1977 Date for the Publicly Owned Treatment Works to Meet Water Quality Standards.

It is evident that the effluent limitations necessary to achieve compliance with Section 301 of P. L. 92-500 cannot be attained by most commutities by July 1, 1977. Even though Springfield, Missouri has a construction project underway to meet these effluent limitations, the project will not be completed by July 1, 1977. It is, therefore, felt that the E. P. A. Regional Administrator should have the authority to grant compliance schedule extensions based upon the availability of Federal funds and the communities' good faith efforts to build the necessary facility.

Paper No. 5 - Delegating a Greater Portion of the Management of the Construction Grants Porgram to the States.

The City of Springfield has had very excellent cooperation and assistance from both the Region VII E. P. A. and the Missouri Clean Water Commission personnel in our efforts to receive the construction grants necessary to correct our water quality problems. If the State of Missouri would be given additional authority in this construction grant program, it will be necessary that additional qualified staff be hired. Their existing staff is not sufficient to handle this very vital program.

I appreciate the opportunity to give you our thoughts about the proposed amendments to P. L. 92-500. I hope the above comments are helpful to you in determining the effect these changes would have on Springfield's efforts in achieving the goals of P.L.92-500.

Very truly yours,
/s/ Don G. Busch
City manager

RRS:cc
cc: Mr Lonnie Hines, Federal Projects Coodinator,
Public Works File

June 26, 1975
Mr. James L. Agee
Environmental Protection Agency
Office of Hazardous Material
Room 1033, West Tower
Waterside Mall
401 M Street
S. W. Washington, D. C. 20460

Re: Written comments for Public Hearing Held June 19, 1975 - San Francisco, Califronia.

Dear Mr. Agee:

The Sonoma County Board of Supervisors acting in their capacity as Board of Directors for numerous County service areas and County sanitation districts, has by resolution directed me to submit written comments for inclusion on potential legislative amendments to the Federal Water Pollution Control Act.

The County of Sonoma did not submit oral or written comments at the public hearing on June 19, 1975. However, a member of my staff was in attendance and has reported excerpts of the testimony. I am aware that all five papers, as prepared by your office for public review, were thoroughly discussed by the many participating agencies. Rather than submit new testimony, it is the County of Sonoma'a desire to support the oral and written testimony submitted by Mr. William Dendy, Executive Officer, State Water Resources Control Board.

Mr. Dendy supported the retention of the current 75% Federal Grant support on all eligible projects. We concur with this recommendation and would also agree with the State's policy of restricting the maximum eligible items on the basis of the State Department of Transportation's population projection.

Mr. Dendy also supported the retention of all present eligibel types of projects, and particularly referred to the need for providing Grant eligibility for collection systems in unsewered communities with verified potential health problems. He noted that the amount of Grant funds required to provide collector sewer systems in eligible communities is less than 1% of the present State of California Grant funding.

Sonoma County strongly supports the continuation of the collector sewer system eligibility since the septic tank effluent

from our rural unsewered areas, where former logging, agricultural and recreation communities are now being utilized by full time families, is overloading the soil leaching systems.

The accumulation of a relatively high density of septic tank leaching systems in these types of communities has resulted in the prohibition of any new improvements within four speicific rural areas in Sonoma County. The cost for the treatment facilities including the collection sewer system in all four of these communities, exceeds the assessed value of all land and improvements, and in one case the construction cost is more than double the current assessed value. This financial impact necessitates the continuation of the grant program, whereby smaller communities are able to construct sewage systems.

The hearing officers at the June 19th public hearing questioned particular participants regarding the need for the eligibility of the collector sewer systems. In the cases where the participant answered negative, I believe you will note that the respondent represented urban areas where this type of project is not needed. We request your consideration of Mr. Dendy's report as providing an overall equitable testimony which represents the entire state.

Mr. Dendy's comment on papers No. 4 (extending 1977 date for secondary treatment plants), and paper No. 5 (delegating management of the construction grant program to the State), are in conformance with our recommendations. Our recent experience, with the State administering the Step 1, Step 2, and Construction Grants, has been encouraging. The staff of the State Clean Water Grant Program has expedited all recent applications and has not been a party to extending the review and approval period as had been experienced in applications submitted in prior years. I appreciate the opportunity to participate in this public hearing process, and am looking forward to reading E.P.A.'s final recommendations.

Donald B. Head
Director of Public Works
/s/ Hal E. Wood
Civil Engineer III
HEW/fb
cc: Paul De Falco
William Dendy

My name is Robert C. Levy, City Engineer of San Francisco. There are five major areas of PL 92-500 according to the position papers set forth by O. M. B. I would like to discuss these proposed changes briefly and how they would affect the Water Pollution Control Program in the City and County of San Francisco.

I would also like to add some suggestions on how the law might be amended or clarified in areas of more immediate concern to the City and County of San Francisco.

I. The proposal to reduce the federal share of grants would have a detrimental effect on the already slow progress of the program.

Parts of PL 92-500 were adopted in order to compensate for the previously inadequate or non-existant federal funding. Reducing this share would only be a step backward. Assuming the enforcement requirements of the permit system were left unchanged, the cities would be required to carry a larger share of the capital cost thereby adding another demand on an already strained municipal bond market. The City's limited resources and the growing demands for funds by other high-priority porgrams to provide needed services cast a doubt on our ability to assume an increased share of the funding burden.

II. Limiting the federal funding of reserve capacity to serve projected growth would have little effect on the City and County of San Francisco since all population projuctions available show little or no growth over the next 30 years. However, some provision should be made to guarantee existing capacity funding even when that capacity includes wet weather and to provide capacity for historical trends in per capita water consumption and the highly transient tourist and commuter populations for which most Central cities provide sewerage service.

III. Restricting the types of projects eligible for grant assistance would have a disastrous effect on cities like San Francisco with combined sewerage systems. It has just been this year that the release of impounded federal funds has allowed the State to place combined sewer projects in a category that will be funded. In cities like San Francisco with combined sewerage systems, the dry weather and wet weather planning and construction are interrelated and often inseparable. Restriction of

this type would cause lengthy delay in solving wet weather problems and non-cost-effective construction of dry weather only facilities. If both were fully intergrated and funded it would result in year-round water quality improvement at an overall savings to the taxpayer. In addition, the pollution effects from combined flow bypasses in wet weather can approximate that of dry weather.

IV. Extending the 1977 date for the publicly owned treatment works to meet water quality standards appears to be a necessity in some cases. San Francisco will not reach substantial secondary treatment until 1980 or 1981, and I am sure many other communities have the same problem. I'm sure when P.L. 92-500 was passed no one envisioned the mountain of red tape required to comply with the requirements of not only PL 92-500 but many other federal and State laws which use the grant program for incentive such as NEPA, the Uniform Relocation Act, the Historical Monument Preservation Act even the National Flood Insurance Progran, CEQA. An example is the Yerba Buena project in San Francisco. In our own case, as I'm sure is the case with other urban cities, available land is either non-existant or at a premium and the prospect of removing more land from the tax roles, relocating businesses, and residents sometimes to other cities raised much community opposition and slows the progress considerable. Some special consideration should be given to cities with these problems by extending the 1977 deadline to something more realistic.

v. San Francisco, as most other cities in California, has a good working relationship with the State Water Resources Control Board and would endorse a greater delegation of the Construction Grant Program management to the State since it is most familiar with our local problems. However, increased staffing should be provided with the increased responsibility and a corresponding decrease in the amount of EPA review and approvals or nothing will be gained from such delegation.

Other possible amendments to PL 92-500 which San Francisco would endorse include a use of Ad Valorem tax to support the Revenue Program in lieu of an increased user charge and industrial recovery. Supporting the program through Ad Valorem tax gives the homeowner the advantage of the deduction from federal taxes

whereas a user charge does not, and savings can be effected by the semi-annual collection along with property taxes. The industrial payback will create an accounting nightmare for the various grant applicants and industry, through property taxes and source control is already doing its share.

Finally, action is needed to clarify the degree of treatment necessary for wet weather overflows and combined sewerage overflows. The law is not clear on whether or not secondary treatment is required for these overflows. Cost effective treatment can in most cases be provided at something less than secondary treatment for combined sewage overflow.

This concludes my remarks and I will submit a copy for the record.

June 10, 1975
Mr. David Sabock
Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033, West Tower
Waterside Mall
401 M Street, S. W.
Washington, D. C. 20460

Dear Mr. Sabock:

We are advised by EPA Region IV (Joseph R. Franzmathes,P.E.) of proposed Atlanta public hearings on amendments to Public Law 92-500. Mr. Franzmathes advises that the Federal Register of May 23 provides additional information I'd appreciate your sending me a copy of the changes.

Based on information now in hand, I'd like to offer the following comments.

1. No reduction(from 100%) in the federal share for 208 planning grants should be considered. For the first time in urban public works legislation, the Congress has provided a responsive, comprehensive planning program addressed to the management and institutional fundamentals of plan implementation. Planning under Section 208 effectively addresses the question of urban growth versus facility development. These comprehensive planning approaches should be encouraged through continued 100 percent funding.

2. The Section 208 program under Public Law 92-500 should be expanded to include all urban areas interested in and perceiving a need for the program (rather than the SMSA-centered urban regions). The reasons for extending the program to smaller communities are the same as in Item 1 above.

Thank you for whatever attention may be given to the above. We request that these comments be made part of the Atlanta Region Hearing.

Very truly yours,
/s/ Charles C. Shimpeler,P.E., Principal

CCS:ve
cc: Mr. Joseph R. Franzmathes

June 13, 1975
The Honorabel Jacob K. Javits
United States Senate
Senate Office Building
Washington, D. C. 20510

Dear Senator Javits:

It is my understanding that the United States Environmental Protection Agency is considering proposals which would increase the local taxpayers share of water pollution abatement costs. Among these proposals is one which would revise the Federal grant percentage from the present 75% to as low as 55% of the cost of eligible portions of project costs.

Even with the existing Federal and State grants, the magnitude of the amount to be paid by the local taxpayer and users of these water pollution control plants is huge. If the new proposal would be adopted, the burden on the taxpayer and users would increase significantly.

As you know, the present law states that portions of the plant built for industry are not eligible for any Federal grant. The new proposals would significantly increase the burden on industrial users of these plants. Since the operating charges will have to recover the added portions paid by the community if the grant is reduced. This added burden can only serve to increase that number.

Should the present consideration be reflected in a new measure to be presented to the Congress, I would strongly urge that you vote against these changes.

Very truly yours,
/s/ S. Friedman

SF:sw
cc: Mr. Charles Light
President, Buffalo Area Chamber of Commerce
The Honorable Edward V. Regan,
Erie County Executive

June 17, 1975
EPA
Office of Water and Hazardous
Materials (WH-556)
Room 1033, West Tower, Waterside Mall
401 "M" Street, SW
Washington, D. C. 20460

POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT

The City Council of the city of Salinas has authorized me to make a presentation at the public hearing on potential legislative amendments to the Federal Water Pollution Control Act. I will attend the hearing in San Francisco on June 19, 1975.

The city recognizes that the magnitude of the cost of the program is huge. The time constraints build into the present legislation were unrealistic for such a program. To resolve the dilemma, the city recommends alternates 4 and 5 as outlined in the notice of the hearings.

The city considers the currently authorized percentage of participation by the federal government to be appropriate for several reasons:

1) The federal government has set standards of discharge higher than necessary. An example of this is the requirement for secondary treatment in all cases where sewage is being discharged to the ocean.

2) Federal legislation, guidelines, procedures and red tape have increased the cost of these projects by about 50% with no commensurate imporvement in the elimination of pollutants.

We have long found that the delegation of authority to the level of government most representative to the people improves the efficiency substantially. The federal representatives have a misconception that they are the most knowledgeable concerning problems and must pass final judgment on everything that is done. Designating a greater portion of the management of the construction grants program to the states is a step in the right direction.

CITY OF SALINAS
/s/ ARNOLD C. JONES
Director of Public Works

ACJ/ljh

June 13, 1975
Environmental Protection Agency
Region IV
1421 Peachtree Street, N. E.
Atlanta, Georgia 30309

Attention: Mr. Joseph R. Franzmathes
Re: Written Statement, Public Hearing
Proposed Amendments to the FWPCA

Gentlemen:

It is requested that the following written statement be entered into the record of the Public Hearing held in Atlanta June 9, 1975 concerning proposed amendments to the FWPCA:

Reduction in the Federal Share. It is our opinion that the Federal share of construction grants should not be reduced from current level of 75%. It was the intent of Congress that Federal Funding be at the 75% level. Otherwise, it would not have been included in the legislation. During this depressed economic period, the Federal Government is in a better position to raise funds than are units of local government. If is is difficult for Federal Government to fund sewer projects, it is even more difficult for units of local government.

In our opinion, if the Federal share is reduced from 75%, the Water Pollution abatement Program will become bogged down due to inability of many units of local government to finance the local share.

We do not feel that reducing the local share from 75% to 55% will encourage greater accountability for cost effective design and project management. It is in the best interest of the units of local government to obtain as much pollution abatement capability as possible for the dollars spent. We believe that local officials and the consulting engineers employed by these officials are striving to their utmost to accomplish the goals of cost effective design and effective project management. We further believe that the persons involved in sewer project initiation, sewer project design and project management, on the local level, are just as capable, honest and smart as are persons working at the Federal level. We feel that rather than a reduction in the Federal share, it should be increased to 90% since construction sewers is just as important to a community as is building interstate highways.

Limiting Federal Funding of Reserve Capacity to Serve Projected Growth

We are of the opinion that reasonable projected growth should be considered in the design of any wastewater project. We believe that the basis for determining reserve capacity for projected growth should be based upon the peculiarities associated with each individual project. To establish hard and fast facilities may create the construction of facilities which are not as cost effective as they should be.

We believe that phasing of many components of wastewater treatment plants is the most cost effective, however, we are not in favor, I repeat, emphatically not in favor of phasing sewer interceptors. The percentage increase of construction costs to increase line size is small in comparison to the increase percentage of capacity gained.

In addition to this, is the very important consideration of rights-of-way. Rights-of-way, for the first installation of sewer lines, are normally quite easy to obtain and can be obtained without payment of damage to property owners; However, to obtain rights-of-way for the installation of a parallel sewer line, frequently can be a nightmare. Often, the price paid for damages is greater than the value of the property. Awards for damages by jurors seem to be getting higher and frequently far outstripped reasonable assessments of damages. In addition to this, problems with property owners during the construction are compounded with a second sewer line installation. Property owners are more demanding and are not as underatanding of the inconvenience that they are ecperiencing due to the construction activities. Another point to consider concerning sizing of sewer interceptors is that as areas grow and develop, it becomes difficult to find physical space in which to install a parallel sewer line.

Restricting the Types of Projects Eligible for Grant Assistance.

It is our opinion that projects eligible for construction grants should be limited to Types I, II, III(a) and IV(b).

Extending 1977 Date for Publicly Owned Pretreatment Works to Meet Water Quality Standards.

We are of the opinion that the 1977 date for meeting water quality standards by publicly owned treatment works should be extended. The nation does not have adequate resources to meet water quality standards by 1977. Even if funds could be made available, there is sime question as to the availability of construction personnel and equipment and as to the capability of equipment manufacturers

to deliver the volume of waste treatment equipment required.

We feel that secondary treatment should be redefined so as to permit utilization of properly operated stabilization ponds with chlorination.

Delegating A Greater Portion of The Management of Construction Grants Program to States.

We are in favor of maximum delegation possible to the state agencies to eliminate existing red tape.

Yours very truly,
Spartanburg Sanitary Sewer District
Edwin D. Mitchell
Assistant Director

EDM:lwb

Junw 12, 1975

Mr. James L. Agee
Asst. Administrator for Water
and Hazardous Materials

Dear Mr. Agee:

I have reviewed the discussion papers regarding proposed amendments in the Water Pollution Control Act and this is to record the City of San Leandro's position on several of the issues.

1. The grant level of 75% federal financing should be maintained.

The elimination of water pollution is a national problem which affects every citizen in some way and it should be a national responsibility to correct. We believe this was the original intent of the law and know that it is a prime motivation, and in some cases the only way that some communities can achieve the goal. If there is a need for additional finances, and apparently so, there is no fairer way, because of it being a national problem, than to provide funds from taxes collected on a nationwide basis.

2. Limit funding for construction of reserve capacity to a 10 year projection for treatment works and 20 years for sewers.

This is a reasonable limitation because it allows for nominal growth that in many cases may already be in process or committed, but does not permit any agency to prepare for future growth at the expense of others and which some others, because of their local financial condition, may not be able to benefit from at 75% funding if they want to. The 20-year period for sewers opposed to 10 for treatment works is logical because of the excessive cost of constructing sewers, but which makes the cost-benefits for larger sizes constructed initially far greater than that involved in treatment works.

3. Compute cost of added capacity on an incremental rather than prorated basis.

It only seems fair, becuase every agency may recieve grant funding according to specific criteria, that no agency who wishes to add additional capacity should be penalized for that additional capacity by sharing on a pro-rata basis. For example, funding may be allowed for a certain size sludge digester or clarifier but the agency may wish to "play safe" by adding additional

treatment capacity of capacity for more than 10 years of growth. The volume of these structures, which is roughly comparable to capacity, is relative to the square of the diameter, but the cost of construction is closer to the relative diameter. Therefore, the greater the capacity constructed, the more disproportionate the share will be borne by the local agency and actually, federal funding will drop both in percentage and actual dollars. This is not fair to the fore-sighted local agency.

4. We enthusiastically endorse HR2175 which would delegate to the states a broader range of grant processing gunctions.

We believe in local government , and as such feel states are both closer and better equipped to deal with the local agencies than either in combination with or directly by the federal governmemt.

Yours very truly,
R.H. Ward
Public Works Director

RHW/ag

Juen 17, 1975
Environmental Protection Agency
Office of Water and Hazardous Materials
(WH-556) Room 1033
West Tower, Waterside Mall
401 M Street
Washington, D. C. 20460

Gentlemen:

Public Hearing on Potential Legilsative Amendments to the Federal Water Pollution Control Act

In response to your announcement of hearings to be held to discuss amendments to the Federal Water Pollution Control Act (FWPCA) (PL 92-500), the San Diego County Board of Superivsors takes the following position regarding those amendments listed and directed staff to participate in the hearings to be held on June 19,1975 in San Francisco. California.

1. Proposed reduction of the Federal grant share from the present 75% level.

The San Diego County Board of Supervisors is responsible for the operation of 14 sanitation districts. All of these districts presently have existing facilities, paid for by the property owners and users within those districts. Many of the districts now must abandon or construct major improvements on these facilities in order to comply with the FWPCA. Some of the districts are experiencing severe financial problems and are virtually unable to provide even the 12½% local share (75% federal funds, 12½% state funds) required to construct the new facilities required by the FWPCA. Any reduction in the Federal share will have to be borne by some of these districts. Assuming a reduction in the Federal funding share, some of the smaller districts will be faced with two undesirable alternatives:

a. Noncompliance with the FWPCA, or
b. Severe financial hardship.

2. Limiting Federal financing to serve only the needs of the existing population.

This proposal is too restrictive. Limiting the funds in this manner may cause many dischargers such financial hardship that additional capacity for even nominal planned

growth or discharge increases cannot be provided. In such cases, even after large capital improvements, some districts may find that building moratoriums are inevitable.

In critical air basins, California currently limits its share of financing to the so-called E-0 population; the E-0 population projection provides a very limited future growth factor.

It appears the State of California approach is a better solution to the dilemma of providing funds for extensive growth versus no growth. It ensures that the dischargers provide careful sizing and design of capacity to serve the limited future growth.

3. Restricting the types of projects eligible for grants.

The kinds of projects presently eligible for Federal grant funds all relate to water pollution abatement. Eliminating some of the projects will be counter productive to the achievement of the clean water objective. In fact, consideration should be given to expanding the types of eligible projects.

For example, secondary treatment is mandated by the FWPCA for ocean water discharge on the Pacific Coast. It is recommended that the use of primary treatment be continued under certain limited conditions and the requirements for secondary treatment be investigated. There are a number of ongoing studies to determine the effects of waste water on the ocean environment, but additional data is required prior to the uniform application of secondary treatment. Water quality standards must take into consideration the possible adverse effects they may have on the land use and energy consumption. Furthermore, it is recommended that Federal grant monies be appropriated to perform an extensive monitoring program in order that the effects of ocean discharge may be properly evaluated. The reslult of the study may determine that primary treatment, as presently practiced, is adequate in most West Coast applications or that treatment other than secondary is required.

Our Board of Supervisors has continually stressed interest in reclamation projects. To make reclamation possible, it is important that these projects remain eligible for Federal grants. Furthermore, the grant program should be expanded to partially subsidize reclamation projects that are not entirely cost effective now, but may be in the future.

4. Extending the 1977 date for meeting water quality standards.

It is already quite evident that additional time is required by many of the projects in San Diego County. The time required for the implementation of a project has increased subsequently during recent years because of grant review procedures, environmental impact reviews, citizen reviews, requirements of the California Coastal Commission, etc.

5. Delegating a greater portion of the management of the construction grants program to the states.

In California, the Environmental Protection Agency presently delegates some portions of the program to the State. Further delegation is desirable to eliminate duplication of efforts thereby causing delays and attendant cost escalation.

6. Additional comments:

Presently, the FWPCA requires the grantee to recover from industrual users an amount equal to the portion of the Federal grant allocable to industrial users. Fifty percent(50%) is then returned to the Federal treasury on an annual basis. The administrative costs associated with returning revenues from industrial waste dischargers are substantial. In the County of San Diego we have many bedroom communities with some associated small industrial dischargers, such as stores and service stations. The Administrative costs to recover, account, and forward funds from these industrual discharger industries is not economical. It is recommended that these monies remain with local governments for necessary capital improvements or waste water reclamation investments.

Alternately, the list of dischargers considered to be "industrial dischargers" should be modified to eliminate those businesses normally supportive of urban residential development (grocery stores, restaurants, service stations, etc.).

Sincerely,
/s/ Dick Brown,
Chairman,
Board of Supervisors
County of San Diego

DB:GMB:db

Distribution for attached letter:

CC: Public Works Agency
Department of Sanitation and Flood Control
Office of Intergovernmental Affairs
Board of Supervisors
Clerk of the Board of Supervisors

June 17, 1975
VIA AIR MAIL

Mr. James L. Agee
Ass't. Administrator for
Water & Hazardous Materials (WH-556)
Environmental Protection Agency
Room 1033, West Tower, Waterside Mall
401 M Street, S.W.
Washington, D. C. 20460

Dear Mr. Agee:

It is our understanding that EPA is holding public hearings to obtain information concerning five amendments to P.L. 92-500 in an effort to reduce the $350 billion dollar impact that that law imposes. These amendments are:

1. Lower the Federal Grant Share from 75%

2. Restrict Federal funding for projects accommodating only the existing population

3. Restricting the types of projects eligible for grants

4. Extend the compliance dates

5. Delegate management of the construction grants to the States

The City of San Diego is likewise concerned about the costs of implementing P.L. 92-500. While we herald the goals of cleaning up the nation's waters that are the source of our drinking supply, we do feel it is a misdirection to spend money on secondary treatments plants that discharge their effluents into receiving waters that are not a source of drinking water supply. Such is our case as we discharge into the ocean. There is no community "downstream" of us using our effluent as a source of drinking water. Of course, if there was any indication at all that our effluent adversely affected the ocean environment, we would be the first to prevent that from happening. To us, therefore, P.L. 92-500 simply means building secondary treatment to accomplish nothing at all. We think this is a flagrant waste of money on the basis of existing scientific knowledge.

Considerably less money could be spent and certainly better direction could be given with the Federal funding of beefed up monitoring and scientific research programs. It is felt that if anything is to be done structurally, there should be a logical base for doing it. That logic is non-existent at the present time.

San Diego feels its pollution problem from liquid wastes is one of low priority. Looking down the road 30 years all indications are that our biggest priority problem is one of water supply. Because of this we feel that any plans made or structures built should be towards reclamation efforts leading logically in a step-by-step fashion to recycle for reuse as a potable water supply. P.L. 92-500 will not allow this to happen. It simply mandates that effluent be run through a secondary plant on its way to the ocean without any possibility for reuse. Thus there is no benefit from the money spent for such efforts and we miss our opportunity to do something now that will fit into our future needs. We are at a pivotal junction in our lives and we feel compelled to participate responsibly in programs that will benefit subsequent generations.

Towards this end we oppose any alternates that lessen the Federal responsibility for its acts. Thus we oppose alternates 1 and 2. We would support funding on a basis of priority of need. Treatment plants where needed, i.e. discharging into a stream, river, or inland lake for drinking supply; inflow, collector and interceptor sewers, and put storm waters lowest of all. We have supported efforts to redefine the deadline into some priority of need. We would feel good faith efforts toward compliance, with Administrator flexibility, for control, would be appropriate. To this end we would support a deadline on an individual basis, based on availability of Federal funds.

Similarly we have supported delegation of the administrators function to the States in the hope that such a move would result in an effort to build for the future using all local environmental parameters, incorporating natural resources and wastes impacting the air, land and sea. To this end we would define the '83 goal of BAT to be that plan which consumes the least natural resources and produced the least wastes taking into consideration full broad based environmental considerations.

San Diego is as concerned about its environment and its future as is

humanly possible to be. It is felt our ultimate goals are in harmony with those at all levels of government.

Very truly yours,

R.W. King
Water Utilities Director

RWK:bs

cc: Deputy C/Mgr. John Lockwood
Ass't. Water Util. Dir.

May 9, 1975

Mr. Russell E. Train, Administrator
Environmental Protection Agency
Washington, D. C.

Dear Sir:

Please enter the following remarks into the Public Record of the Public Hearing on "Potential Legislative Amendments to the Federal Water Pollution Control Act."

As an agent of local government in a rural section of South Carolina I wish to impress upon the Hearing Board the need for continued and expanded EPA Programs and funding in the Municipal Waste Treatment category.

My concern for small municipalities participating in the program touches all the issues notied in the Public Hearing Notice of May 2, 1975, Federal Register, Volume 40, Number 86. The most pertinent issues are those of reducing the federal share, and restricting types of projects eligible for grant assistance.

The existing 75% Federal share for Municipal Waste Treatment Systems seems adequate and should not be lowered untill all municipalities have an opportunity to participate in the program.

My basic concern is for those small local governments which need EPA's assistance in beginning their municipal waste treatment system but are presently unable to receive funds because they lack an existing system to upgrade. If the Federal share is reduced before these communities are allowed to utilize the program a mistake will have been made. Without the 75% Federal grant most small local governments will never be able to provide a public waste treatment system.

I appreciate the opportunity to enter the above remarks on the record. If questions arise, do not hesitate to contact me.

Sincerely,

Donald N. Tudor, AIP
Assistant Director

DNT:pw

June 19, 1975

Mr. Paul DeFalco, Jr.
Administrator, Region 9
Environmental Protection Agency
100 California Street
San Francisco, California 94111

Dear Mr. DeFalco, Jr.,

Because of illness I was unable to attend the E.P.A. Public Hearing on June 19, 1975.

I am enclosing two (2) copies of the remarks that I intended to deliver. Would you please see that they are included in the record.

Sincerely,

John L. Maloney
President
Industrial Association of
the San Fernando Valley

JLM -h

CC: Mr. Dave Sabock
Enclosures

June 17, 1975

E.P.A. Public Hearing. S.F. Cal.
Re: Proposed congressional legislation to be introduced circa July 31, 1975. Potential legislation amendments to the Federal Water Pollution Control Act.

Gentlemen:

Our remarks are addressed to parenthesis four (4) as one of the proposed amendments setforth, namely extending the 1977 date of meeting water quality control standards.

We believe this is the only proposition that should be enacted, and it should provide for indefinite extension of the date to meet water

quality control standards.

E.P.A. has developed an embryo body of knowledge and experience of the water quality control field during its brief existence. It does not appear that it has as yet learned of the economic impact of its program on the communities affected when said program is too hastely applied.

Herewith is our assessment of the adverse economic impact in the San Fernando Valley community.

Jobs

Our 13 high schools, 3 colleges and 1 university have enrollment of 100,000. Almost all these students are preparing to enter the labor market. The workers now in the Valley labor market (approx) 300,000 will not be retiring when these students seek jobs. What do we do without growth?

Housing

The students, now seeking work, will nevertheless be forming family units. Where do we house them without growth?

Capital Investment

Our Valley industrial plant investment is $3 billion and the figure for commercial business is much more. What do we do if these sources of jobs, taxes and general properties are atrophied by "no growth?"

In our opinion this is pretty much the predicament of established communities throughout the nation.

Give us time to adjust economically while a workable clean water program is soundly developed. By 1985 we should be able to embrace such a program.

Respectfully,

John L. Maloney
President

JLM/bm

Reply to:
232 Hillview Avenue
Los Altos, Ca. 94022

1 July 1975

Mr. David Sabock
Environmental Protection Agency
401 M Street, Southwest
Washington, D. C. 20460

Dear Mr. Sabock:

Proposed Amendments to the
Federal Water Pollution Control Act Amendments of 1972

The following comments are to be included in the record of the public hearing on the proposed amendments that were held throughout the country from 9-29 June 1975. While Mr. Peter Zars has submitted official Sierra Club testimony, the following is merely an addendum to his remarks.

We believe that it's necessary to speak in strong support of a particular requirement of PL 92-500 that is presently under attack. Specifically, we refer to the provision that generally restricts the use of ad valorem taxes for the financing of wastewater treatment plants and their operation. The user fee is the fair and equitable approach to service charges. Use of ad valorem taxes would eliminate the incentive for large industrial users to reduce their discharges of pollutants (to the sewer system) by means of good housekeeping, internal process changes, and pre-treatment.

Perhaps of greater significance, the use of ad valorem taxes would greatly reduce the incentive for industrial--and, in some cases, residential and commercial--conservation of water. If wastewater user charges are proportional, or at least partly proportional, such considerations have always been of concern to most Californians, conservation of water is becoming increasingly important across the nation. Controversies regarding additional water supplies for cities such as Washington and New York could become moot with significant strides towards water conservation.

Although the Environmental Protection Agency has no mandate to conserve water, it certainly should be interested in minimizing the amounts of water to be pumped and treated in increasingly expensive

treatment plants. Energy savings could be significant if year-round discharges to all sewer systems were reduced by even 10 percent.

Thank you for your consideration of this matter. Please let us know when copies of the hearing record are available.

Yours very truly,
Jane O. Baron, Co-Chairperson
Water Resources Division

cc: Mr. Paul DeFalco, Jr.
Mr. John Rhett
Mr. Peter Zars

June 6, 1975

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials
U.S. Environmental Protection Agency
Room 1033, West Tower
Waterside Mall
401 M Street, S.W.
Washington, D. C. 20460

Re: Comments on EPA Papers Regarding
Possible Changes to PL 92-500
Federal Register, May 28, 1975

Dear Mr. Agee:

The South Carolina Department of Health and Environmental Control has read and carefully reviewed EPA's papers on possible changes to the Federal Water Pollution Control Act Amendments of 1972. We would like to take this opportunity to thank you and your staff for giving consideration to our attached comments on these papers. We hope that you will find them useful in making recommendations to Congress.

Prior to proceeding with our comments on each of the five substantive issues raised by EPA, let me preface our remarks with the following statement. It should be remembered that in the State of South Carolina (as in the other thirty-four "rural states"), out of some 350 incorporated municipalities, only some twenty-one are over 10,000 in population. Therefore, the "norm" for this State should clearly be the "small town". Generally speaking, the small town official is part-time with little or no technical background, training, or expertise, and has virtually no "technical staff" to call upon for aid and assistance in the application for or administration of a construction grant from EPA. Obviously then, any change in the law ought not to be based upon the concept of passing further responsibility and duties, especially complex and technical requirements, on to the small town official. Further, the small town, in general terms, has few, if any, resources (in terms of capital or labor) to call upon. Therefore, changes that are being contemplated ought to reflect a concern for the "average applicant" for EPA grants, which in the case of a "rural state", is the small town.

With these comments in mind, this Department offers the attached com-

ments for your consideration. If we can be of any further help to you in this matter, please do not hesitate to call on either myself or any member of my staff.

Very truly yours,

John E. Jenkins, P.E.
Deputy Commissioner
Environmental Quality Control

JEJ/JDZ/cds
Attachments.

cc: Jack E. Raven, Regional Administrator, EPA, Atlanta
Joseph R. Franzmathes, Director, Office of Water Programs, EPA, Atlanta

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
COMMENTS ON

Paper No. 1 -- REDUCTION OF THE FEDERAL SHARE

In general terms, the South Carolina Department of Health and Environmental Control strongly supports the maintenance of the present seventy-five per cent (75%) EPA construction grant. It has been the experience of this Department, since the beginning of PL 92-500, that the average applicant, despite the seventy-five per cent grant, still has problems raising the twenty-five per cent local share. This situation has come about through a number of ways: (1) higher technical and water quality requirements which make the applicant put a more expensive project into the ground; (2) inflationary trends both in terms of material and labor costs and also in terms of the costs of raising the local share; and (3) longer times to prepare a project (from the Step I to the Step III stages) combined with more administrative requirements. Despite the fact that the applicants in South Carolina are trying to comply, to the best of their ability, the twenty-five per cent share required under the law, is often almost unobtainable. And, for those applicants who are able to obtain financing for the local share, the minimum user charges imposed on the citizens of the towns are often so high that it is doubtful if these citizens will tap on to the system, or stay on the system. Thus, the high costs may be placing EPA projects into a situation where (despite the user charge, industrial cost recoverd, O&M requirements, etc.) the project will not be self-sustaining throughout its life. This trend, in essence, defeats the purpose of the law which

is, of course, to construct and maintain those facilities necessary to meet the goals and objectives of the law by the times specified.

In answer to the questions posed by EPA in the May 28 Federal Register, this Department offers the following comments:

1. This Department feels strongly that a reduced Federal share would inhibit and delay the construction of badly needed facilities. With respect to the above comments, and this question posed by EPA, we can only suggest that a reduction in the Federal share would raise the cost to the applicant (and thus to the local taxpayers) which may only further aggrevate the trend already alluded to. Further, serious consideration should be given to the question of whether or not the "local revenue bonding market" could bear a substantive raise in bond issues and sales. While we have no "hard and fast" statistics at our disposal, it has been suggested that a reduction in the Federal share would cause the applicants, nationwide, to raise the numbers and amounts of issues to be sold on the open market. Further, it has also been suggested that with the increased amount of local revenue bonds being sold, in order to be competitive, the local entity would have to accept higher interest rates on these bond issues. Thus, this could well cause an even greater rise in the cost of a project for the applicant and his taxpayers. This Department does not find that this situation is one which the states could live with. Therefore, for these reasons, we suggest that a reduced Federal share would delay and perhaps even prevent the construction of badly needed facilities.

2. This Department, after a great deal of conferring with members of the South Carolina General Assembly can state that while we may have the interest in assuming either through State grants and/or loans, a greater share of the financial burden, we do not have the capacity. In addition to being found by constitutional provisions to "balance the budget" each and every year, and in addition to being faced with declining revenues, this State has provisions that only a certain amount of State bonds can be sold in any given year. Our research into this requirement indicates that it would take, perhaps, as long as five years in order for this State to raise the necessary revenue to create a State program for loans and/or grants. Further, we feel that a study of the national trend strongly indicates that most, if not all, States are in a similar position. Therefore, while South Carolina may well be desirous of participating in the funding of this program it is doubtful, at the present time, that we have the capability to do so.

3. With respect to this question, let us only briefly repeat what has already been stated above. This Department does not believe that the market for local revenue bonds or local general obligation

bonds has the flexibility to accept a massive increase in the number of issues floated. To reduce the Federal share would require this increase in the number of issues offered for sale, and thus only have the effect of driving up the costs to the applicant and his taxpayers. While we are fully cognizant that the wastewater control systems being constructed are expensive, and we further recognize that the days of the $2-per-month "user charge" are past, we do feel that it is incumbent on both the States and the Federal Government to attempt to keep the costs to the consumer within the realm of reasonability. Further, we feel that this policy is fully in keeping with the recent Executive Order requiring that all agencies examine the "inflationary impact" of proposed measures. This Department suggests that a reduction in the Federal grant share would be inflationary and further argue that this should be avoided.

4. This Department would suggest that a reduction in the Federal share would not, in most instances, lead the grantee to obtain or have a greater degree of accountability for cost effective design, project management and/or post-construction operations and management. We feel that the "average applicant" does not have sufficient expertise or technical knowledge at his disposal to achieve these goals. Rather, they rely almost totally on the recommendations of their consulting engineer, the State, and EPA. If this group of professional personnel is unable to achieve the desired accountability, then we would suggest that a reduction in the Federal share would hardly cause the applicant to achieve the goal. We would suggest, instead, that the States and EPA work closely together to insure that each project constructed under this program is, in fact, the most cost effective project for the locality. Further, we suggest that if EPA and the States were to adopt this attitude (which we feel is rapidly coming about between EPA, Region IV and this State) then the consulting engineers will respond in an affirmative fashion. Thus, the goals can be achieved without reducing the Federal grant share.

5. This Department would suggest, in the strongest terms, that a reduction in the Federal grant amount would have a negative impact on the human environment in that the requirements of water quality standards and the requirements and goals of PL 92-500 would not be met simply by virtue of the fact that the average applicant, despite NPDES Compliance Schedules, and State and Federal Court Orders could not afford to construct or operate and maintain a wastewater control facility. It should always be remembered that if the goals of the Act are not "affordable" to the persons upon whom they are being imposed (the applicants) then these goals are probably not "achievable" either.

This Department feels that if EPA were to recommend to the Congress a reduction in the Federal grant percentage, then EPA should be required to perform and file both an Environmental Impact Statement and an Inflation Impact Statement. We feel that this proposed action is both inflationary in effect and that it would have a great negative impact on the human environment. We can only suggest that prior to making any such recommendation to the Congress, EPA look long and hard at the implications and long terms effects of such an action.

Finally, it can only be suggested that while the costs of the construction grants program are extremely high, as reflected by the 1974 Needs Survey, we feel that both the Congress and the people of this Nation are committed to the water quality goals contained in PL 92-500. With this in mind, this Department feels that the Federal Government, in conjunction and cooperation with the State and local governments of the Nation, continue to work toward achieving these goals, and that all levels of government continue to support these efforts with the amount of funding necessary to achieve them. Perhaps rather than reducing the amount of Federal grant, EPA should give consideration to continuing the present level; Congress should continue to fund, to the best of their ability, this program, and EPA, Congress and the States should consider that the dates levied by the law are unobtainable, and thus consider that this program will take substantially longer than originally anticipated. This solution, to us, is infinitely preferable to the proposal set forth in this paper. We can only reiterate that any reduction in the Federal grant percentage would do much more to slow down (and perhaps halt) our efforts to achieve goals and requirements of the Act.

Paper No. 2 -- LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

In general terms, South Carolina supports the continuation of the present policy concerning funding of "reserve capacity". That is, we see no reason to change the language of Section 204(a)(5) of the Act. We feel that the funding of reserve capacity should continue to be determined solely on the basis of cost effective analysis performed by the applicant during the Step I Facility Planning Process. Further, we feel that if cost effectiveness analysis is performed in accordance with present EPA policies, procedures and guidelines, then the funding of excessive reserve capacity can be controlled.

This Department is cognizant of the recent studies performed by CEQ and EPA and, in general, are familiar with the results of these studies. However, we would suggest that these studies were performed on projects that were initiated prior to the issuance of EPA guidelines on cost effectiveness, or during the period when said

guidelines were first issued. Thus, the problem may well have arisen more from a lack of understanding and a lack of expertise by the consulting engineers, the States, and EPA. Therefore, rather than changing the policy of funding cost effectiveness reserve capacity, we would suggest that the intent of Section 204 (a)(5) will be met in the future, especially in view of the fact that the State and EPA staffs have gained far more familiarity and expertise with these guidelines.

While this Department can accept, to a certain degree, the argument that we need to "spread the available funds" as far as they will go, we do not stand ready to endorse a change in present policy insofar as the Act is concerned. We are able to accept, however, at this point in time, the"California 10/20 Plan". We can foresee advantages to the California Plan, we feel that a sufficient level of experience has been gained in order to properly evaluate the net results and effects of the program. Therefore, we would suggest a continuation of the present policy with the nucleus of the California 10/20 Plan in the guidelines and stress that objective, in-depth review of the Facilities Plans by the States and EPA will do more to achieve the intent of the Act, and the goals of this paper than any drastic change in the Act itself. Further, we feel strongly that the maintenance of the present wording of the Act and the inclusion of the California 10/20 Plan in the guidelines will help EPA and the states "stretch the available funds" and alleviate the need to seek amendments to the Act.

With respect to the specific questions posed by the EPA staff in the May 28 Federal Register, we offer the following comments:

1. Current practice, when combined with the seventy-five per cent grant, does tend to cause overdesign. However, rather than reduce the grant amount and seek an amendment to the Act, this Department suggests maintaining the present grant percentage (as outlined in our comments on Paper No. 1), maintain the present wording of Section 204(a)(5), and change the regulations and guidelines to include the California 10/20 Plan. We feel that this approach can be handled simply in an administrative fashion (although it will cause some changes in 201 Facilities Plans now under preparation and review) and will achieve the intent of this paper; that is, to prevent overdesign of the facilities, underutilization of current Federal funding, and a stretching of available funds.

2. With respect to this question, we feel that the answer offered above serve adequately as an answer to this question. In addition, we feel that a strongly-enforced policy by both EPA and the States of strict adherence to the EPA cost effectiveness guidelines, when combined with strict adherence to the Census Bureau projected populations (except in those cases where the applicant can prove that

his figures are a more accurate reflection of the situation; e.g., areas of high impact tourism, areas where industry is presently moving into, etc.) would serve to eliminate some of the problems with the current program. Further, we would suggest that many of the problems in this paper are in the process of being eliminated, since EPA and State staffs are gaining more familiarity and expertise with the cost effectiveness guidance, and as the consulting engineers gain more familiarity with the manner in which EPA and the States are reviewing the 201 Facilities Plans they submit.

3. The complications of a policy of not funding any reserve capacity are inherently great. For example, while most applicants would desire to build a larger facility and system, they would probably be prohibited from doing so because of the tight money market. Therefore, they may well be put in the position of constructing a facility that is "out of date" (in terms of meeting their NPDES requirements) the day it begins operation. As a result, they would immediately have to commence a project to upgrade and expand the facility again. This is hardly cost effective. In those instances where the applicant could raise the local funds to build a larger facility (larger than that which would be needed to serve existing population) EPA and the States would have to devise a system to grant funds only for the eligible portion of the facility and a system to account for and inspect only this "portion" of the system. This, in itself, is an administrative nightmare, which EPA and the States are not likely to be able to handle. Basically then, we feel that such a policy of funding only that portion of a system necessary to serve already existing population would create more problems than it would solve.

4. With respect to the California 10/20 Plan, this Department feels that it would (a) help save money and thus allow us to spread the currently available funding for the program; and (b) it would help to eliminate the problem of overdesign even though this problem may partially be eliminated through stricter review procedures. Initially, EPA and the States would probably have severe problems in the administration of this system. However, if EPA and the States worked closely together in the formulation of the "revised" guidelines, many problems could be eliminated early, thus reducing this change requirement to a "manageable system".

In summary then, this Department suggests that no legislative changes be sought for Section 204(a)(5). Alternatively, we suggest that the California 10/20 Plan be implemented, after a proper period of time to formulate the new guidance.

Paper No. 3 -- RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

In general, the South Carolina Department of Health and Environmental Control has "mixed emotions" concerning the proposal to restrict the types of projects eligible for construction grants. In one sense, we agree that we need to make the program affordable to the Nation, thus we need to stretch the available funds and limit the Federal liability for the program. In another sense, however, we cannot see how some items can be restricted without changing other portions of the law to a great extent.

For example, 201(g)(3) requires that the Administrator insure that the system to be funded not be subject to excessive infiltration/inflow. Therefore, the Title II Regulations and the 201 Facilities Planning Guidance have made provisions for the performance of an Infiltration/Inflow Analysis on all projects, and the performance of an Infiltration/Inflow Evaluation and program of repair and rehabilitation on those systems demonstrated to have excessive Infiltration/Inflow. If the Act were to be amended to eliminate the eligibility of projects for I/I Analysis, I/I Evaluation and I/I Repair and Rehabilitation (that is, Categories IIIA and IIIB, then Section 201(g)(3) would also have to be amended in some fashion. And, if this were successfully done, then Section 204(a)(5) (relating to cost effectiveness and the sizing of the facilities) would either have to be amended, or EPA and the States would be in violation of the Act since grants would be made to facilities that were overdesigned in order to handle peak flows from infiltration/inflow. Thus, one can see that this proposal is neither easy to answer nor readily adaptable to amendment.

Further, this Department could easily agree to a restriction which would declare Category V (combined sewer overflows) and Category VI (treatment and control of stormwaters) ineligible. However, we have been advised that these two categories may well prove vital to the clean up of waters in some large, industrialized areas. Obviously then, these areas would not be in agreement with this restriction.

Therefore, what this Department would suggest is no legislative amendment to the Act with respect to project eligibility. Rather, EPA and the States should strongly enforce their Priority Systems, which should be aimed at the elimination of water quality problems first, and the attainment of the legal requirements of the Act, and thence other types of projects. What we would recommend at this point in time is a strongly-worded policy from EPA to the effect that due to the shortage of funds and the legal requirements of the Act, all projects will remain eligible for funding; however, these projects actually certified for grant funding will have to be necessary either in terms of water quality standards or in terms of the requirements of the Act. Under this type of policy, no amendments to the Act are necessary, and all eligibility remains. However, the policy

will direct the Federal funding only to those projects necessary to meet the immediate objectives of the Act. Also, under this policy, collectors could be funded in those areas where they are necessary in terms of public health and water quality, infiltration/inflow work could be funded where proven cost effective to meet water quality standards or the statutory requirements of the Act, correction of combined sewers could be funded where necessary in terms of water quality, etc.

Further, this policy statement of concentrating available funding on problem areas should be publicized by both EPA and the States such that the applicants will be knowledgeable of the policy. If these actions (that is, the policy and the publicization of the policy) were to take place, then all persons interested in the program would be advised and would know whether or not a project should be funded.

We feel that this approach would suffice to limit or restrict the eligibility of those projects not necessary to meet the requirements of the Act, while striving to focus funding on those projects where are deemed necessary. It would alleviate problems, which is the intent of the law, while going further to meet the overall goals and objectives of the Act. It would, also, give the States and EPA the necessary flexibility to fund those projects determined to be necessary while denying funding to those projects that are not necessary. Further, it would "bring home the point" to applicants that if they desire to construct a project which does not meet these requirements, then they will have to find another source of funding. Finally, it would clarify and help the applicants, the States and EPA by encouraging wiser investment decisions, encouraging the examination of broader options, preserving administrative flexibility, increase the incentive to achieve the goals of the Act (especially since funding would not be utilized for any other reason), and it would prevent inequitable changes. Another advantage would be that this course of action would eliminate the need to drastically rewrite the existing regulations, which would allow EPA and the States to continue to speed up the construction grants system rather than halt the system while the regulations were revised.

With respect to the first three considerations outlined by the EPA staff in the May 28 Federal Register, we offer the following:

1. The net environmental impact of the suggestions outlined above would be primarily positive since this would only serve to focus all monies available to ward meeting water quality and legal requirements. Almost any other alternative offered could have a deleterious effect on the environment since a situation may arise where correction of combined sewers, for example, is necessary to correct water quality conditions, but is not allowed under an amendment to the Act.

2. The suggestions outlined above would not require any real administrative changes in the construction grants program. Rather, the staffs of the States and EPA would have to review more closely in order to insure that the project under consideration, and each and every portion of the project, is vital in terms either of water quality considerations or in terms of meeting the requirements of the law. If this were not the case, then the State and EPA could advise the applicant that this project, or portion of the project, is not eligible for funding under joint EPA/State policy, and will have to be withdrawn from the project application. Also, with respect to the proposed policy, this Department feels that it can easily be enforced provided that EPA and the States work closely together on the administration of the policy. Further, we feel that this Department and EPA, Region IV, are initiating and administering this policy presently.

3. With respect to the third consideration, we do not feel that this type of policy will significantly disrupt either the investment or the employment patterns in the wastewater pollution control field. Since there are obviously many projects necessary that fall under this policy as presently being eligible for funding, then this policy will maintain and perhaps even increase the employment situation. The investment situation should remain basically as it presently is since EPA and the States will continue to fund projects at an increased rate of speed and at the same percentage of grant funding. With respect to inflationary impacts, the funding of only those projects necessary to meet water quality and/or the requirements of the Act is insignificant, as recent EPA and CEQ studies have demonstrated.

With respect to the other three considerations posed by the EPA staff in the May 28 Federal Register, we offer the following comments:

1. The major impact that this eligibility policy would tend to have on the perceived need for a particular facility would be that the applicant would have to consider each project in terms of whether or not it meets the requirement of this policy. If the project does meet these terms, then the applicant can make application and be assured that the investment decision is in keeping with the goals of the Act and the policies of both EPA and the States. If it meets the requirements of this policy then the applicant can also be fairly assured that the project will be funded, provided that the State has sufficient funds to do so. If the proposed project does not meet these requirements, then the applicant will rapidly realize that it will not receive EPA funding and therefore should reconsider the project in light of whether or not it is of sufficient importance to merit its being funded through the use of local funds.

2. In response to this question, this Department would suggest that while there may be sufficient local incentive to undertake projects that are needed to meet water quality and/or legal requirements, there is, generally speaking, not sufficient funding available to the average applicant to do so. Therefore, if a policy were adopted that did not focus funding on necessary projects, these projects probably would not be constructed due to a lack of local funding. However, if a policy were adopted as outlined above, then the applicants could also focus the limited local funding toward those projects considered necessary in terms of the goals and objectives of the Act. This type of policy would benefit the locality by helping to provide the entity with those projects that are considered necessary under the Act.

3. To reiterate what has been stated previously, this Department does not feel that there is sufficient local financing available to the average applicant, that is the small town, to allow them to invest in any but the most necessary projects. While there are other Federal and State programs open to the small town, most of the funding is earmarked for projects other than those considered eligible under the EPA construction grants program. Generally speaking, monies available to small towns have tightened up to the extent that they cannot raise sufficient funding to build any but the most necessary projects in the wastewater pollution control field.

To briefly summarize then, this Department feels strongly that the best method of stretching the Federal funds while attempting to attain the goals of the Act would not be through legislative amendment. Rather, an openly-declared policy which would prohibit funding any project that is not shown necessary in terms of either water quality and/or legal requirements is the simplest manner, it is felt to achieve the intent of this paper.

Paper No. 4 -- EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

In general terms, the South Carolina Department of Health and Environmental Control does not agree on an arbitrary extension of the 1977 deadline for all municipalities. Rather, we would agree that a legislative amendment should be sought from the Congress that would allow the Administrator and the States (provided they have NPDES authority) to grant extensions on a case-by-case basis. Such an extension in time to meet the requirements of the law would then be based on (1) the status of the project for that facility (i.e., whether they are preparing a Step I Plan, Step II Design or already

into construction); (2) how long it should take to build the required facilities (providing for a good faith effort on the part of the local entity); and (3) the availability of Federal funding for this project (which would have to account for how much funding is available to the State, where such a project falls on the Priority List, what funds are anticipated to be received in future fiscal years, etc.). This approach to the problem (which is generally a combination of Alternatives 3 and 4 in EPA's paper) has been utilized with some degree of success in the State of South Carolina in the administration of our own compliance program for a number of years.

The approach is based on the necessity of meeting legal requirements of the law and water quality standards. However, it is also based on the realization that most small towns in this State cannot construct such a facility without Federal aid and assistance. Therefore, we consider this to be a reasonably pragmatic approach in that it will move the violating facilities towards compliance, it will realistically account for the availability of Federal funds, and it will not set arbitrary dates which cannot, obviously, be met by the violating entity. While this approach will not necessarily cause all facilities to come into compliance with the requirements of the law on some absolutely predictable date (like July 1, 1977 or July 1, 1983) such a policy will serve to assure the Congress, EPA, the States and the local entities that all possible efforts are being made to achieve the requirements of the Act, as rapidly as the mean allow. Finally, this approach will serve as a strong warning to a city official that his facility will have to meet certain standards by a designated date. Otherwise, compliance actions will be taken against the city or town that will result in the imposition of the necessary fines, etc. The objective of this approach is not to let the violating facilities "off the hook" but rather to achieve reasonable and rational compliance dates that can realistically expect to be met.

In response to the considerations posed by the EPA staff in the May 28 Federal Register, this Department offers the following:

1. In considering whether or not the Act needs to be amended to allow prefinancing of facilities, one needs to consider whether this is required. It is the opinion of this Department that the implementation of Section 206(f)(1) of the Act would suffice for this purpose. If EPA were to recommend and the Congress agree to pass a resolution stating, in effect, that not less than $5 million (for example) will be made available for the purposes of constructing publicly-owned wastewater treatment works for Fiscal Years 1977 through 1983, then EPA and the States could authorize the applicants to proceed with construction even before the fiscal year in which the funding becomes available commences. This Department has long recommended the implementation of this portion of the Act, which would alleviate the

the necessity of seeking a statutory amendment. The one point to consider here would be whether or not the average applicant would be able to take advantage of such an option. In light of earlier comments (and South Carolina's experience with a similar type provision under Section 8 of PL 84-660) this is questionable. We would suggest that very few applicants would be able to raise the necessary "interim financing" in order to take advantage of this provision. However, if this were to come about, some applicants would be able to commence construction immediately and await reimbursement, which would eliminate some of the problems with a lack of funding. This Department does not consider that this is a necessary action to take at this point in time since most States are having problems committing the funds already available to them. Yet, when this funding is committed, EPA may want to consider the implementation of this section of the Act.

2. Since it is our recommendation not to arbitrarily extend the 1977 deadline for all cities, but rather to handle such an extension on a case-by-case basis, then the question of equity between cities and industry is not as sharp. However, to avoid any possibility of inequity, an amendment could be sought that would allow an extension of the 1977 deadline for any industry that could prove they cannot meet such a deadline due to their lack of financial capability to do so (which is the same rationale behind the extension for cities). This probably would not disrupt the industrial pollution control program since industries have access to revenue in many different forms that are not available to cities and other grant applicants. Further, as recent EPA studies have documented, few industrial plants have actually had to close down operations as a result of environmental regulations. Therefore, it is logical to expect that even if such an amendment were obtained from Congress, most industries would still have to meet deadlines since they could not demonstrate an absolute lack of financial capability to achieve these standards.

3. In the case of a joint municipal/industrial system, the extension for the municipality could be allowed to apply to the industries participating or intending to participate in the system, providing that they are not causing water quality violations during the interim. If they are causing water quality problems, then the Administrator could allow the violating industry to install and operate some sort of "interim treatment facility" that is sufficient to halt the violation of water quality standards, but not so complicated and expensive as to make them leave the joint system. Generally then, it is felt that this sort of problem could be handled on a case-by-case basis.

4. With respect to the above proposal, this case-by-case extension would have a firm date by which the facility would have to meet standards, and would also contain a schedule for the achievement

of compliance. With respect to the policy of allowing the Administrator the discretion of granting such extensions, this Department does not feel that either the Congress or EPA are yet in a position to state that the goals of the Act will definitely be achieved by a certain date. Therefore, we feel it most logical to seek an amendment which allows the Administrator to grant such extensions, based on the above-outlined considerations, and require that all facilities move toward compliance with the goals and requirements of the Act as rapidly as possible, consistent with the availability of funding for such facilities. At a later date, when the EPA and the States are closer to achievement of the goals and are able to predict the total accomplishment of these goals, then this could be reported to the Congress and they could then proceed to modify the Act to establish a new deadline.

5. Since we do not recommend an across-the-board extension of the deadline, then this question does not require an answer. Under the proposal outlined above EPA will not lose credibility, but rather will simply be addressing the reality of the situation.

6. If the above alternative were to be adopted, this Department feels that local and State financing would be able to be predicted with a sufficient degree of accuracy as to allow for adequate financial planning. Further, this would allow the local bond market to make a gradual adjustment such that the prices of local financing will not rise disproportionately, which will serve to keep the costs to the consumer as reasonable as possible. This Department feels that this is the optimum solution at this point in time.

7. This Department does not feel that we can adequately address this type of redefinition of secondary treatment at this point in time. However, we could suggest that EPA consider the possibility of redefining secondary treatment in terms of the assimilative capacity of the receiving stream. This approach would still allow EPA and the States to enforce water quality standards, thus meeting the goals and objectives of the Act.

8. This Department does feel that Alternative 5 is unnecessarily lenient. Rather than take this approach, we feel that a pragmatic approach, such as that outlined above, would be more appropriate in terms of the existing situation and in terms of meeting the goals of the Act.

9. With respect to the issuance of "letters of authorization" as opposed to revised permits for facilities unable to meet the 1977 deadline, this Department feels that no immediate action should be taken. Rather, we suggest that EPA hold off on making this decision until such time as Congress acts on EPA recommendations. At that time, EPA and the States will be cognizant of what we will be required

to do. In the event that Congress does not choose to take action on this recommendation prior to July 1, 1977, then we do feel that an extension of the existing permit for a period of one year would be most advisable. We feel that by that time, Congress will have acted and then EPA and the States can react in whatever fashion the Congress feels is necessary.

In summary then, this Department does not agree to a blanket extension of the 1977 deadline. Rather, we suggest that extensions be granted on a case-by-case basis and such extensions should take into consideration (1) the present status of the project for the facility; (2) the time required to construct and put into operation a facility that will meet standards; and (3) a projection of funding for the particular facility under consideration

Paper No. 5 -- DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The South Carolina Department of Health and Environmental Control has long supported the passage and implementation of the Cleveland Amendment to Title II of the Act. We feel that this amendment to the Act would meet the intent of Sections 101(b) and 101(f) of the Act. Further, we feel that this amendment would serve to eliminate the overlapping authority of the States and EPA, which would result in a cost and time savings to the applicants, the States and the EPA. In addition, we maintain that this type of amendment would free EPA personnel for other types of activities, whether in the construction grants program or elsewhere. This Department feels that we are capable of administering the construction grants program under the terms of the Cleveland Amendment. Further, we are more than willing to provide whatever reports EPA determines are necessary in order to demonstrate our continued capability to administer the program, once the Department receives this authority, and, we would cooperate to the fullest extent with any and all personnel from EPA, Region IV, in the administration of this program.

With respect to the considerations outlined by the EPA staff in the May 28 Federal Register, we offer the following comments:

1. This Department feels that all functions of the construction grants program could be delegated to this State, with the possible exception of the review and approval of the Environmental Assessment Statement. While we feel confident that we could review these statements, we recognize the requirements that NEPA levies upon the Regional Administrator.

2. Further, we feel that all parts of the construction grant process could be delegated to this State.

While the above two statements are rather encompassing in their scope, this Department fully recognizes that we will have to negotiate with the Regional Administrator and demonstrate our capability to assume this authority in accordance with whatever regulations are promulgated by EPA. We are both willing and anxious to do this. And, if in the judgment of the Regional Administrator, this Department is not capable of assuming all authority immediately, this Department stands ready to work with the Regional Administrator in order to build up that section of the program which may be determined lacking.

3. At this point in time, this Department sees little difficulties in State staffing due to the fact that this program is Federally funded. We make this statement in light of the fact that we recognize this program will continue for a number of years before the goals of the Act are achieved. As to whether or not we will be able to increase our staffing level to that level deemed appropriate for the total assumption of this authority, while we may not be able to increase our staffing levels immediately, we feel that we have sufficient staffing at present to begin the process of assuming some of this authority. Further, we would anticipate that we would be able to increase our staff within a relatively short period of time.

4. At this point in time, we would suggest that the funding level suggested in the Cleveland Amendment is adequate to carry out this program, especially when considered in addition to the 106 State Program funding.

5. We feel that delegation of this authority to the States will make the program more efficient, especially in terms of the amount of time necessary to review and approve a project, without sacrificing or compromising the environmental concerns. We feel it should be recognized that the States are as committed to the goals of this Act as anyone, despite the fact that State and local government does not have the financial capability to carry out the program unilaterally.

6. Dependent upon the regulations and guidelines issued by EPA, after passage of the Cleveland Amendment, we feel that South Carolina is prepared and capable of beginning to assume this authority almost immediately upon the successful negotiations of the necessary agreements between the State and EPA.

7. At the present time, this Department does not wish to present any alternative funding schemes for the purposes of carrying out this program.

In conclusion, this Department strongly advocates the passage and implementation of the Cleveland Amendment. We feel that this is probably the optimum way to speed up the construction grants program, in accordance with recent instructions issued by the Administrator.

TESTIMONY ON CHANGES IN SEWAGE GRANT PROGRAM
TO THE ENVIRONMENTAL PROTECTION AGENCY AT WASHINGTON, D. C.
JUNE 25, 1975

Delivered by Lynn Goldthwaite
One Sunset Road
Mountain Lakes, N.J. 07046

for the: TOURNE VALLEY COALITION

We are here today to discuss modifications to Title II (Construction Grants) of the Federal Water Pollution Control Act. The objective of this Act is to clean up America's waters. This goal, unfortunately, has been pushed aside by many in the scramble to get a share of $18 billion now available in construction grants.

While the ground rule for today's discussion is that none of the proposals would retroactively apply to the $18 billion presently authorized and allotted, we must look at case histories to understand the need for change.

I speak for the Tourne Valley Coalition, a watershed organization for the upper Rockaway River in Morris County, New Jersey. We have had practical experience in the confrontation between the objective of the Act and the harsh realities of the Grant Program. I am here today because our Coalition hopes our experience will reinforce the need for some of the proposed modifications in Title II, specifically those areas addressed in the second paper.

The upper Rockaway watershed is not at present part of any areawide or basin-wide (303 or 208) plan. The watershed has been presented with a regional sewering plan developed by an engineering consulting firm hired by a newly formed regional sewerage authority. The plan proposed is an ambitious one with a first stage construction price tag of $83 million. The plan is based on growth demands to the year 2020.
The growth demands were determined by the engineering consultant and have no relation to the carrying capacity of the land and its function as a potable watershed. The environmental assessment of the project justified the growth demands and the need to meet the growth demands. The plan was approved by the State, and, in fact, immediate construction of the interceptor was urged as a method of providing employment.

Informed and knowledgeable members of the public became alarmed at the environmental assessment's justification of the "taking of parkland",

the depletion of ground water resources, the loss of open space, swamps, agricultural lands and historical sites, as being necessary for the "greater good". The "greater good" for whom, we asked?

It was perfectly evident that a great deal of money was to be made by the land speculators and commercial developers who already were appearing before zoning and planning boards in the watershed with proposals based on tying into the proposed new facilities.

The magnitude of this growth was projected as an increase from 90,000 people now to 220,000 in the year 2020. The proposed plant was designed to service 160,000 people. We had no doubt that the engineer's growth projections would become a reality once the sewering facilities were in. Unfortunately, this was taking place in a county where the reserve water capacity will be depleted within 10 years given the current growth rate.

Regional sewering at bargain basement prices is what we have now! The federal government pays 75%, the State pays 15%, the sewer users pay the rest. The more <u>new</u> development that is spurred by the project, the less that average user charges will be.

In the upper Rockaway, the regional authority has no commitment to sewer areas of existing need. This is a function and an option of the local municipalities. Many areas of existing need may not be sewered under the present proposals because the local municipalities may find it far more attractive economically to allow new development to gobble up available capacities.

The public concerned with the environment asked questions at the public hearing -- questions that were not answered until months later, leaving no opportunity for rebuttal or further questions on the same points. Some questions were never answered. But fortunately, the EPA apparently recognized the validity of our concerns and a further environmental assessment of the project has been requested.

Our difficult search for answers and our analysis of the watershed's needs have led us to believe that the federal government's subsidy of growth projections has led to inflation of these projections. We know the sewering of undeveloped areas will result in the further decline of our older marketing centers -- areas which already have municipal sewers, public water, public transportation, and vacant factories and empty stores. The proliferation of urban sprawl into the countryside, will result in more pollutants entering surface waters, which are the potable water supply to Jersey City, and will

result in other environmental problems of significant magnitude. The environmental assessment of the project recognized these problems too, but proposed engineering solutions for them, such as water treatment plants, pump storage reservoirs, and water importation from the Delaware and other far off places.

In the area of cost comparisons of the alternatives, no attempt was made to consider the cost benefit of the externalities involved -- to show the real quantifiable costs, as well as the costs in terms of destruction of non renewable resources. (This process has been ably described in New Jersey Conservation Foundation's series entitled "The Process of Environmental Assessment - Options and Limits".)

Commentary on Paper 2 - Limiting of Federal Funding of Reserve Capacity

We favor the limiting of federal funding of facilities and interceptors to the capacity needed to service existing population in service areas. The grantee should be required to fund 100% of reserve capacity desired for future growth.

Communities desirous of new growth and new ratables must be willing to plan for them with both their environment and their pocketbooks in mind. It is certainly wrong from a moral standpoint for the federal government to subsidize new growth for one area which will cause the decline of an adjacent area, as is the case in many areas of New Jersey.

A demerit in limiting government funding is the difficulty in determination of what portion of the costs are actually applicable to present population. Interceptors that need to go through undeveloped lands offer the opportunity for development of new areas. There must be an equitable method of allocating costs of the interceptors so that the federal government does not subsidize growth of these undeveloped lands. <u>There should be a commitment on the part of the grantee to service areas of existing need upon which the federal funding is based.</u>

While we do not support growth funding, we feel compelled to comment on your extensive discussion of population projections. Zero growth funding will force the grantee to prepare growth projections carefully, based on accurate data and well thoughtout assumptions. Regions should be encouraged to formulate their own policies on growth. Even to limit projections to a certain fertility rate would not apply in a state such as New Jersey where in-migration is the biggest source of growth. One way of encouraging accurate population projections would be to have EPA require projections based on both current (and not

historical) trends, available water and other resources, physiography, degree of air and water pollution, health statistics, crime rate and social deviance, and population density.

Commentary of Paper No. 3 - Restricting Types of Eligible Projects

We believe that cost-efficient proposals will continue to be made in terms of only those alternatives that are eligible for funding. Since the solutions to some problems may be indirect and unsolvable via sewering, eligible projects should not be restricted as they were prior to PL 92-500. For example, storm water control problems should be alleviated before the fact by land management solutions, such as acquisition of wetlands, and uplands with extreme slope. In some urban areas water quality goals may be met only by infiltration correction or separation of combined sewer overflows.

We must keep a broad range of options available for solutions and funding levels should also be sensitive to the situation. Urban areas should be given preferential federal priorities for those projects which would best improve and restore water quality such as, tertiary treatment, correction of sewer infiltration inflow and the separation of storm and waste water treatment by major sewer rehabilitation. Communities in water recharge areas should be discouraged via lower federal priorities from encouraging added growth through projects designed to increase capacity such as collector and interceptor sewers.

We are dealing with extremely complex systems. Simple solutions don't work.

Commentary on Paper No. 4 - Extending 1977 Deadline

We prefer alternative No. 3, discretionary compliance in good faith. Postponing compliance for eight years is shifting the burden of our responsibility to the next generation , and is unacceptable. The 1972 water quality amendments must be enforced, within reason, now. Outside limits of acceptable extensions must be established. Open-endedness will only weaken the amendments, turning good faith and high resolve into low results.

Commentary on Paper No. 5 - Delegating More Management to the States

This amendment could allow EPA to foster stronger state environmental agencies. Not all states are ready to accept enlarged responsibilities. A superior amendment could allow EPA to delegate more functions

to states which have proven their ability to properly oversee present functions. Thus each state would have an incentive to upgrade their own agency.

At the present time additional funding to New Jersey's water pollution control department would have only a limited effect on upgrading the grant program. Salaries of engineers in the New Jersey DEP are lower than those in surrounding states. Their salaries are tied to those of New Jersey civil service, thus DEP could hire more engineers, but not engineers with more qualifications.

We would like to include in our testimony two areas that are not among the five issues suggested by EPA.

1. Is the project a "good" one?

So long as the project meets EPA grant criteria it is eligible for Federal funding. The fact remains that these criteria alone are not sufficient. The project must also be a good project, designed to improve water quality, conserve water (preferably by keeping it within the watershed) and maintain a rate of growth in keeping with the natural replenishment of the water supply. Sewerage projects must be environmentally sound. Projects which drain watersheds dry causing communities to "mine" their water supply, which propose using county parks in areas of high population density to satisfy the recycling criterion, which use inordinate amounts of electricity to satisfy this same recycling criterion, are bad projects, despite the fact that EPA's criteria are met.

2. Public participation is essential.

a. Unfortunately, public participation is for the most part an appeasement gesture and not a meaningful attempt to add information and alternate points of view to the decision-making process.

b. The public is not invited to participate early in the planning and developmental stages of a project, when their suggestions might be most helpful.

c. The public has poor access to public information. Reports are either not available or available in limited numbers at unavailable times in inaccessible designations. Of course, most people work and are unable to visit town halls during the working day to read reports.

d. The availability of reports is generally not announced publicly--the reports must be "hunted down."

e. Private meetings are held which exclude the public.

f. There are no set guidelines for conducting public hearings. In the absence of needed guidelines, the project's designing engineering company usually dominated the first two hours of a public hearing going into descriptions of their project, and turning the meeting over to the public only when some are ready to go home.

g. Many times public officials respond to public questions only after lengthy delay, thus reducing the effectiveness of the attempted communication. Public questions are too often regarded as a delay-factor and a nuisance, and not as a necessary part of the planning and decision-making.

h. Public participation can be effective in exposing environmentally unsound projects. The Tourne Coalition has a good working knowledge of two proposed sewerage treatment plants, both equally poor. However, both plants met EPA baseline criteria. One plant was approved by EPA and one was rejected. In the rejected project the deciding factor was strong and well-reasoned public opposition. In the accepted project this same public was unable to respond adequately because both plants were under review concurrently, and public opposition was polarized on the most environmentally disastrous of the two.

The Tourne Coalition is pleased that EPA Is making this timely and careful review of the grant program. You are to be commended on the high quality of the discussion papers prepared for this meeting. These changes will help focus the entire grants program on the goal of the Federal Water Pollution Act - CLEAN WATER.

June 20, 1975

Mr. Stewart Peterson, Chief
Municipal Facilities Plant
Environmental Protection Agency
JFK Federal Building
Boston, Mass. 02203

The Utility Contractors Association Chapter of Connecticut would like to provide some comments in regard to the public hearings which are being held on potential legislation amendments for the water pollutions control act.

The proposed changes certainly have some substantial impact on the clean water construction grants program. In regard to the items referenced in your recent statement, we conclude the following:

1. In regard to the reduction in the federal share, UCAC feels this would provide a disaster for local communities in that they are now facing severe funding restrictions and the reduction of the amount of money that would be planned for a sewage treatment plant would provide great impetus to increasing resistance to actually pursue the program. This in fact would place a burden on the municipalities and provide a disincentive for pursuing clean water programs.

2. In regard to limiting federal financing on different projects to the plant capacity needs of the existing population. Again in regard to municipalities the major commitment which is taken and the overall political support which is received comes from a broad segment including business, which has an extra incentive to supporting financially and politically water pollution control programs in that excess capacity will help stimulate general overall orderly growth within the community of a residential nature which will eventually relate to commercial and industrial development. Any change in reducing capacity would not provide proper logic and in a community wishing to undertake a major project with planning for the future as that community grows. Certainly the degree of growth in the future might be a policy question which could somehow be developed with the states and EPA, but to allow no growth to population areas where sewage treatment plants would be built is not sensible in our opinion, with the exception of possibly heavily over populated urban areas, such as New York City where the natural resources will not allow accommodation of additional treatment discharge.

3. Restricting types of projects eligible for grants. This may have some merit, but we think the major concern here should be that the projects which should be funded first are those which are needed to accomplish the objective of reducing severe pollution to our waterways. That priority continues to be the best guide in funding assistance.

4. Extending the 1977 date for clean water standards is probably not within the best interests of EPA, states or local government at the present time. It would probably be a far better alternative to allow the state the flexibility to extend under reasonable conditions compliance with discharges to the waterways. It would be appropriate for EPA to review this delegation of authority after a year of operation to determine which states should have the continued ability to extend and make discretionary judgments projects and in cases where states should not have that judgment or delegation of authority.

5. Delegating a greater proportion of management of construction grants program to states is probably the most important suggestion that has been made in the EPA items for citizen input. The state of Connecticut, and certainly other states have had programs which have been highly successful, in fact in many cases even more so before EPA was even created. It is states such as Connecticut and others which given the broad objective of clean water and reduced discharges, could implement the program without continuing changing guidelines from Washington which caused a number of disruptions in state government water quality programs in this state. It is our strong suggestion that EPA delegate to the states major discretionary power to approve grants under specific block allocations grants with general guidelines as could be established or patterned after the present program. We think this is the quickest way to solve the problem and to eliminate duplications and red tape. We have supported legislation in Congress which would provide this and we think if no other change is made in the program this could certainly be one of the most important.

We thank you for your consideration of our comments.

Sincerely,

Herman Maskell, Chairman
EPA Committee
UCAC

Presentation at
Environmental Protection Agency
San Francisco Hearing on
Amendments to Public Law 92-500
June 19, 1975*

Members of the hearing panel, my name is Jerome B. Gilbert. I am making this presentation on behalf of "Tri-Tac," a joint advisory committee of the League of California Cities, the California Association of Sanitation Agencies, and the California Water Pollution Control Association. The purpose of this committee, which is composed of three representatives from each of the three organizations, is to coordinate the views of public wastewater agencies throughout the State on matters relating to water pollution control in California. We hold regular meetings with representatives of the State Water Resources in efforts to resolve problems in the implementation of the construction grant program and related matters.

At its most recent meeting, Tri-Tac voted to express the following views at this hearing.

SWRCH Position

In general, we support the comments of the State Water Resources Control Board with the exception of certain comments on eligible reserve capacity.

User Charges

The use of ad valorem taxes should be allowed to secure part of in some cases all of the revenue necessary for the construction, operation and maintenance of waste treatment facilities providing the taxes can be shown to generate revenues in an approximate proprotion of the cost of serving various user classes.

Reimbursement

We support the concept of full reimbursement for costs of past wastewater facilities to assure equity between those agencies that were early in their efforts to clean up the environment and those that are now implementing programs.

*Presented by Jerome B. Gilbert, Chairman, Tri-Tac, a joint coordinating committee of the League of California Cities, the California Association of Sanitation Agencies, and the California Water Pollution Control Association.

Funding Level

The existing level of Federal funding should be maintained to assure full implementation of the 1977 and 1983 goals of Public Law 92-500. The benefits from any significant reduction in grants would be more than offset by upsetting local funding schedules, requiring additional local bond issues and the possible reassessment of construction programs which are now approaching the design phase. When a common level of water quality achievement has been reached throughout the country, it would be appropriate to significantly alter the grant funding level. This is particularly true in California where there is no assurance that the additional 12-1/2 percent State grant will be continued beyond 1976.

Limiting Funding for Reserve Capacity

Perhaps no single issue has been more controversial than funding limitations included in the California grant regulations. Even if these limitations were adopted on a nationwide basis, they would not resolve the growth problem since within the limitations there may be adverse secondary effects (i.e., air quality problems); and if the local agency decided to oversize its proposed facility, EPA might be obligated under an EIS process to refuse to fund any part of the project. The present State grant regulations, particularly the feature that allows enlarging interceptors on an incremental cost basis over the 20-year capacity if the local community desires, have been accommodated by most of the current water quality planning programs. Thus, the proposed limit on Federal funding would not have adverse effects in California. However, in general, we prefer that such limitations be the prerogative of the State so that they can be adjusted to reflect local circumstances which vary widely in different parts of the country.

Restricting Types of Eligible Projects

The issue paper's arguments for broadening eligibilities are more persuasive than those for reducing eligibility. The idea of using alternate techniques to achieve the same results, the need to preserve administrative flexibility to deal with problems on a regional or statewide basis, and the fact that benefits to be achieved by pollution control are essentially national, except perhaps for the septic tank-collection system installation problem, lead Tri-Tax to firmly support the broadest possible eligibility of facilities subject to the State priority system that can be adjusted from year to year depending on the needs and the development of new information.

Extending the 1977 Date

When initial pollution control efforts have been successful, the local incentive to achieve higher degrees of environmental protection will be limited. Thus the support for a high level of local fund commitments which would achieve little pollution reduction would be very small. As long as the possibility of 75 percent funding exists, it is unreasonable to expect local communities to provide a major share of funding. Problems in definitions of standards and environmental reviews are delaying compliance. Much of the delay results from circumstances beyond the control of the municipal discharger. In almost all cases, municipalities are endeavoring to comply with the 1977 and 1983 goals. The Administrator or the State should have the authority to extend the deadline on a case-by-case basis and provision should be made for schedule adjustments in the event of reduction or unavailability of grant funding and for delays resulting from circumstances beyond the control of the discharger.

State Delegation

Through delegation and agreements between EPA and the State of California, the major part of the pollution control program is being administered by the State. However, EPA's active interest in the EIS process creates the need to satisfy both State and Federal staff requirements. Thus, the concept of delegation is partly defeated. The idea of composite EIR/EIS has tended to minimize any delays associated with the State and Federal processes, but it would be preferable to conduct a State EIR process with EPA acting as a review or commenting agency. We recognize that this would require a change in the National Environmental Policy Act which could provide for an EIS delegation to the State.

June 16, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
Room 1033, West Tower, Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Gentlemen:

Enclosed herewith is Union Sanitary District's testimony on the five proposals enunciated by the Office of Management and Budget to the Environmental Protection Agency regarding possible amendments to the Federal Water Pollution Control Act. This testimony has been prepared on the basis of the statements made in the Federal Register (FRL 379-8) dated Wednesday, May 28, 1975.

We respectfully request that this testimony be entered in the record of the Public Hearing on these matters to be held by the Environmental Protection Agency on June 19, 1975 in San Francisco, California.

Very truly yours,

R.A. BOEGE
General Manager and Chief Engineer

RAB/jk
enc: (2) copies U.S.D. testimony

UNION SANITARY DISTRICT TESTIMONY TO ENVIRONMENTAL PROTECTION AGENCY FOR THE JUNE 19, 1975 PUBLIC HEARING ON POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT.

1. Reduction of Federal Share

A reduction of the Federal Share to below the current 75% participation would in effect throw a greater percentage onto local communities. This suggestion, if implemented could be the "straw that broke the camels back". Local financing plans are already experiencing strong resistance as evidence by increasing failure of bond issues. There is no evidence that this trend is going to be reversed in the future.

We appreciate the fact that there are insufficient Federal funds to do the job, however we believe that the way to attack this dilemma is not to spread the funds thinner but to reassess the goals that PL 92-500 is trying to reach and that by setting realistic cost effective goals that the job can be done within budget limitations.

2. Limiting Federal Financing to Needs of Existing Populations

Cost-effectiveness implies getting the most for the dollar in the most effective way. Engineering works in order to meet this requirement must be designed so that they are not inadequate immediately upon completion. They must have a certain design growth built into them. If it can be accepted then that good engineering design requires some growth factor be built into engineering works it follows that not building this factor in constitutes inadequate design. We contend that by throwing the burden of 100% financing onto the local community that this good design aspect of public works (provision for growth) is put in jeopardy by interjecting the politics of the growth - no growth factions of the community. We feel that a reasonable growth must be provided for in the design, and that it be fully funded, and that the extend of this growth factor be dictated by reasonable cirteria arrived at by full input by the local and regional community rather than by fixed rules that apply to all cases.

3. Restricting the Types of Projects Eligible for Grant Assistance

Judgment regarding the merits of each project to satisfy the goals of the law must be the primary consideration rather the establishing of inflexible criteria that will dictate which projects can be funded and which cannot. Priority projects by type are important as a guide to applicants, however this should not rule out those projects that can be shown to be the most effective solution to the particular problem.

4. Extending the 1977 Date for Meeting Water Quality Standards

Admittedly goal dates are important in order to get action started. However, the goal date of 1977 for some time now appeared to be unrealistic. It has served its purpose in getting a huge project going but now is the time to take stock of where we are and by means of realistic engineering and economic judgement, making use of the lessons learned in the past several years to modify the goals and the timetable for achieving them.

5. Delegating a Greater Portion of the Management of the Grants Program to the States.

We are strongly in favor of the states administering the grant programs. State Government, by its very nature, is more sensitive to local problems than is the Federal Government. The problems that must be solved can only be done by cost-effective means with the support of the people. The closer the Agency is to the people, while still maintaining an overview perspective, the more effective will be the implementation of any program that depends on its support by the people.

June 19, 1975

Environmental Protection Agency
100 California Street
San Francisco, California

Attention: Mr. James L. Agree
Assistant Administrator for
Water and Hazardous Materials

Dear Mr. Agee:

Public Hearing
Municipal Waste Treatment Grants

The Ventura Regional County Sanitation District is a special district embracing the entire county, which was formed for the purpose of coordinating and guiding sewage treatment disposal, water reclamation and refuse disposal. This to be done within the available powers and policies to serve the needs of the member agencies when called upon to do so. The District encompasses 1,884 square miles. It is governed by a Board of Directors (20) composed of mayors, county supervisors and elected officials from the member agencies. There are nine cities, sixteen special districts and the unincorporated area of the County.

Your request for public input and discussion on proposed amendments to the Federal Water Pollution Control Act is commendable. It has become evident that there will be need for in excess of $350 billion to fund eligible projects which will qualify under the present law.

The most critical amendments are:

1. Reducing the Federal Grant share.

   a) Reduction would inhibit and delay the construction of required facilities.

   b) Interest and the capacity of the State to pay a larger portion of the financial burden is very doubtful.

   c) Difficulty would be significant for the agencies within this Regional District to raise additional funds as their current tax adding indebtedness is near the unbearable stage.

d) Reduction of the Federal Grant to obtain greater accountability is an assumption and would not become a significant factor in efficient grant administration by the State.

e) Reducing Federal share would have an impact on water quality because of the inability of the agencies to carry heavier financial burdens.

2. Limiting Federal Financing to Projects Which Serve the Needs of an Existing Population.

a) Current practice does not lead to overdesign because the State Water Resources Control Board now administers grants on an EO population increase only.

b) Legislation change would not be necessary to eliminate problems with the current program. The State and EPA Regional office would eliminate problems by adopting slightly different guidelines. 1970 population projections cause hardship where substantial growth has occurred between 1970 to 1975. One example, the City Of Port Hueneme, whose population growth has reached the 1990 levels now.

c) The merits and demerits of prohibiting eligibility of growth related reserve capacity. We believe there are more merits to controlling growth on an EO population line than demerits.

d) The merits and demerits of limiting eligibility for growth related reserve capacity to ten years for treatment plants and twenty or twenty-five years for sewers would be substantial. This could be efficiently and effectively administered if the determinations had restricting eleents in the plants or the sewers and not denying the construction of a facility which is proper. Certain hydraulic structures such as tanks, pumps, pipe lines, and holding vessels do not lend themselves to exact growth years of reserve capacity.

e) The alternatives have been explained in (d) above by having restricting factors in the plant, which would limit its capacity but which could allow designs to be practical.

3. Restricting the Types of Projects Eligible for Grant Assistance.

a) Different eligibility structures would have a determination of need for a particular facility. Since all needed facilities cannot be built at once, a grant system could ideally seek to provide the greatest improvement in water quality; however, we do not believe that the grant program should be extended into providing collector systems, storm water treatment plants, etc, because of the limitation of funds.

b) There is local incentive to undertake needed investment in certain types of facilities. These local projects relate directly to a benefit to the land that they are serving. Petition districts and local funding methods through improvement acts could be used for this need. For extreme hardship cases HUD does provide Federal assistance, and this should continue.

c) In most cases there is adequate local financial capacity to undertake the investment.

4. Extending the 1977 Date for Meeting Water Quality Standards.

a) To retain the 1977 date and enforce against violators is completely impractical because funds were not made available to the principal agencies with which to comply with the 1977 deadline. It is projected that 9,000 municipalities will not be able to comply with EPA goals by that year.

b) To retain the 1977 date without enforcement against those dischargers that cannot realistically meet the deadline is not recommended. The law should be changed and enforcement insisted upon.

c) & d) The change in the statute by amendments to provide the EPA administrator with discretion for grant compliance on an individual basis appears to be practical.

e) A statutory extension of the 1977 deadline to 1983 is recommended and, further, if Federal funding is not available, the deadline for compliance should be extended.

5. Delegating a Greater Protion of the Management of the Construction Grants Program to the States.

a) The present operations in the State of California have been acceptable. If possible to delegate more to the states within the statute, it is recommended that this be done.

One vital matter omitted in the consideration of this legislation, and one that is important to the operation of all agencies within this Regional District, is an amendment to permit the use of ad valorem taxes as a source of revenue to effect the maintenance and operating costs of wastewater treatment facilities. This has been the method of raising portions of maintenance and operating costs in most cases in Ventura County; whereas, in others the total amount for maintenance and operations has been raised by ad valorem taxes. Further, there are some cities that do not use the ad valorem tax at all. This determination of whether to support maintenance and operating costs by monthly service charges, by ad valorem taxes, or a combination of both should be give to the local community to decide which of the three methods to use.

In conclusion, a resolution of the Regional District Board, No. 75-6, was adopted on June 12, 1975, commending Congress for the progress being made for improving water quality standards. However, the Board opposes the reduction of the Federal share, the limiting of scope of grants and restricting the types of projects; and favors extending the 1977 date, delegating more to the States and allowing the use of ad valorem taxes for operation and maintenance. A copy of the Resolution No. 75-6 adopted June 12, is hereby submitted.

Very truly yours,

John A. Lambie
Chief Engineer-General Manager

JAL:sg
enclosure

VRCSC RESOLUTION NO. 75-6
CONSIDERATION OF AMENDMENTS TO P.L. 92-500

WHEREAS, the Federal Office of Management and Budget has requested hearing on proposed amendments to P.L. 92-500 regarding waste treatment grants, and

WHEREAS, the amendments propose a reduction in the Federal share of such grants, limit the scope of grants to facilities to serve the existing population, restrict eligible projects, extend the 1977 date for meeting water quality standards, delegate a greater portion of management to the states, and do not cover the use of ad valorem taxes for operation and maintenance of treatment facilities, and

WHEREAS, several of the proposed amendments would be damaging to the Regional District and its member cities and districts.

NOW, THEREFORE BE IT RESOLVED that the Ventura Regional County Sanitation District hereby declares its position in regard to the proposed amendments to P.L. 92-500 as follows:

To commend the Congress of the United States for the progress that has been made toward improving water quality standards through enactment of this law.

To observe that it is important to make revisions in legislation after it has been in operation for a time.

To oppose reduction of the Federal share of waste treatment grants, limiting the scope of the grants to facilities to serve the existing population, and restricting the types of eligible projects.

To favor extending the 1977 date for meeting water quality standards, delegating a greater portion of grant management to the states, and allowing the use of ad valorem taxes for operation and maintenance of treatment facilities.

PASSED, ADOPTED AND APPROVED THIS 12th DAY OF JUNE, 1975.

DONALD H. MILLER, Chairman
Board of Directors

ATTEST:
STEPHANIE GREER. Secretary-Clerk
Board of Directors of the Ventura
Regional County Sanitation District

July 7, 1975

Environmental Protection Agency,
Office of Water and Hazardous
Materials (WH-556),
Room 1033
West Tower Waterside Mall,
401 M Street, S.W.
Washington, D.C. 20460

Attention: James L. Agee

Gentlemen:

Re: Proposed Amendments to Federal Water Pollution Control Act
(Public Law 92-500)

Please be advised that the Vista Sanitation District hereby adopts the statement of position in the above-referenced matter adopted by the City of Carlsbad, California, a copy of which is attached hereto, for the reasons set forth therein. That position may be summarized as follows:

1. Oppose reduction in the current level of federal financing.

2. Concur in the present compliance date but encourage legislative changes to allow administrative discretion to grant time extensions based on availability of funding.

3. Support delegation of project control to the States.

4. Support resolution of the question concerning the necessity of secondary treatment for ocean dischargers on the Pacific coast.

5. Oppose proposal to return 50% of revenues from industrial users to the federal government.

Thank you for your consideration in this regard.

Yours very truly,

FRANK MEYER, Chairman

att.

MEMORANDUM

June 11, 1975

TO: City Manager

FROM: Public Works Administrator

SUBJECT: Public hearings on potential legislative amendments to Federal Water Pollution Control Act

The Environmental Protection Agency is holding public hearings in order to respond to a series of questions asked by the Office of Management and Budget concerning the Federal Water Pollution Control Act (PL 92-500). The five questions being addressed in the public hearings are: 1. Shall Public Law 92-500 be amended to reduce Federal share of construction grants from current level of 75% to a level as low as 55%? 2. Shall Federal funding be limited for projects containing large reserve capacity to serve projected growth? 3. Shall types of projects eligible for grant assistance be limited? 4. Shall the 1977 compliance date be extended? 5. Shall the states be delegated a greater portion of management in the construction grants program?

Attached is a copy of the EPA discussion papers on these five questions and a copy of the position paper adopted by the County Board of Supervisors.

DISCUSSION

Question 1 - Potential action here is to reduce the Federal share of funding from its current level of 75% to as low as 55%. The potential effect to Carlsbad by this action would be to: 1. increase Carlsbad's share of the Phase III upgrading by approximately $1.5 million; 2. lessen the chances of a successful general obligation bond issue; 3. delay the project. The Vista Sanitation District and the San Marcos County Water District are also facing the possibility of a bond issue. Increasing the chances of failure of a bond issue election of any of the agencies involved in the Encina Water Pollution Control Facility upgrading would affect all agencies. The net result would be to delay the program and the subsequent conformance with discharge standards.

Question 2 - The issue is the amount of allowable project capacity beyond present-day needs. The proposal in this instance is to require

the rest of the nation to conform with the same standards of financing eligibility currently used in the State of California. The outcome of this issue will have no significant impact on the City of Carlsbad.

Question 3 - The issue involved in restricting the types of projects which will be eligible for Federal funding. Inasmuch as the Encina Water Pollution Control Facility is within that range of projects currently eligible for financing and remaining eligible if the changes occur, the chances of our being impacted are minimal.

Question 4 - The issue is extending the Federal compliance date. There are several possibilities involved, ranging from retention of existing compliance dates and stringent enforcement to extending the compliance date an additional six years. It is estimated that 50% of the nation's municipalities (9,000) which serve approximately 60% of the projected 1977 population will not be able to comply with discharge standards. The Encina project, if we can keep to our proposed time table and if there are no State and Federal project approval hang-ups, will begin construction in 1977 with proposed completion scheduled by mid-1979.

The cumulative effects and benefits of Public Law 92-500 are to the general public. This is acknowledged by several statements in the EPA papers by the Federal government's involvement in establishing discharge standards and by providing Federal monies for construction funding. I believe that it is inappropriate for the Federal government to withdraw from a previously-stated position (75% funding) simply because they have been made aware of the total cost of complying with the discharge standards they have set and which they do not propose to change. Therefore, it is suggested that the course of action in this question be that the 1977 compliance date be maintained so that projects currently underway will be encouraged to complete construction, but that the law be amended to provide for administrative discretion to grant time extensions based on the availability of funds, including Federal funds.

Question 5 - The proposal here is to grant additional responsibility to the States for project control. Increased State management would result in cutting significant amounts of red-tape and duplicate processing without decreasing the effectiveness of the program. Existing State discharge standards are as stringent, if not more so, as those contained in Public Law 92-500. Granting more State control in lieu of Federal control would result in significant savings of time and associated construction cost increases, as well as the cost of duplicate project processing.

The County raises a couple of additional points in their discussion. The first is the requirement to return 50% of the funds recovered from industrial users to the Federal government. It is my opinion that this process is used to insure that industrial users pay their share and, while I agree that the process is cumbersome and not cost-effective, the EPA is not inclined to change it. The second question raised concerns the need to provide secondary treatment for ocean dischargers on the Pacific Coast. There is considerable discussion and study concerning the need for secondary treatment on the Pacific Coast. The question should be resolved before large amounts of Federal, State and local funds are committed to construct and operate a process tha may prove to be unnecessary.

RECOMMENDATION

It is recommended that the City Council instruct staff to give testimony to the Environmental Protection Agency in writing and, if Council wishes, in person at the June 19 hearing. Our position should be to oppose reduction in the current level of Federal financing. to concur in the present compliance date but encourage legislative changes to allow administrative discretion to grant time extensions based on availability of funding. We should also support delegation of project control to the States and the resolution of the questions concerning the necessity of secondary treatment for ocean dischargers on the Pacific Coast.

The requirement to return 50% of revenues from industrial users to the Federal government should be opposed as being counter-productive to the professional goal of raising more local funds for water pollution control.

If the Joint Advisory Committee adopts a similar position, staff, in the capacity of EWPCF administrator, should be authorized to represent the joint owners.

Ronald A. Beckman

RAB/de
attach.

POSITION OF THE VIRGINIA STATE WATER CONTROL BOARD WITH RESPECT TO FIVE PROPOSED AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT

A summary of the Virginia State Water Contorl Board's position on the proposed amendments to the Federal Water Pollution Control Act follows below. This summary is supported by a detailed paper which has been prepared for presentation at the Environmental Protection Agency's June 25, 1976 public hearing.

PAPER NO. 1 - REDUCTION OF THE FEDERAL SHARE

The Virginia State Water Control Board does not support the proposed amendment for the reduction of the Federal share from 75 percent to 55 percent. Any reduction in the level of Federal funding should be tempered by a change in the dates to meet the goals of the Act (which is not recommended), since such a reduction will delay construction and "bog down" the overall program. Federal participation should be continued for all categories in the 1974 Needs Survey until the goals and objectives of PL 92-500 are met.

The Virginia State Water Control Board is convinced that the long-term solution rests with adoption of sound financial management practices by sewerage utilities. Waste treatment works are a public utility the same as water works, telephones and electricity and should be managed as such, with service charges reflecting the true costs of the provided service. Such an approach would ultimately lead to a termination of the construction grant program and place the responsibility for providing adequate treatment, while maintaining water quality, in the hands of the local community. The Board believes that EPA and/or the Congress should make a detailed investigation of all measures which could be taken to assure adoption of sound financial management practices by municipal sewerage operations.

Paper No. 2 - LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

Past practices observed by the Virginia State Water Control Board in the administration of the construction grants program has not resulted in excessive reserve capacity of Virginia's municipal sewage treatment plants. The graph presented below depicts the combined total flow volume from the 37 largest plants in Virginia (representing approximately 80 percent of the total flow of all

municipal sewage discharges within the State) versus the summation of the Board-approved flow capacities for these plants during the period from May 1974 to May 1975. The reported flow data indicates that, of the total approved design capacity which averaged approximately 390 MDG during this recent 12-month period, only 59 MGS or 15 percent of the total approved capacity represents unused or reserve capacity. During periods of peak flow, the reserve capacity is reduced to only a few percent.

The realistic reserve capacity levels can largely be attributed to the Virginia State Water Control Board's careful evaluation of each construction grant project to ensure that the "needs" to be served are correctly identified and that the treatment plant is appropriately sized to serve these "needs".

Yearly Flows of Major Plants
Flow (MGS) - Combined total of all majors 2.00 MGD & Greater

The Virginia State Water Control Board has concluded that limiting Federal funding of reserve capacity to serve project growth should be determined on a case-by-case basis. This approach best provides the technical felxibility needed to determine the amount of reserve capacity to be considered eligible for construction

grant funds. In most cases, growth reserves would be limited to ten years, but in others, especially small communities, individual judgments would be based upon financial status, "related needs" and necessary "sufficient reserve capacity." Criteria for defining these elements can be determined using sound economic principles with the goals of PL 92-500 in mind.

PAPER NO. 3 - RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

The Virginia State Water Control Board's past performance in the "grants" program clearly demonstrates the ability of States to judiciously and beneficially exercise the administrative flexibility provided by the existing broad eligibility structure. The Virginia State Water Control Board's discriminating approach to the approval of construction grant funds for publicly owned treatment works, is illustrated in the following table.

COMMITMENT OF FUNDS FOR STEP III PROJECTS
FY '73 thru '76

	Number of Projects	% of Total Number	Federal Grant Dollars	% of Total Grant
I. Secondary Treatment Plants	40	37	$150,000,000	35%
II. Tertiary Treatment Plants	15	14	250,000,000	53%
III.A. Correction of Infiltration/ Inflow	1	1%	300,000	1%
III.B. Major Sewer Rehabilitation	0	0	0	0
IV. A. New Collector Sewers	8	7	3,600,000	1%
IV. B. New Interceptors	42	39	60,000,000	13%
V. Correction of Combined Sewer Overflows	1	1%	5,000,000	1%
VI. Stormwater Treat. or Control	0	0	0	0
TOTALS	107		$468,900,000	

The present Priority List includes correction of combined sewer overflows. The 305(B) Report identifies 13 municipalities where combined sewers exist. In the future, money will have to be spent and grants recommended to correct the water quality problems associated with combined sewer overflows, if water quality standards are to be met consistently.

It is the Virginia State Water Control Board's position to oppose any amendment of PL 92-500 which would eliminate the eligibility of any projects (other than stormwater treatment or control) presently authorized for construction grants funding. The Virginia State Water Control Board believes that it should have the option of recommending grant funds for projects that are necessary to meet water quality standards.

PAPER NO. 4 - EXTENDING THE JULY 1, 1977 DATE FOR COMPLIANCE BY PUBLICLY-OWNED TREATMENT WORKS WITH SECONDARY TREATMENT OR WATER QUALITY STANDARDS

The Virginia State Water Control Board asserts that it will be impossible for each publicly-owned sewage treatment plant within the Commonwelath to be put into compliance with Section 301(b)(1) of the Act by July 1, 1977. Accordingly, action is required.

The Virginia State Water Control Board has filed, with the approval of the Governor, a suit against EPA in the United States District Court for the Eastern District of Virginia which seeks declaratory and injunctive relief. The Board seeks judicial declaration that

> "Each publicly-owned sewage treatment plant that cannot be put into compliance with the July 1, 1977, deadline under Section 301(b)(1) of the Act shall not be required to comply with applicable limitations under the Act shall not be required to comply with applicable limitations under the Act until such time as Federal grant funds are available in an amount sufficient to underwrite 75 percent of the eligible costs of construction and a reasonable time has been allowed to complete the necessary construction."

The Virginia State Water Control Board has further asked for a court order enjoining enforcement of the express terms of Section 301(b)(1) by the Administrator.

None of the five alternatives contained in EPA's Issue Paper is adequate to remedy this crisis situation. Some safety valve must be provided. The Virginia State Water Control Board supports, and urges your favorable consideration of, its suggested amendment to Section 301 of the Act which is attached to this statement as an Appendix A. This amendment is perfectly consistent with the intent of the Congress to provide grant funds for every project which must comply with the Act. In offering this amendment, the Board in no way waives any part of its claim in the suit referred to above.

PAPER NO. 5 - DELEGATING A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The Virginia State Water Control Board and EPA have been coordinating their efforts to attain the goals established in PL 92-500 since its enactment in 1972. Because of the massive responsibilities established in the Act, it has been necessary to proceed with the utmost caution in administering its requirements. As time progresses, however, the State becomes more and more adept and capable of assuming sole responsibility in reviewing and approvinh construction grant applications. The justification for the caution expressed in the redundant review process of the past is dissipating as the States become capable of efficiently processing grant applications without sacrificing environmental concerns. Further, it is becoming increasingly necessary to develop a more efficient construction grant review process in order that the goals of the Act be attained in a timely manner.

The Virginia State Water Control Board wholeheartedly supports the concepts of the Celveland-Wright Bill (HR 2175).

To accomplish a smooth transition of processing responsibilities the Virginia State Water Control Board feels that a deliberate phasing process should be employed to insure that the State will be able to adequately assume each particular responsibility assigned to it. Each State should be evaluated with respect to its capabilities for adequately assuming each given management or review responsibility.

APPENDIX A

"TITLE III---STANDARDS AND ENFORCEMENT

"Effluent Limitations

"Sec. 301. (a) Except as in compliance with this section and sections 302, 306, 307, 318, 402, and 404 of this Act, the discharge of any pollutant by any person shall be unlawful.

"(b) In order to carry out the objective of this Act there shall be achieved---

"(1)(A) not later than July 1, 1977, effluent limitations for point sources, other than publicly owned treatment works, (1) which shall require the application of the best practicable control technology currently available as defined by the Administrator pursuant to section 304(b) of this Act, or (ii) in the case of a discharge into a publicly owned treatment works which meets the requirements of subparagraph (B) of this paragraph, which shall require compliance with any applicable pretreatment requirements

and any requirements under section 307 of this Act; and

"(B) for any publicly owned treatment works, effluent limitations based upon:

"(i) secondary treatment, as defined by the Administrator pursuant to § 304 (d)(1) of this Act; or,

"(ii) any more stringent limitation, including those necessary to meet water quality standards, treatment standards, or schedules of compliance, established pursuant to any State law or regulations (under authority preserved by section 510) or any other Federal law or regulation, or required to implement any applicable water quality standard established pursuant to this Act.

"Such effluent limitations and other limitations shall be set forth in a schedule of compliance established by the State pursuant to § 303(e)(3)(H) of this Act, and notwithstanding any other provision of law to the contrary, shall be achieved not later than a reasonable time required to complete construction after such time as federal funding, in an amount sufficient to pay 75 per centum of the costs of such construction, is made available by the Administrator in accordance with §§ 201(g) and 203 of this Act.

"(C) not later than July 1, 1977 any more stringent limitation for point sources, other than publicly owned treatment works, including those necessary to meet water quality standards, treatment standards, or schedules of compliance, established pursuant to any State law or regulations (under authority preserved by section 510) or any other Federal law or regulation, or required to implement any applicable water quality standard established pursuant to this Act.

"(2)(A) not later than July 1, 1983, effluent limitations for categories and classes of point sources, other than publicly owned treatment works, which (i) shall require application of the best available technology economically achievable for such category or class, which will result in reasonable further progress toward the national goal of eliminating the discharge of all pollutants, as determined in accordance with regulations issued by the Administrator pursuant to 304(b)(2) of this Act, which such effluent limitations shall require the elimination of discharges of all pollutants if the Administrator finds, on the basis of information available to him (including information developed pursuant to section 315), that such elimination is technologically and economically achievable for a category or class of point sources as determined in accordance with regulations issued by the Administrator pursuant to section 304(b)(2) of this Act, or (ii) in the case of the introduction of a pollutant into a publicly owned treatment works which meets the requirements of subparagraph (B) of this paragraph, shall require compliance with any applicable pretreatment requirements and any other requirement under section 307 of this Act; and

"(B) not later than July 1, 1983, compliance by all publicly owned treatment works with the requirements set forth in section 201 (g)(2)(A) of this Act.

"(c) The Administrator may modify the requirements of subsection (b)(2)(A) of this section with respect to any point source for which a permit application is filed after July 1, 1977, upon a howing by the owner or operator of such point source satisfactory to the Administrator that such modified requirements (1) will represent the maximum use of technology within the economic capability of the owner or operator; and (2) will result in reasonable further progress toward the elimination of the discharge of pollutants.

"(d) Any effluent limitation required by paragraph (2) of subsection (b) of this section shall be reviewed at least every five years and, if appropriate, revised pursuant to the procedure established under such paragraph.

"(e) Effluent limitations established pursuant to this section or section 302 of this Act shall be applied to all point sources of discharge of pollutants in accordance with the provisions of this Act.

"(f) Notwithstanding any other provisions of this Act it shall be unlawful to discharge any rediological, chemical, or biological warfare agent or high-level radioactive waste into the navigable waters.

July 1, 1975

Reply to: Mr. Lewis E. Ritter
Environmental Division
Gilbert Associates, Inc.
P.O. Box 1498
Reading, Pennsylvania 19603

Director
Grants Administration Division (PM 216)
Environmental Protection Agency
Washington, D. C. 20460

Re: Municipal Waste
Treatment Grants

Dear Sir;

The Water Pollution Control Association of Pennsylvania is offering additional comment on proposed EPA regulations.

We oppose reduction of the Federal construction grant share to a level below 75 percent. The funding delays and impoundment, during a most inflationary period, allowed construction costs to escalate to a very high level. This necessitates that the Federal share remains at 75 percent so that approved projects that are awaiting grants are feasible to construct. Many small communities are faced with excessively high sewer rates even though they are scheduled to receive a 75 percent Federal grant. A reduction of the Federal share will destroy the confidence of the governments of the local municipalities in P.L. 92-500 and the Federal Government. This will eliminate cooperation and further delay many necessary water pollution problems.

It is obvious that P.L. 92-500 funding is not adequate to satisfy estimates of municipal needs. That should initiate prompt action on the part of the Federal Government to provide some additional funds - not withdraw funding or attempt to spread appropriated monies over a greater number of projects.

We oppose changing the types of projects that are eligible for grants. We suggest that Pennsylvania's priority system be used to direct funds to the most urgent projects.

It is recognized that Section 301 of the Act, which requires treatment levels equal to NPDES requirements, will not be met in all cases. We suggest that Pennsylvania coordinate compliance through their priority system and be permitted to extend compliance deadlines based on Federal funding availability.

We strongly recommend that more authority be given to Pennsylvania for management of the construction grant program.

Very truly yours,

WATER POLLUTION CONTROL ASSOCIATION
OF PENNSYLVANIA

LEWIS E. RITTER
President

LER:dls

cc: Senator Hugh Scott
Senator Richard S. Schweiker
Members of Congress (Penna.)
Mr. Glenn A. Marburger

STATEMENT OF SAM L. WARRINGTON
PRESIDENT
WATER POLLUTION CONTROL FEDERATION
BEFORE EPA PUBLIC HEARING PANEL CONSIDERING
POSSIBLE ADMINISTRATION AMENDMENTS TO THE
FEDERAL WATER POLLUTION CONTROL ACT
WASHINGTON, D.C.
JUNE 25, 1975

Gentlemen. I am Sam Warrington, Chief Engineer, Certification and Registration Division of Environmental Engineering, Texas State Department of Health. It is a pleasure to be here today in my capacity as President of the Water Pollution Control Federation to present the views of the Federation on possible Administration amendments to the Federal Water Pollution Control Act relating to the municipal waste treatment construction grants program. Present with me is Robert A. Canham, Executive Secretary of the Federation.

The Federation represents some 25,000 full-time water pollution control specialists, mostly professional, whose objective is to attain and maintain clean water in the most rational and economical way possible. Many of our members participated actively during the formative stages of development of Public Law 92-500 and, although they supported its enactment with reluctance owing to some obvious deficiencies in the statute, they worked hard during the past two and one half years to make that ambitious law an effective vehicle for the purpose of combating water pollution.

Before discussing the issues at hand, I would like to point out that many of our members have expressed dissatisfaction with the way in which the Act has been administered since October 1972. To better grasp the nature and extent of their dissatisfaction, the Federation sponsored a series of ten regional workships during 1972 and 1973 to provide them with an opportunity to publicly air their grievances and recommend ways to improve the administration of the law. The culmination of this effort was the publication of the attached report entitled: "P.L. 92-500: Certain Recommendations of the Water Pollution Control Federation for Improving the Law and Its Administration." The report is a digest of recommendations made at the workshops and stresses the need: (1) to provide adequate federal funding for both construction grants and state programs; (2) to establish realistic deadlines and goals, particularly for issuing and complying with permits; (3) to avoid administrative confusion occasioned by changing guidelines and regulations; and (4) to eliminate onerous layers of red tape and paperwork.

More concisely, the report underscores the need for both <u>stability</u> and <u>flexibility</u> in the implementation of the law. We believe, and I am sure you would agree, that this makes sense. For over two years, the people directly involved in water pollution control activities at the state and local levels have witnessed vacillations in the federal

obligation rate; the development of a voluminous and ever-changing regulatory mechanism; and the formulation and implementation of stringent nationwide policies, guidelines and regulations which fail more often than not to take into account local differences. Clearly, we cannot allow this situation to continue. We appreciate the recent efforts of the Environmental Protection Agency in addressing these problems, but believe that much more needs to be done to achieve stability and flexibility in program administration.

Quite frankly, we do not believe that these hearings on possible administration amendments to the Clean Water Act will assist us in our efforts to achieve this objective, but rather will serve only to instill even more disillusionment and dissatisfaction at the grassroots than currently exists. This is not to suggest, however, that we are unalterably opposed to the enactment of all of the possible amendments under discussion. We do support two of the five.

We strongly support an extension of the 1977 deadline by which publicly owned treatment works are to achieve compliance with the secondary treatment requirements of the Act. At the same time, we believe that such obviously needed relief is necessary and appropriate not only for municipal dischargers, but industrial dischargers as well, and not only with respct to the 1977 compliance deadline, but also with respect to the December 31, 1974 deadline for the issuance of section 402 permits. We therefore favor the enactment of amendments designed: (1) to provide protective relief to both municipal and industrial dischargers unable to meet the July 1977 effluent limitations deadlines provided, of course, such dischargers demonstrate "good faith" efforts to the satisfaction of the EPA Administrator; and (2) to extend the permit issuance deadline to allow for the orderly issuance of meaningful municipal and industrial permits, based on a compatibility with local conditions, as well as to remove potential legal liabilities for "good faith" permit applicants who have not yet been issued permits.

With regard to the compliance deadline issue, we would like to suggest the consideration of certain approaches that can, we feel, serve to ease the administrative burden that would no doubt be occasioned by an extension of the deadline. The Federation recommends, for example, that EPA re-evaluate the definition of secondary treatment with a view toward relating post-treatment disinfection to public health purposes. Such an approach would not only place more municipal dischargers in compliance with the 1977 requirements without undercutting environmental goals, but also would save valuable federal, state and local resources.

The Federation also recommends, as a means to encourage program continuity and the achievement of statutory compliance deadlines, the reinstitution of reimbursement authority and the utilization of existing prefinancing authority. This approach would go a long way toward salvaging available state and local funds, which have been hit hard by inflation and debt service, and encouraging the utilization of

these funds as a balancing wheel to smooth out the peaks and valleys inherent in federal funding.

In addition to recognizing the need to extend certain compliance deadlines, the Federation also recognizes the historical and continuing state experience in controlling water pollution control. As a result, the Federation supports the increased delegation of authority and responsibility to the states so that they may, subject to federal audit, assume primary responsibility for implementing appropriate provisions of the Act relating to the construction grant as well as the permit programs. The certification program envisioned by H.R. 2175 represents an effective mechanism for achieving this objective.

This is not meant to suggest, however, that we view H.R. 2175 as a panacea for all of the problems that have and continue to a certain degree to beset the implementation of the construction grants program. We believe, for example, that legislation such as this can have a positive impact on the future course of the program only to the extent that it is implemented in a spirit of mutual trust between the federal and state water pollution control partners, in such a way so as to eliminate, to the maximum extent practicable, the red tape and duplication of effort that has hindered the administration of the program to date. We have some reservations concerning the use of title II funds for this purpose because of the precedent-setting impact this may have on the future use of title II monies for other equally laudable objectives. Assuming the appropriateness of using these as opposed to other funds for this purpose, a long-term funding commitment on the part of the federal government to the title II program is necessary to allay whatever fears the states may have about participating in this effort as well as to stimulate all of us, working together, to achieve the goals of the Act.

The administration proposals with regard to the compliance deadline and state certification issues would inject some stability and flexibility into the construction grants program, and we therefore support them. We cannot say the same for the other proposals that are under discussion today. The proposals to reduce the federal share, to limit federal funding of reserve capacity, and to restrict project eligibility, taken singly or in package form, represent yet another example of the interest the federal government apparently has in throwing the already shaky clean water effort into turmoil. While we recognize and appreciate the magnitude of the problem that the administration is attempting to address through these proposals, we have not lost sight of the stringent federal clean water goals mandated by Public Law 92-500, the attainment or unattainment of which will be determined not here in Washington, but at the grassroots.

We oppose a reduction of the federal share of eligible project costs from 75 percent to a level as low as 55 percent. As discussion paper number 1 points out, the Federal Water Pollution Control Act Amendments of 1972 completely revamped our approach to water pollution control, imposing stringent standards and deadlines, not to mention

complex and comprehensive planning requirements, on both municipal and industrial dischargers. Congress recognized the increased burden it was placing on all governmental levels, particularly the state and local levels, and raised the federal share to 75 percent. Under these circumstances, it would be most imappropriate to reduce the level of federal participation in the program unless, of course, there was a concommitant relaxation of the requirements of the Act.

This, however, is not the thrust of this particular proposal. The thrust of this proposal is to ease the federal financial burden with respect to the achievement of the goals of the Act, thus increasing the financial burden of the states and local communities. We appreciate all too well the magnitude of the price tag associated with accomplishing the clean water objective and believe that alternative courses of action must be considered, but to assume that the states and local communities can afford a larger share of the burden, particularly at this time when we are all facing a severe economic situation, strikes us as sheer folly. Many communities, for example, are finding it hard to raise 25 percent of the cost of a project, including some located in states with matching loan or grant programs. Increasing this local share for federally associated grant projects increases the competition for dollars available in the money market for municipal projects. As a result, either a change in local priorities or increasing interest rates attracting additional capital would be required if local communities were required to assume a greater financial commitment. Inasmuch as these are not "realistic" possibilities, an increased local share would serve only to retard the already lagging program effort as well as the eventual achievement of the goals of the Act.

The states face the same budget problems the federal government faces. While some states may have the ability to assume a larger share of the grant program, providing there is a corresponding increase in state control over the program, they must consider the priority given to the construction of wastewater pollution abatement facilities in relation to other priorities requiring the expenditure of state monies. Funding the program "up to 75 percent" and thus allowing the states to allocate money at a lesser amount, however, would give them the prerogative of satisfying greater needs based on their priorities.

This proposal, moreover, fails to take into account a problem which has not received the attention it deserves but which relates to the increasing burden that local communities will have to shoulder in the not too distant future. I am referring to the rapidly rising operation and maintenance costs that have begun and will no doubt continue to accompany the new requirements of the law.

In effect, the manpower and energy costs associated with properly operating and maintaining the sewerage treatment facilities we are planning for the future may increase the current average cost of sewer service of $30 to $70 per year to $300 to $500 within a few years.

Since there is no federal subsidy to blunt the impact of such an anticipated increase, it will fall entirely on local taxpayers. This additional cost, coupled with added expense that would be imposed by a reduction in the federal share, would certainly be too much to expect those communities to bear.

The complex and far reaching clean water program envisioned by Public Law 92-500 mandates the continuation of the status quo with regard to the funding of waste water treatment facilities. This approach would guarantee a modicum of program stability and ensure equitable treatment for local governments which have not yet received a federal grant award. Considering the slowness with which the program was implemented, we do not need consideration of a proposal to reduce the federal share, but rather consideration of a proposal, if the goals of the Act are to be met, designed to provide long-term funding through 1983 to meet documented and anticipated needs.

We also oppose the possible administration amendment to limit federal grant assistance under title II of the Act of design capacity for treatment works and interceptors sewers. I do not wish to dwell on this issue at length because the Federation's position is adequately reflected in the attached January 2 letter to the Administrator of EPA. This letter lists the Federation's specific comments on the CEQ study entitled "Interceptor Sewers and Suburban Sprawl" and expresses our views on the issue under discussion, which the study ostensibly triggered. It points out that, stripped of its control of land use guise, such a proposal would represent a retrenchment in the degree of federal assistance available to communities for the construction of treatment facilities and involve, in practice, the disruption of the design, construction, and bonding of sewage treatment facilities. Such a reevaluation of the federal funding role may be appropriate considering the results of the latest needs survey, but such a reassessment should address the financial limitations of not only the federal government, but the states and localities as well. Furthermore, an approach which envisions a more realistic federal funding level must also account for the integral relationship between federal financing and the Act's deadlines and goals. Bu disregarding these ramifacations, a proposed amendment in this area would constitute a piecemeal solution to an essentially multi-faceted problem. As such, it would wreak additional havoc on a construction grants program that is just currently coming into its own, hamper current planning efforts, and ensure the continued pollution of our waters.

Finally, we oppose the restriction of the types of projects eligible for construction grants funding. If we are sincere in our desire to achieve the ambitious goals of the Act, we need flexibility at the state and local levels of government to tailor the requirements of the Act to local conditions. The Congress recognized this when it expanded the scope of eligible projects in October 1972 in order to provide an increased incentive for the development of economically

efficient projects. Any modification of this approach, especially limiting federal financial participation to treatment plants and interceptor sewers, would discourage broad options, impact cost efficiency, and impede our efforts to attain our clean water objective.

We believe that it is necessary to give federally-dictated priority planning ample opportunity to accomplish an end result. Placing restrictions on projects eligible for federal financial assistance at this time would interfere with the accomplishment of this objective inasmuch as it would encourage states to reshuffle their priorities and lead to inevitable delays. While communities have adequate incentives to invest in certain types of facilities without federal assistance, such as in cases where local health related matters dictate the construction of collection systems, in cases where a "complete" facility is needed, a relatively large investment would be required, an investment that the community could not afford to make.

While each of these proposals has the potential for throwing hurdles in the path of our clean water efforts, one can only appreciate the entire picture if they are considered as a package, a possibility that is not discounted by the EPA discussion papers. Viewed as a package, these proposals would lower the federal share of project costs from 75 percent, not to 55 or 50 percent, but to approximately 5 percent based on total needs of $350 billion associated with meeting the goals of the Act. Discounting the $235 billion in estimated stormwater control needs and limiting our analysis to a consideration of categories I through V of the needs survey, communities would receive a federal share of 17 percent of eligible project costs. A federal share of 39% would result if we considered only the costs associated with the construction of treatment works and interceptor sewers. Compared to the existing local share of 25 percent, these proposals would require a local share ranging from a little over 60 to 95 percent. And this does not take into account that, in reality, many communities do not receive 75 percent because that amount is tied to "eligible" projects costs or the anticipated increase in operation and maintenance costs which I alluded to earlier.

These proposals, in the final analysis, are money-saving measures for the federal government which fail to address the requirements of the Act. We believe that there are alternatives which would serve not only to save valuable resources over the long-term, but also enable us to continue our efforts to clean the nation's waters. In this regard, we recommend an agressive national research program and a pool of skilled personnel to conduct research, to install pollution control equipment and to operate such equipment properly.

We are spending today one-third of what we were spending in 1967 on municipal research and development. This represents an abandonment of a real national research effort and is indefensible in view of the obvious needs and potential savings involved. The attached Federation position paper entitled "Research and the Quest for Clean Water" highlights representative areas where important questions remain unanswered, areas that must be addressed if we are to meet our clean water

goals. As this position paper points out, it is the Federation's position that the "limited present federal research effort in water pollution control represents little more than a surrender with regard to the nation's goal of clean water."

During the past three years, moreover, the Federation has pointed to a decline in EPA's efforts in the manpower training field as heralding future shortages of trained personnel, both professionals and operators. Federal support of academic training is slated for elimination, operator training is pegged at a meager level and the specialized training program, the sole mechanism by which the results of federal research efforts are disseminated to states and localities, has been put on fee basis, with the result that fewer persons will be sent to reap the benefits of this training program. We believe that a higher level of commitment to this aspect of water pollution control would ensure the proper maintenance of facilities once they are constructed. We cannot accept the spectacle of a nation embarking on a massive program to clean its waters while systematically reducing its efforts to provide skilled manpower to manage and operate the program.

These are the types of alternatives we believe EPA and the administration should be considering here today because they represent positive approaches to the problems inherent in providing the nation with clean water. Proposals to reduce the federal share, restrict eligibilities and limit federal funding of reserve capacity represent negative approaches to these problems, approaches that will only serve to interfere with the achievement of our water pollution abatement goals.

Thank you.

RESEARCH AND THE QUEST FOR CLEAN WATER
A
POSITION PAPER
OF THE
WATER POLLUTION CONTROL FEDERATION

WATER POLLUTION CONTROL FEDERATION
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The Water Pollution Control Federation was established in 1928 as a non-profit, technical membership organization. Its objectives are to advance the fundamental and practical knowledge of all aspects of water pollution control by the dissemination of technical knowledge through publications, technical conferences, improvement of the professional status of those working in the field, promotion of public understanding and participation, and encouragement of the adoption and implementation of sound regulations aimed toward effective water pollution control.

RESEARCH AND THE QUEST FOR CLEAN WATER

PREPARED BY THE RESEARCH COMMITTEE
OF THE WATER POLLUTION CONTROL FEDERATION
AND APPROVED BY THE
BOARD OF CONTROL
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Forward

Since its formation in 1928, the Water Pollution Control Federation has stressed the importance of research in water pollution control. Its official monthly publication, the Journal Water Pollution Control Federation, has been a leader in disseminating research results, and its Annual Literature Review issue represents a principal resource document on research.

Accompanying this effort to monitor trends, the Federation has, through its Research Committee, also indicated areas where additional research is needed. Fundamentally, all environmental research deals with the interrelationships of our air, water and land resources. The Federation, however, believes that increased public interest in enhancing the quality of waters has generated a need for those in the water pollution control field to pinpoint critical areas where more research is required if the hope of clean water is to be realized. Comprehensive discussions of research needs are available in the technical literature, and the National Academy of Sciences and the National Academy of Engineering have identified research needed for setting water quality criteria. However, nowhere has this information been distilled into a manageable document accessible to those interested in water pollution control. This brief document endeavors to meet this need by highlighting representative areas where important questions remain unanswered.

Introduction

The decade of the 70's was inaugurated by a rising global concern for environmental quality. Within many nations, this concern has been translated into landmark legislation designed to protect and enhance the quality of the environment.

The 1972 amendments to the Federal Water Pollution Control Act (Pub. L. 92-500) represent part of the United States' response to this world-wide concern for the environment. In establishing the ambitious goal of restoring the chemical, physical and biological integrity of the nation's waters, Pub. L. 92-500 pinned a large part of its hopes for success on an aggressive, far-reaching research program.

This statement of research needs is based on the growing conviction of the Water Pollution Control Federation, which comprises 23,000 public officials, scientists, professional engineers, and treatment plant operators and managers, that the nation and the objectives of Pub. L. 92-500 are being poorly served by present water pollution control research efforts. The Federation has felt an increasing need to call on its broad-based technical expertise to provide a concise discussion of those problems requiring urgent attention if the nation's pursuit of clean water is to have a chance of success. Although this statement of research needs has chosen Pub. L. 92-500 as a convenient focal point, it bears noting that the global character of water pollution gives this listing of research requirements an international applicability that varies only in some of its particulars.

The Federation's sense of urgency over the state of water pollution control research has its origin in the convergence of conflicting social demands on our water resources. On one side, population and

economic growth have made increasing demands on the waterways to carry off the by-products of our affluent, industrialized society. On the other side, citizens have been demanding improvements in water quality for public health, recreational, commercial, and aesthetic reasons. Since the availability of water is finite, the convergence of these conflicting social demands presents a critical challenge in reconciling these environmental and economic demands. The ingredients of such a reconciliation include: (1) development of analytical tools for measuring and assessing the problem; (2) development of improved and more cost-effective treatment technologies; (3) development of environmentally more acceptable methods of disposing of pollutants removed from our waters; and (4) development of management policies that assure optimum and equitable implementation of control strategies.

Unfortunately, the technical and analytical tools available for this reconciliation are severely limited. Although substantial technological progress has been made over the years, achieving the full range of the nation's commitment to clean water requires continued advances and new approaches. The purpose of this document is to identify representative technical and analytical shortcomings and to indicate where research advances are needed. With the passage of Pub.L. 92-500 the American public established its financial and emotional commitment to clean water; it is now time for the scientific and technical community to fashion the additional tools needed to honor this commitment.

It is also worth stressing that any failure to close the gap between the nation's financial and emotional commitment to clean water, and the availability of technological tools to do the job poses several hazards. One possibility is that the expense and inadequacy sometimes associated with today's approaches may cause second thoughts about water pollution control efforts. The public and private sectors today are spending billions of dollars annually on treatment facilities, many of which are not cost-effective and often are incapable of effecting levels of pollutant removal that protect our waterways. A failure of today's massive capital outlays to bring desired results could lead to retrenchment.

A secondary possibility is that the high cost and difficulty of the task will lead to endorsement of seemingly attractive solutions without considering their full side effects. The Federation has recently issued policy statements warning of the potential risks with regard to the movement of toxicants and viruses associated with land disposal and water reuse. Water reuse and land disposal techniques are often endorsed as possible solutions without sustained scientific scrutiny.

Given this compelling case for an ambitious national research program, the Federation has viewed with dismay the apparent lack of direction in and short-sighted cost-cutting of the federal research program. Policy makers have apparently ignored the fact that the increased demands on the nation's finite water supply from economic growth

and the quest for environment quality have ushered in a new era in water pollution control. The nation can no longer afford to rest on its laurels if it hopes to have continued growth accompanied by environmental quality. The contention often made by policy makers that technology is available, and need only be applied, is only partially true, and is actually harmful because if serves to induce a sense of complacency unwarranted by the facts. Dispelling this complacency is one of the goals of this document.

Research and the Quest for Clean Water

The new era brought on by Pub. L. 92-500 demands a fresh look at the entire structure of water pollution control technology. Needed advances will not come from minor tinkering with existing treatment practices. Instead, major revisions and innovations are needed throughout the entire framework of the nation's water pollution control effort. From the scientific basis of analyzing and treating contaminants to the more subjective realm of policy formulation and implementation, water pollution control programs need to be revamped. The framework of this paper will be to first examine research needs with regard to analytical techniques, and then proceed sequentially to discuss wastewater treatment, assessment of environmental effects, and finally, management strategies.

1. Analytical Techniques

Fundamental to any water pollution control effort is the availability of adequate analytical tests for measuring water quality. Unfortunately, the type of data needed for current programs often is beyond the capabilities of existing analytical techniques. The need for advanced analytical methodology applies jointly to chemical, biological and physical parameters in the following areas:

- Levels of Contaminants
- Nature of Contaminants
- Transport and Transformation of Contaminants
- Interaction and Effects of Contaminants
- Reliability of Measurements
- Rapid and Inexpensive Real Time Data Acquisition

The need for advanced analytical methods has many ramifications. More emphasis is needed on the development of simplified and multiparameter techniques that save time and money. New and improved tests are also needed for determining the nature and amount of contaminants, particularly tests which would be capable of providing reliable data at extremely low concentrations.

Improved analytical techniques are essential to establishing more complete and accurate monitoring and surveillance systems, which in turn form the basis for enforcing compliance with effluent requirements and stream quality criteria. More refined and sophisticated analytical procedures are also a prerequisite for conducting detailed surveys to document ecological and water quality improvements resulting from discharge reductions. This need also includes information on the total nature of contaminant composition to assess possible long-term chronic health and environmental effects which then must be fed into the criteria setting process and, ultimately, into the development of advanced treatment systems.

Although considerable attention has been given to the design of systems for measuring stream quality, little has been done to develop systems for measuring effluent quality on a continuous and real time basis. Such information is not only essential for accurately assessing compliance but also for implementing effective waste treatment process control.

Chemical characteristics. Specific information is needed on the exact chemical nature of substances emanating from wastewater treatment plants. To date, the specific nature of trace complex organic substances, many of which are non-biodegradable, that persist in wastewaters remains unknown. Such compounds pose a spectrum of problems, ranging from acute or chronic toxicity to taste and odor nuisances, in down stream receiving water or ground water supplies. These problems may result either directly from the organic compound itself, or indirectly through conversion to other chemical species by reaction with other compounds such as the disinfection agents chlorine and ozone.

The issue of clearly distinguishing organic species is integrally tied to the concern over and measurement of heavy metals. Not only are many of the analytical questions concerning speciation and transport similar but also the nature of their interaction with organic compounds must be determined if the health and environmental effects of low levels of lead, cadmium, mercury, and other metals are to be identified. The identification of chemical species is important in interpreting toxicity data as well as any investigation involving the cycling of chemical elements in the environment. These research areas demand reliable analytical procedures capable of providing information as to speciation, transformation, and delineation that is well beyond the nonspecific determinations in use today, which generally give measurements only of total organic carbon. The new techniques must be sensitive to low concentrations, but, at the same time must not be prohibitively expensive for widespread use in monitoring and surveillance programs. It is here that rapid multi-elements analysis provides some promise.

Increased interest in disposing of wastewater and sludges on land also presents new challenges with regard to the chemistry of organic materials, trace metals, and nutrients, as well as their transformation, transport, and ultimate fate. Advances in analytical methodology are also required here if the use of land disposal techniques is to be in accord with protection of the public health.

Biological characteristics. Waterborne disease outbreaks associated with drinking water, aquatic recreation, and the consumption of seafoods may often have their origin in the discharge of treated or untreated domestic wastewaters, and continue to occur in the United States and elsewhere. Diseases that may be transmitted by contaminated water include infectious hepatitis, cholera, gastroenteritis, dysentery, amoebic meningeal encephalitis, and leptospirosis. The number of outbreaks of disease in the U.S. related to contaminated drinking water averaged two per month during 1971-1972. Preventing the recurrence of such incidents requires both basic research and additional epidemiologic investigations to determine the causes and sources of infectious agents. Specifically, the role of water in transmitting virus-caused diseases needs clarification.

Much of the ignorance with regard to viruses stems from the continuing need for a reliable method of concentration and enumeration. After the development of an acceptable methodology, there will be a need to study the removal and inactivation of viruses by treatment processes, including disinfection. The coliform test is generally used today to indicate the presence of bacterial pathogens. However, much is yet to be learned regarding the adequacy of using coliform organisms as indicators of pollution. For instance, it is known that many waterborne enteric viruses have a higher resistance to chlorine than do bacterial pathogens and coliform organisms. For this reason the coliform test is not a satisfactory means of determining the viral quality of water or even of chlorinated effluents. The methodological difficulties presented by viruses demand the identification of new indicators and the development of new methods of virus detection.

The virus problem also extends to the use of land disposal. Assessment of the potential health hazards associated with land application of wastewaters and sludges requires information on the fate of viruses and other disease agents in the soil.

Physical characteristics. The measurement of physical parameters, such as suspended solids, is currently the most developed area of wastewater analysis. However, with the exception of temperature, these measurements are generally nonspecific, and yield only gross response parameters. To a large extent, this reliance on non-specific physical measurements has evolved because of the lack of reliable and rapid chemical and biochemical tests noted in the preceding sections.

Information given by these gross physical parameters is becoming of limited value. Concern has now been extended to organic compounds, heavy metals, and viruses, and traditional properties such as volatile solids are becoming less important. Physical properties must be interrelated with biochemical and chemical measurements. Furthermore, physical measurements must be standardized because such measurements as solids and turbidity are subject to wide variation according to the technique employed. Turbidity measurements, for example, depend upon the lightscattering properties of suspended matter. Measurements on a simple sample by two different methods, both of which have been calibrated with the same turbidity standard, may vary by as much as 400 percent.

Along with turbidity, taste and odor are sensory responses that have historically been evaluated by the inherently imprecise mechanism of human perception. While turbidity is now more commonly evaluated by instrumental means, taste and odor remain subject to "human" detectors for evaluation because of an incomplete understanding of taste and olfactory response mechanisms.

Measurement of color also remains an analytical problem. In natural waters it is evaluated visually by a procedure entirely inappripriate for industrial wastes. The present method for evaluating industrial waste color is a tedious, time-consuming procedure, the results of which are of dubious value from both an analytical and legal point of view.

Accordingly, it is apparent that many traditional physical measurements, despite their widespread use, are of limited utility. A new era demands new tools.

2. Wastewater Treatment

The entire cycle of municipal and industrial wastewater treatment, from collection through disposal of residual sludges, presents an area ripe for further research. Existing technology has been successful in eliminating waterborne disease epidemics such as typhoid fever. However, it remains inadequate for protecting existing water quality already badly degraded in some areas against the pressure of economic and population growth, let alone satisfying the public's desire for cleaner water. The cost of meeting the full panoply of the legal standards now approaches $350 billion. Improving the cost-effectiveness of treatment has itself become a fertile field for investigation. The treatment area demands fresh insights, particularly in the following areas:

- Improved Systems Integration
- Real Time Process Control
- Design Performance Correlation
- Reclamation and Reuse
- Energy Conservation and Environmental Effects.

It should be stressed that these research needs apply to the entire treatment sequence of collection, treatment, and residual disposal.

Collection Systems. The proper design, construction, and maintenance of sewerage systems are important elements in the overall efficiency of a water pollution control system. More information is needed in areas such as pipe joining materials, bedding inspection techniques, inexpensive methods for controlling roots in sewers, and the value of using long lengths of pipe versus short sections. Existing information indicates that a large percentage of watewater eventually reaching treatment plants originates as infiltration of highly varying quality. Significant improvements in treatment plant operation may be achievable by reducing or eliminating infiltration into wastewater collection systems. A great deal of research and demonstration has been performed in the past ten years, but the problem of quantification and reduction of pollution from either combined or separate storm water collection systems still continues. Information on the composition of urban and agricultural runoff and its effect on the environment is extremely limited.

Non-point sources (in contrast to point sources) have recently drawn the attention of many investigators, and are now recognized as significant contributors to pollution. Since they are presently uncontrolled, and subject to severe seasonal and other short term fluctuations, they represent a unique challenge, a challenge that must be met if water quality goals are to be met. Meeting the challenge, however, requires information, and until the information base is vastly improved in this area, positive regulatory action will be very difficult.

Contaminant Removal. The critical task in any treatment cycle is the removal of contaminants. The purpose of well-planned collection systems is to transport wastes to treatment facilities for treatment. But this planning will be for naught if the treatment facility fails to remove the contaminants.

Municipal Systems. Research is needed to specifically determine if the efficiency, reliability, and economics of existing municipal treatment plants can be improved and what administrative and technological changes should be made to implement these improvements. The development and use of continuous monitoring systems, diagnostic methods of evaluating plant performance, and new design or performance parameters must be emphasized.

All too often a wastewater treatment plant receives little attention after it is designed, constructed, and put into operation. The performance of treatment plants is rarely analyzed in a systematic manner to generate information that could be helpful in designing,

constructing, and operating new plants. Such a systematic approach is presently hindered by the unavailability of a standard method for comparing actual plant performance with design specifications. A "diagnostic" method or other well-defined means of analyzing plant performance is lacking.

A standardized approach to treatment plant monitoring very probably would improve present-day design concepts. Such an approach would reduce the apparent discrepancy that exists between design specifications and actual operation. Such information would also be useful in modifying existing treatment plants to attain greater reliability and efficiency. A longer range goal would be to determine the significance of measuring various pollutants discharged in the final effluent. As noted in the section on analytic methods, it is likely that the familiar and most-used design parameters, biochemical oxygen demand and suspended solids, will have to be supplemented by more exacting and pertinent measurements.

Many unit operations and processes in use today for the treatment of municipal wastewater could benefit from additional research. For example, considerable data exist on the efficiency of the activated sludge process in removing biochemical oxygen demand and suspended solids, and the resulting concentration of each in the final effluent. However, little attention has been directed to the efficacy of the different modifications of the activated sludge process in removing and accumulating toxic materials such as persistent organic substances, inorganic compounds, and heavy metals. There is need for more extensive data on the performance of current biological and physical-chemical treatment methods in terms of day-to-day variability of the raw wastewater, maximum removal of various pollutants, and cost-effectiveness.

Now more than ever, the means of disinfecting wastewater effluents needs further study. For a variety of economic and technical reasons, the most widely used disinfectant is chlorine which, at its present level of application, leads to the formation of chlorinated compounds such as chloramines. These are toxic to many biological species in receiving streams. While further studies on the formation of persistent, toxic chlorinated organic compounds are needed, existing information should be a warning that alternate disinfectants also should be evaluated for their tradeoffs in terms of effectiveness, cost, and the eventual impact of their reaction products on the environment.

Eutrophication of lakes and the pollution of confined fresh water bodies has generated interest in the removal of the nutrients nitrogen and phosphorus from wastewater. There have been many studies on the removal of nitrogen from wastewaters, but there are yet to be established clear-cut design parameters that permit the application of treatment processes without difficulty. Pilot or large-scale studies are now required to demonstrate the efficiency and reliability of available processes and attendant operational problems and their remedy. Research results rarely present a completed solution for immediate use, instead it provides the ingredients of a potential solution. Putting

all the ingredients together in a viable process often requires as much energy, thought, and money as generating the original ingredients.

Implicit in this discussion of improving treatment processes is the need for cost-effectiveness. Many sophisticated processes for removing contaminants would present extreme cost problems if widely employed. To say, as many critics of water pollution control research do, that technology is readily available to provide higher levels of treatment is to ignore the fact that processes that are too expensive to be widely employed can hardly be said to be readily available. Affluence has its limits, and the costs of some new treatment technologies may approach these limits.

Certainly, the expense of today's technology has been one of the factors that has generated an interest in disposing of wastewater on land. (See WPCF Policy Statement, "Use of Land for Wastewater Treatment and Disposal," Jour. Water Pollution Control Fed., 45, 2594 (1973)). There are, however, a number of unknowns associated with this practice. The biological health effects which may potentially exist should be fully evaluated. For example, there is a void in information regarding the removal, movement and persistence of viruses in the soil that may result from the application of wastewater to land. The removal of heavy metals and other elements and their buildup and movement in soil also needs investigation. Methods of applying wastewater in land disposal, including methods based upon percolation, overland flow, ridge and furrow operation, and subsurface injection, need to be thoroughly evaluated. Of particular importance are the biological and physical-chemical alteration, transport, and fate of nutrients, heavy metals, refractory materials, gases, oxidation-reduction products, microorganisms, and viruses. Loading rates and/or optimum rest periods should be defined in relation to climatic, topographic, geologic, hydrologic, and ground water conditions as well as the effects on cover crops. Each of these problems for land disposal of wastewater also exists with regard to the land application of sludges.

Coupled with the treatment and discharge of municipal wastewater is the question of the use of potable water supply sources that contain treated wastewater effluent. Associated with this question is direct wastewater reclamation or reuse. It is generally accepted that the entire spectrum of public health implications of reuse needs to be delineated. In this respect, both the chemical and biological quality of treated wastewater must be considered if reuse is to be consistent with protection of the public health and the environment. (See "WPCF Adopts Water Reuse Policy, "Jour. Water Pollution Control Fed., 45, 2404, (1973)). The question of reuse may involve the development and use of dual water supply systems, one for potable supplies and the other for secondary uses.

Industrial Systems. Industry is having particular difficulty complying with the standards established under Pub. L. 92-500. Many of the observations made regarding research needs associated with

municipal wastewaters and sludges apply equally to industrial wastes. Very often, however, industries are confronted with more severe toxicity problems, for example, wastewaters with excessive amounts of heavy metals such as lead, hexavalent chromium and mercury, all of which merit special attention. In this respect, many industries are still faced with the development of more economical, efficient treatment systems. Further, more efficient methods of treatment specific industrial wastes are needed, such as those containing prohibitive concentrations of sulfates or nitrates.

Research on the application of conventional as well as new and innovative treatment methods is needed if industrial effluent standards are to be met. In formulating solutions to industrial waste problems, more attention should be given to implant process changes to reduce the quantity or strength of the waste or to change its character to make it more amenable to treatment. This principle of actually reducing the amount of discharges to waterways is one that warrants greater application in both the industrial and municipal sectors. Promising research avenues with both economic and ecological payoffs include closed-loop recycling systems and recovery of chemical byproducts from process wastewaters. Such studies must be performed both in the laboratory and on a pilot scale. Better information is needed on the scale-up factor associated with many unit operations and processes used in the treatment of industrial wastes. Inadequacies in nutrient removal, oil separation, sorption applications, resource recovery, energy conservation, waste reduction, toxicity impact evaluations, and overall waste management are only a few examples of the magnitude of the problems associated with industrial wastes.

Special Systems. Septic tanks continue to provide treatment for a significant portion of the nation's households, small commercial enterprises, highway rest areas, and motels. In fact, the homes of 40 million Americans are still served by septic tanks. While it is generally conceded that their use poses environmental and public health management problems for local communities, it must be admitted that often they present the only alternative to no treatment at all. What is needed are working criteria for when septic tanks are acceptable or when their disadvantages should rule out their use. However, the continued use of septic tanks is assured, and thus their operation and design could benefit from additional scrutiny. The same is true of the chemical systems used by pleasure boats and some isolated commercial establishments. Reliability and the production of disinfected, nutrient-free effluent are two areas deserving attention. There is also need for a procedure to indicate how well these specialized systems are functioning. Such systems represent a prime example of where small incremental research efforts promise major returns.

Ultimate Residue Management. The growing problem of the disposal of increasing quantities of treatment residues is one result of success in other portions of the treatment cycle. Better collection and contaminant removal systems mean more residues. Furthermore, as contaminant removal techniques become more permeated with heavy metals, organic matter, nutrients, and viruses. This problem is particularly acute for industries that carry the major burden of reducing the discharge of heavy metals. Thus, in the last analysis, the new era of water pollution control entails not a final solution of today's problems, but a trading of water pollution problems for the problem of growing quantities of highly polluted sludges, solids, and brines. It should be noted that while the focus here is on residues from municipal and industrial wastewaters, this is but part of the larger issue of residue management, with other components in the areas of solid waste and residues from air pollution control efforts. To a large extent, the public's quest for improved environmental quality will eventually involve the development of new technology to handle the residues generated by the clean-up effort.

For the municipal and industrial wastewater residues, the first needed stop is a better characterization of their physical and chemical properties. This is a prerequisite to evaluating the potential impacts of residues and the development of improved design criteria for residue treatment and disposal facilities.

Many of the problems associated with the treatment and disposal of residues involve removal of water from sludges to reduce their volume and make subsequent treatment, transport, and disposal more economical. Research into the fundamental aspects of sludge conditioning, prior to dewatering, to make it more of a science than an art would greatly enhance the effectiveness and economics of sludge disposal. New techniques in sludge disposal technology are needed to provide methods that are more environmentally acceptable. One of the most promising techniques for processing sludge prior to land disposal is chemical fixation. This involves the meshing of sludge with organic and inorganic binders to reduce the mobility of environmentally offensive compounds.

Traditional techniques of disposal such as ocean dumping and incineration, as well as, the newer techniques of land disposal and partial treatment and energy recovery all need reevaluation in light of present economic and regulatory constraints. All have environmental costs that make the choice of any option an exercise in evaluating comparative tradeoffs rather than the choice of a truly environmentally sound method. In terms of tradeoffs, the energy requirements of all wastewater treatment and sludge disposal processes, should be evaluated along with possible methods of conservation. Aside from reclamation of materials from a few homogeneous industrial sludges and productive utilization of some municipal sludges on agricultural land, the lack of effective reclamation of materials contained in sludges clearly

emphasizes the need for development of techniques for recycling and resource recovery.

3. Environmental Effects

The ultimate objective of a wastewater treatment cycle, from collection to residue disposal, is protection of public health and the integrity of the environment. For purposes of simplicity (to avoid a potentially endless list of specific problem areas) concerns in this area can be placed under the broad categories of ecological effects, aesthetic effects, and public health effects.

Admittedly, an individual agent or an event which places stresses on the environment usually cannot be confined to one of these categories. Despite this shortcoming, they provide us a convenient framework for considering these complex areas.

Ecological Effects. It is incumbent upon those in the water pollution control field to gain a greater understanding of the differing consequences of discharges from point and nonpoint sources. A given total mass flow into a particular system may have entirely different results depending on whether the inflow is from a point discharge or from diffuse nonpoint sources. Such considerations also determine to a large extent the feasibility of treatment and control strategies. An example of this need to distinguish between the different sources of a contaminant is the phosphorous control issue. In cases where nonpoint sources are the major source of phosphorous for algae growth in a fresh water body, the removal of phosphorous from municipal wastewaters may be an expensive and futile gesture. Also, where algae growth is prevented by a lack of light penetration, phosphorous removal again would be unnecessary. These examples serve to point out the need for fully evaluating an environmental system and its problems to insure that control strategies are not only successful, but do not squander precious resources.

Areas where additional eutrophication studies are needed include: (a) quantification of nutrient loading rates to lakes based on land use patterns and simple measurements of flow; (b) delineation of the role of sediments in recycling nutrients to lake waters, for example, the importance of internal recycling nutrients from sediments relative to external sources (this may have a great impact on the recovery of lakes after wastewater effluents are no longer being discharged into a lake); (c) demonstration of effective and economically feasible lake restoration methods such as chemical treatment with alum or fly ash, sediment consolidation, and hypolimnetic aeration-destratification.

The environmental effects of thermal discharges also represent a continuing challenge to researchers. The water temperature

requirements for important aquatic species should be identified with respect to: time-temperature relationships for survival at upper and lower temperature extremes; determination of optimum growth rates at various temperatures; and the temperature necessary for successful spawning, survival, and egg and larvae growth. Biological changes that are most often observed in the laboratory, such as thermal tolerance, growth, and metabolism, are not necessarily reflected in changes in population. For mobile organisms, such as fish, this is often caused by behavioral patterns of attraction and avoidance. Research should be directed to relating laboratory assays to population effect. Further, intensive field studies are required to confirm laboratory observations under "real world" conditions. Temperature rarely constitutes a single stress factor on organisms; more often the effects are produced by combinations of pollutants in some temperature regime. Little is known about the interactions between temperature and other pollutants of potential ecological damage, and whether they are synergistic, additive or antagnoistic. Laboratory and field studies require that more attention be given to standardizing bioassay, sampling, and other procedures and to a uniform method of reporting data. The research needs in this general area may be summarized by simply pointing out that the effect and fate of various pollutants in the natural environment must be more completely identified and that analytical techniques must be available to perform such studies. Certainly, the expense of reducing thermal discharges, estimated in the tens of billions of dollars, makes this an important area requiring further study so that cost-effective abatement strategies may be developed.

Superimposed on the above considerations is the need to clearly delineate the difference in response to stress between freshwater, marine and estuarine systems. A change in any one of these environments may not affect permanent resident populations, but may have a dramatic impact upon migratory species. There is a preliminary need in this area of the interrelationship between freshwater, ocean, and estuarine systems to carefully define the problems. This requires not only study by but cooperation and coordination between such traditionally isolated groups as oceanographers and water pollution control policy makers.

Aesthetic Effects. Aesthetic effects generally accompany any ecological changes. The principal question is whether these aesthetic impacts should be ameliorated or simply be tolerated as an inevitable cost of an industrialized society. This is basically a cost-benefit question that demands economic and sociological research to generate information. The present state of the art is quite primitive. Economic impacts can be computed readily for shell fish and commercial and sports fishing industries, but aesthetic impacts, because of their subjective nature, remain largely unquantified. Because of this, they are often ignored in cost-benefit calculations, an oversight that demands redress.

Public Health Effects. Public health effects are more identifiable than either ecological or aesthetic effects but have been studied in the past only in terms of direct or acute effects. Recent work on the biological accumulation, transformation, and magnification of such contaminants as pesticides, heavy metals, and plasticizers has opened up entirely new areas of concern. The long-term chronic effects of low levels of chemical pollutants in conjunction with natural and wastewater treatment chemicals and disease producing agents remains largely an unknown area of significant concern. Water reuse, land disposal (wastewater and sludges) and ground water recharge all have served to highlight the fact that our continued ignorance in this area carries potential risks. Furthermore, not only must the health effects of these substances be studied, but their impact upon aquatic species must also be assessed. With respect to human health, the greater exposure of wastewater control personnel to many pollutants remains a largely ignored area of research.

It bears emphasis that reuse is not merely a future option under consideration. Both direct and indirect reuse are being employed as man's need for water out-strips available supplies. The question is not whether reuse will be employed, but, as with land disposal, whether it will be employed in a manner that does not imperil public health and the environment.

4. Water Pollution Control Management

In its broadest sense, water pollution control is a problem in public policy determination. As such it is a proper area for research in law, economics, sociology, systems analysis and modeling, and other disciplines related to decision making. Although research of this type has already proven valuable in decision making. Although research of this type has already proven valuable in solving pollution control problems, perhaps its greatest impact has been in uncovering and emphasizing areas in which further work is needed. It is important to note that there are two distinct kinds of research needs related to public policy:

- Policy Formulation
- Technological and Socioeconomic Relationships in Policy

Just as today's analytical techniques, treatment methodologies, and assessment capabilities all need upgrading to meet the challenge of higher expectations, so do current techniques for policy formulation need improving to deal with the complex and multiple social objectives associated with water quality systems.

Such water quality problems are exceedingly complex. Solving them means coming to grips with physical, chemical, biological, social, political and economic interrelationships, some of which can only be described in a probabilistic manner, if at all. Early policy modeling

efforts have generally oversimplified the problem so that manageable models could be obtained. More recent efforts have demonstrated a trend towards greater complexity as improved mathematical techniques for solving the models have become available. This trend does, presumably, lead to solutions that are closer to reality; but, inevitably, it also leads to models that are difficult for the decision-maker to understand. The result is that sophisticated models are often left on the shelf because potential users simply find them overwhelming.

The ability to link a number of simple, readily understood models to provide an overall solution which is adequately realistic would be an important step forward. In addition, although techniques for dealing with problems where the underlying probability distributions are known continue to be developed, there is little theoretical framework for decision-making in the face of uncertainty, that is, when the probabilities of possible outcomes are not known.

Public policy in water pollution control can be characterized by many objectives, not all of which are compatible. A long-standing and well-known shortcoming of optimization techniques is the requirement that the objective be stated in terms of a single measure. For most water quality problems there is no way of expressing the various objectives in a common measure. Some efforts directed towards solving multiple-objective problems have begun but a great deal of additional work is needed. Until such work is completed, the process of rationally reconciling our economic and environmental goals will remain one of educated guesswork, a form of decision-making that leaves few satisfied.

Many of the policy formulation techniques involve the use of mathematical modeling, which requires a sufficient understanding of the underlying technical processes to permit their description in the form of equations. In recent years it has become increasingly necessary to model and predict ecological phenomena, such as eutrophication. Although some progress in this area has occurred, there is still a dearth of adequate data and a very limited understanding of the relationships between pollutants, nutrients, hydrodynamics, and ecosystem models which permit analysis of alternatives for correcting systems after an insult has occurred as well as predicting the effects of alternatives for preventing insults. An additional need has been to generate suitable models of industrial discharges that allow for equitable, yet comprehensive controls. The lack of precision with which the policy making process is currently being undertaken has convinced many of the need for renewed efforts in this area.

There are other phenomena of importance in water pollution control policy formulation which require a better understanding of the underlying natural processes. These include the interactions between groundwater quality and the quality of surface water supplies, the identification and prediction of non-point pollution sources, and the consequences of land disposal of liquid wastes. In particular the control

of nonpoint sources presents a difficult data-gathering and decision-making task, but the substantial contribution of diffuse sources to water pollution poses a problem that can no longer be ignored.

The objectives considered in current policy models are frequently microeconomic in nature, dealing with cost minimization or income maximization. On the other hand, the goals of decision-makers often involve much broader concepts including equity, income redistribution, and trade-offs between non-quantifiable entities which are frequently poorly defined. Perhaps the major research need for policy modeling is a clearer understanding of the linkages between technology and micro-economic phenomena on the one hand and macro-economic, social and ethical considerations on the other. Until policy models are able to explicitly consider such goals, their use by decision-makers will be severely limited.

Conclusion

The new era inaugurated in the United States with the enactment of Pub. L. 92-500, and in other countries of the world with similar legislation, poses a variety of challenges for those in the water pollution control field. Unfortunately, the technological and analytical tools presently available to respond to these challenges are limited. The analysis and treatment of the complex organic and heavy metal compounds that have appeared since World War II continue to present extreme difficulties. The ability to conceptually handle viruses is primitive at best. Today's treatment technologies on which the private and public sectors are spending billions of dollars annually are expensive and often incapable of effecting levels of pollutant removal that protect water quality. Sludge disposal, continues to be the Achilles' heel of the treatment cycle as municipalities have increasing difficulty in disposing of growing mounds of sludge in an environmentally acceptable manner.

This backgrop of growing problems and new challenges serves to bring us full circle to the original concern that is the fundamental reason for this paper -- the woeful inadequacy of the present federal research effort. Municipal wastewater treatment technology offers an example. Today, spending for municipal technology research is one-third of what was being spent in 1967. For sludge disposal alone, which many municipalities rank as their top priority in water pollution control, funding has declined from $2.6 million in fiscal year 1968 to $668,000 in fiscal year 1973. The fact that almost 40 percent of the cost of municipal wastewater treatment lies in sludge handling and disposal costs, and the fact that cost-effective techniques are still unavailable makes such cuts ill-advised.

According to the Environmental Protection Agency's own estimates, it will take 30 years at current research funding levels to reach program objectives that Pub. L. 92-500 envisions being completed by

the latter part of this decade. Furthermore, the disparity between funding and goals does not account for new problems that may come to the fore that could make priority claims on future research dollars.

The Federation believes that it is not unreasonable to contend that the limited present federal research effort in water pollution control represents little more than a surrender with regard to the nation's goal of clean water.

Jaunary 2, 1975

The Honorable Russell Train
Administrator
U.S. EPA
1200 Waterside Mall, West Tower
401 M Street
Washington, D.C. 20460

Dear Mr. Train:

This letter represents the sequel to our December 3, 1974 letter in which the Water Pollution Control Federation indicated that in response to the CEQ study on "Interceptor Sewers and Suburban Sprawl", it had initiated a review of the report.

Prior to listing our specific comments on the report, we think it important to stress that the issue now transcends the implications of the report itself. The report's conclusions have ostensibly served as the basis for a proposed legislative amendment that would limit federal grant assistance under Title II of Public Law 92-500 to ten years of design capacity for treatment works and twenty years for interceptors.

The implications of this amendment are enormous. Stripped of its control of land use guise, the amendment represents a retrenchment in the degree of federal assistance available to communities for the construction of treatment facilities needed to cleanse the nation's waters. Moreover, while, while the intent of the amendment may be to limit the federal financial commitment, its implementation would involve, in practice, the disruption of the design, construction, and bonding of sewage treatment facilities.

A reevaluation of the federal government's role in funding water pollution control facilties may be in order in light of the recent needs surveys estimate of $350 billion. However, such a reassessment should explicitly address the financial limitations of not only the federal government, but also states and localities. Furthermore, any provision for a more realistic level of federal funding must also account for the integral relationship between federal financing and the Act's deadlines and goals.

The proposed amendment, by failing to account for these ramifications, constitutes a piecemeal solution to an essentially multi-faceted problem. As such, it threatens to wreak additional havoc on an already beleaguered construction grants program, hamper current planning

efforts, and leave the nation's waters polluted. Accordingly, we have added to our comments on the CEQ study a section of comments on the proposed amendment.

I. Comments on "Interceptor Sewers and Suburban Sprawl"

The following comments represent a review of the executive summary of the report by the Federation's membership. The full report has not been available. At a minimum, the announcement and rapid translation into draft legislative language of the conclusions of such an extraordinary report should hve been preceded by a thorough review of the full report by the technical community concerned.

A. Interceptor Sizing

The fundamental contention of the study seems to be that excess interceptor capacity has induced undersirable suburban sprawl. Accordingly, the study recommends that interceptor capacity be limited to twenty-five years (and that federal funding be available only for present population needs).

This recommendation raises several distinct issues. The first concerns whether land use decisions should be made by agencies responsible for providing water and sewage services. Traditionally, local officials and zoning authorities have been responsible for local land use decisions, while those in charge of water and sewer services have been responsible for accomodating those decisions. Without explicitly saying so, the CEQ report urges a reversal in roles. The report even goes so far as to imply that federal officials should overturn local decisions. For example, in the report's case history on Tulsa, Oklahoma, the report notes that "the attitude of local officials - including land use planners - is that sewer service provision should not be used to shape or limit residential housing patterns, and that low density suburban housing patterns are not undesirable per se". (CEQ report pp. 27-28). The report then proceeds to chide EPA since "they refused to face the land use implications of unnecessarily large interceptors"; the intimation being that EPA should have overturned the local decision (CEQ report pp. 28). Without wishing to belabor the point, the Federation believes that federal instructions into local land use decisions by control of sewage facilities is a course at odds with established precepts of intergovernmental relations. It would seem more appropriate that federal incursions into local land use decision-making should be made on the basis of explicit statutory mandates, not indirectly through federal pollution control authorities.

A second related issue is the more practical question of whether federal limitations on sewer services can effectively limit growth. Here the general answer is no. The Federation's membership was nearly unanimous in its comments that sewer unavailability, rather than halting growth, inevitably spawn septic tanks or developer package plants. In fact, Federation commentators noted that much sewer construction

is aimed at mopping up after the adverse consequences of unsewered growth.

Ironically, the CEQ report itself supports this view. The study notes that "the absence of federally financed interceptors is unlikely to prevent low-density housing construction" - (CEQ report pp. 2). A review of the report's case histories demonstrates that many of the studied sewers are actually catch-up measures. For example, in the Madisonville, Louisiana, case history, the report states that "Madisonville is a major polluter of a nearby river, and sewage runoff from inadequate septic tanks is created a definite health hazard in many sections of the town" (CEQ report pp. 25). Of the eight case histories, seven clearly evince catch-up motivations as a principle ingredient.

The CEQ report also indicates that past efforts to prevent growth by restraining the availability of sewers holds little prospect of future success. "Without effective, comprehensive land use planning and controls, developers will continue to respond to the great demand for single family housing..." (CEQ report pp. 2). Regrettably, having recognized that local land use planning, not sewer availability, is the critical point of leverage in controlling suburban sprawl, the report then proceeds to ignore this fundamental insight by proposing interceptor design limits. The conclusion is at odds with the premises. Where comprehensive land use planning is present, interceptor capacity will not induce undesirable growth. Where such planning is absent, and growth will occur regardless of sewer availability, additional capacity serves to provide a buffer for our waters against the adverse consequences of unplanned growth. Either way, land use controls, not sewer sizing, is the key.

An element of the equation ignored by the report is the role of sewers in promoting residential density. The report, in its haste to prove "excess" interceptor capacity that villain in promoting suburban sprawl overlooks the actual zoning requirements of many municipalities. For instance, in the greater Twin Cities area of Minnesota, dwelling unit density is limited to one unit per 2.5 acres in unsewered areas. Sarasota, Florida, imposes a one unit per acre limit where sewers are unavailable. In both cases, dwelling units per acre can be increased to three units when sewers become available. In some areas, the "density zoning" that accompanies sewers also requires developers to deed a portion of the land to open spaces. These cases highlight the degree to which available sewer capacity serves to mitigate against sprawl and to insure reasonable development.

B. Cost Effectiveness

As an added argument for the twenty-five year design limit on interceptors, Mr. Peterson (pp. 8 of his Oct. 8, 1974 speech) and the report (CEQ report pp. 7) claim that building two parallel

interceptors at twenty-five intervals is cheaper than building one fifty year interceptor. The Federation's members, many of whom build interceptors for a living, were highly critical of this contention.

The major costs in laying interceptors are labor, equipment, and administrative costs in breaking ground; the cost of pipe is but a fraction of these costs. For example, attachment A gives a cost comparison provided by New York City between the cost of laying a 48" pipe and a 66" pipe of twice the capacity. As can be seen, a 66" pipe adds only a 17.5% increment in cost. This is in contrast to the doubling of cost assumed by the report as the cost for laying a parallel pipe twenty-five years hence. Furthermore, the assumption that construction costs only double every twenty-five years is suspect at best given today's rate of increase in the construction index of almost 2% per month. Even if these are considered unusual times, however, the historical record does not bear out the report's assumptions. In the Midwest, sewer costs have gone up 400%, not doubled, in the past twenty-five years. These costs also ignore the fact that building a sewer is not only environmentally disuptive, but often requires a re-routing of expensive electric, gas, and water lines where the area has been developed. Insuring the right of way for future construction poses further problems. Also ignored by the CEQ study is the increase in interest rates on long-term bond issues. In 1950, bonds in Bergen County New Jersey sold for 2%. By 1971, this had increased to 7%. Such in increase raises annual costs for a forty year bond by over 100%. The cost effectiveness argument is favor of a twenty-five year design limit for interceptors is without merit.

C. Per Capita Water Consumption

The report urges the employment of current use figures in sizing interceptors (CEQ report, pp. 7). In offering this recommendation, it is contended that actual average per capita use is approximately 60-80 gallons per day and that engineers are overdesigning for 100-125 gallons per day flows.

This suggestion has at least two shortcomings. First, it is prudent not only to design for average use, but also peak daily, and hourly uses. Second, the report's number had limited validity. While they may be valid for some smaller communities in arid states, they clearly have no relevance for most of the country's major metropolitan areas. Appendix "B" shows average per capita consumption for eleven major cities as 186.9 gallons per day. The lowest of these, 137 gallons per day for San Fancisco, is well above the "excessive" 100 gallon per day design limit cited by the study (CEQ study pp. 7).

D. National Design Limits

The preceding discussion on gallons per day highlights the difficulties of using national averages in attempting to prescribe national design limitations. An 80 gallon per day design, perhaps

satisfactory for some parts of Texas, would be unrealistic for St. Louis where use averages 293 gallons per day. The issue of parallel sewers also serves as an example. Assuming that there may be some marginal worth to this suggestion in a sprawling suburban community, it would clearly be impossible to lay parallel sewer lines in our more developed metropolitan areas. Federal design limits are no substitute for an empirical examination of the problem at hand coupled with design of the most cost-effective solution applying sound engineering principles.

A major failure with the proposed national design limitation is that it fails to account for the avowed nature of the study; that is, an examination of land use patterns in suburban fringe areas. The report simply provides no basis for extrapolation to a national standard.

II. Comments on EPA Proposed Draft Amendment

Despite its shortcomings, the CEQ study is apparently providing a technical basis for a proposed legislative amendment. The amendment limits federal financial participation in Title II projects to the extent of a ten year life for treatment plants and a twenty year life for interceptors. Time is marked in computing these intervals from the initiation of construction.

A. "Useful Life"

As presently written, the amendment contains one particularly pernicious feature. This is the definition of "useful life" of a treatment works as meaning ten years (twenty for an interceptor) "following initiation of construction of such works". This is patently absurd. Such a definition is tantamount to planned obsolescense. For large projects, many of which require a construction period of more than ten years,such a definition of "useful life" would preclude use following completion. Obviously such a result is unintended.

B. Design Capacity

The main thrust of the amendment purports to limit federal financial participation to design capacity for ten and twenty years respectively for treatment plants and interceptors (10/20). Again the clock starts with the "initiation of construction", giving rise to the prospect that a large plant may be overloaded (rather than falling apart) when completed. Despite our objections to the proposal as a whole, as specified below, certainly the completion of construction rather than its initiation should be the starting point in calculating federal financial support.

A possible response to criticism of the amendment is that while federal participation may be limited, states and localities can augment federal participation to any degree they desire in order to build truly cost-effective treatment facilities. Unfortunately, the possibility of state and local augmentation ressurects several of the key problems that served as the original justification for federal intervention into the control of water pollution, particularly that of the limited state and local resources available to build expensive treatment facilities. State and localities are as fiscally hard pressed today as they were in 1948. Moreover, if state and local augmentation is voluntary, the amendment would effectively divorce the law's secondary treatment requirement from its planning provisions, Section 208, in conjunction with sections 303(e) and 201, is geared towards providing the long-term planning needed to "restore and maintain" (section 101(a)) the integrity of the nation's waters. Accordingly, section 208(b)(2) requires twenty year plans designed to achieve the Act's goals. If states and localities, as may be realistically anticipated, limit their participation along with the federal government to ten year facilities to meet the secondary treatment requirement, then the twenty year plans of section 208 become an idle exercise.

In the alternative, if state and local augmentation is to be mandatory, the amendment constitutes a de facto reduction in the percentage of the federal share available under Title II. Such a reduction may well be in order because of the needs survey. However, federal retrenchment demands a reevaluation of the Act so that more realistic goals may be charted in light of the reduced federal effort. The federal establishment should not, in good conscience, after mandating the ambitious goals of Public Law 92-500 and promising commensurate federal financial support, unilaterally reduce its commitment without also reexamining the feasibility of achieving the Act's requirements.

Beyond the issue of whether state and local agumentation is to be voluntary or mandatory, the amendment also would create a problem for all those projects presently in the pipeline. One of the frustrations that has beset the construction grants program the past two years has been that of changing guidelines that have kept projects in the pipeline on an unending treadmill. This amendment, with its June 30, 1975 date, has all the potential of the March 1, 1973 user charge requirement for stalling the program. It hardly seems rational for the same legislative package to offer a solution to the user charge question and at the same time to contemplate such a major revision in the nature of federal funding for new grants after June 30, 1975.

If in fact revisions in the mode of federal financing are called for, then other alternatives should be examined. For our own part, the Federation's Board of Control has approved a recommendation that Congress fix Title II appropriations through 1983 to give the program some programmatic continuity and stability. Other alternatives are obviously

available. But regardless of which is chosen, the criteria of continuity and stability must be met if the existing chaotic condition of the program is to be overcome. The present 10/20 proposal fails such a test. Rather than producing certainty it would:

(1) make the level of federal participation a subject of continuing arbitration between the concerned parties:
(2) lead to an overhaul of fifty state priority lists;
(3) affect such fundamental engineering decisions as designing for 100 year floods;
(4) increase debt service by providing a shorter "useful life" over which to amortize; and
(5) provide disincentives to regionalization, and long-term staging at a single site.

In contrast to what we believe is the straightforwardness of our recommendation, the 10/20 proposal raises the spectre of new problems whose full dimensions remain uncertain. The Federation respectfully urges that the 10/20 proposal be deleted from your legislative package.

Sincerely yours,

Robert A. Canham
Executive Secretary

RAC/bel

EXHIBIT "A"

ESTIMATED COSTS OF 66 INCH DIAMETER
AND
48 INCH DIAMETER INTERCEPTING SEWERS

		UNIT BID	
		66" R.C.P.	48" R.C.P.
1.	Unload & Drive Soldiers	$110	$110
2.	Install Logging, Bracing Including Excavation, Trucking, Disposal	480	420
3.	Dewatering including Installatin, Removal	120	110
4.	Pipe, Concrete Cradle	240	170
5.	Backfill	15	12
6.	Restoration	25	20
	TOTAL	$990/L.F.	$842/L.F.

CONCLUSION

Although the 1-48" R.C.P. construction would cost the City approximately 85% of the 66" R.C.P., it can be seen that the cost of the 2-48" R.C.P. would exceed the 66" R.C.P. by 70% based on current prices. It does not appear to be an economical move.

NOTE: The above comparison is based on today's cost with identical conditions. To a sewer to be built 25 years hence, we would have to add the relocation and support of utilities, and possibly other sewers, since the intercepting sewer is always at the lowest elevation. Also, other inconveniences to a built-up community vs a developing community. And, of course, the heavy construction index is always a factor in the City of New York.

EXHIBIT "B"

CONSUMPTION IN VARIOUS AMERICAN CITIES DURING 1973

	Estimated Population	Total Average Comsumption M G D	Average Consumption GPD Per Capita	Meters in Use at end of Year	Per Cent of Taps Metered
Baltimore	1,568,600	260.1	166.0	299,961	84.8
Chicago	-4,554,000	1,041.0	228.0	163,106	32.0
Cleveland	1,800,000	365.0	200.0	400,000	100.0
Detroit	3,938,900	673.9	171.0	362,465	99.0
Los Angeles	2,870,400	511.1	178.0	615,982	100.0
New York City	7,932,000	1,448.9=	182.7	182,492	19.6
Philadelphia	°1,948,609	369.9	189.3	522,165	99.2
Pittsburgh	° 520,000	90.0	173.1	87,000	95.0
San Francisco	+1,750,000	248.0*	138.0	162,384	100.0
Seattle	° 919,000	125.6	137.0	159,011	100.0
St. Louis	600,000	175.9	293.0	19,000	18.0

=Includes 65.2 M.G.D. supplied by 2 private Co.s
-Includes 1,187,000 suburban pop.
*Includes water supplied to private companies
+Includes 1,035,000 suburban consumers
°1970 census table

June 30, 1975

Mr. David Sabock
Environmental Protection Agency
Room 1033 West
401 M Street, S.W. (W.H.-556)
Washington, D.C. 20460

RE: Town of Wheatfield, New York

Dear Mr. Sabock:

This letter is sent to you in lieu of an appearance by the Town of Wheatfield, New York, at the public hearing which your agency held on June 25, 1975, regarding priorities for grants under Federal bill 92-500.

The Town of Wheatfield, New York, has been involved in a sewer project for the last 8 years, attempting to install sewers throughout the Town. We have created a townwide sewer district to provide lateral sewers on every street in the Town of Wheatfield and we are a participant in the Niagara County Sewer District #1 which is constructing the sewerage treatment plant together with inceptors throughout a 6-town area in Niagara County. At present, the Town of Wheatfield has no sewers and relies on septic systems. We are located between the City of Niagara Falls, New York and the City of North Tonawanda, New York, along the Niagara River. We are one of the polluters of the Niagara River, an international waterway.

New construction has been halted in our Town by the Niagara County Health Department, since we can not get perculations sufficient to install proper septic systems. The Town Board of the Town of Wheatfield wants sewers and has demonstrated that fact by prefinancing the original engineering plans for the entire Niagara County Sewer District #1 which cost the Town in excess of $350,000. We have also installed sewers in a heavily populated area of the Town and constructed a temporary treatment facility which cost the residents of the Town of Wheatfield in excess of $1 million.

These steps were done without any federal or state aid. Thus, I think you can see that the Town Board is committed to provide proper waste water treatment in the Town of Wheatfield. However, we can no longer continue with the sewer project since the costs have risen so dramatically. When the original sewer was planned in 1970, the cost for both the lateral within the Town and the treatment plant with inceptors was estimated at $24.5 million. The estimate cost presently for just

the construction of the inceptors and the treatment plant within the Niagara County Sewer District #1 is $57.6 million. The estimated cost for laterals within the Town has risen not to $14.5 million. For a Town with a 10,000 population, there is no way that sewers could be provided without federal or state assistance.

We have applied to the Farmers Home Administration for a 50% grant and a 50% loan at 5% interest. They have told us that they have referred the project to the Department of Environmental Conservation to be funded under Federal Bill 92-500. This is the only way that our Town will be able to provide for proper sewers.

Therefore, we strongly urge you that even though construction costs throughout the country have risen tremendously for the construction of sewer systems, you continue to include within your priorities aid for laterals as well as major inceptors and sewer treatment plants. If laterals can not be constructed, we will be left with a treatment plant with little or no sewerage to treat and a huge debt for a non-functioning white elephant. We are grateful that the Environmental Protection Agency has seen fit to fund our Niagara County project under this bill so that it could be constructed. However, the County informs us that our share of financing this project is in excess of $460,000 per year for the amorization of the bonds, which are 40 year bonds. This exceeds our annual Town budget. Therefore,I feel that you can see that to assume an additional $14½ million for the cost of laterals at this time would be absolutely impossible. I hope that you will consider our plea and develop a program whereby communities like ours, can obtain federal aid so that the much needed sewers can be constructed throughout the Country.

I am sure that a formula can be worked out so that waste water construction and grants can either be phased or cover the period of time that bonds are amortized so the initial cost to the federal government will not be as so overwhelming.

In closing, we urge you to continue federal funds for the construction of local lateral sewers and if there is anything you can do to help us, the Town of Wheatfield, New York, it will be greatly appreciated.

Yours very truly.

FINDLAY, HACKETT, REID & WATTENGEL

BY Glenn S. Jackett
TOWN OF WHEATFIELD ATTORNEY

GSH/fnc
CC: Ogden Reid

July 2, 1975

Mr. James L. Agee
Assistant Administrator for
Water and Hazardous Materials
United States Environmental Protection
Agency
Waterside Mall
4th and M Streets
Washington, D. C. 20460

Comments by the Western Oil & Gas Association on the Environmental Protection Agency Issue Papers on Potential Amendments to Federal Water Pollution Control Act

Dear Mr. Agee:

The comments which follow are in response to the notice published by EPA in the May 2, 1975, Federal Register (40 Fed. Reg. 19236), requesting public comment on the five proposals for amending the Federal Water Pollution Control Act Amendments of 1972 considered most critical by OMB. We request that these comments, submitted on behalf of the Western Oil & Gas Association, a trade association composed of petroleum companies conducting operations in the seven western states be included in the record of the hearings on this matter. Our comments are directed to the three proposals dealing with federal funding of publicly owned treatment works under Title II of the Act, which will be addressed jointly, and the proposal to extend the compliance date for achievement of effluent limitations established for public treatment works under § 301(b)(1) of Title III of the Act.

Preliminarily, we wish to point out that all four of the above proposals for modifying the Act are a response to certain unavoidable economic realities--that, no matter how laudable the goals of the Federal Water Pollution Control Act, inflation, recession and an unrealistic timetable for achieving those goals have combined to make attainment of Phase I treatment capability by July 1, 1977, impossible. The unlikelihood that the Phase I deadline would be met has never really been in doubt. EPA's own estimates indicate that at least 50 percent of all communities in the United States will be without any secondary treatment capability in 1978. EPA Deputy Administrator John Quarles addressed these hard facts when he stated to reporters on July 10, 1974, that fifteen to twenty years would be required before secondary treatment capability could be achieved by all municipalities.

Industrial dischargers are, of course, confronted with similar obstacles to achieving compliance with 1977 standards. To cite only a few indicators of the financial strain which the attempt to attain Phase I effluent limitations is imposing on the private sector: The Department of Commerce reports that industry invested over $5 billion in new air and water pollution control facilities last year alone. The figure is estimated to be in the neighborhood of $6 billion this year. The petroleum industry, by itself, spent $700 million on such facilities in 1974, and it is projected that this figure will rise by at least 36 percent in 1975. At the same time, inflation has rapidly eroded the pollution abatement benefits to be attained as a result of such dramatically increased spending. To cite only one example, the cost of sewage treatment plant construction rose at an annual rate of 18,6 percent nationally between April of 1974 and April 1975. All of this, while industry has been laboring under the weight of a recession economy with its attendant tight money market and high interest rates.

Administrative problems with the Federal Water Pollution Control Act have also had their impact on achieving the 1977 goals. The federal construction grant program is, of course, a prime example. But there have also been serious administrative problems experienced with the NPDES permitting program. First, there have been substantial delays in issuing effluent guidelines for most point source categories. This is true in the case of the petroleum industry. Two examples will suffice: (1) effluent guidelines for the petroleum refining category were issued in May of 1974, some seven months after the dealine specified in § 304 (a) of the Act, were challenged in the courts, and have been revised as recently as May of this year (pretreatment guidelines for refineries have still not been promulgated); and (2) guidelines for the petroleum extraction category have not yet been proposed, even in draft form. The delays and other problems which have developed in promulgating the guidelines have, in turn, generated further administrative problems: something on the order of 250 separate actions by various industrial, governmental and environmental groups challenging EPA's administration of the Act, permit appeal numbering in the thousands and a resulting staggering expenditure of professional talent in efforts to arrive at appropriate limits for individual discharge points.

Because of this slow start, in large part caused by a congressional desire to move toward the goals announced in the Act at a velocity totally out of step with technological and administrative capability, the financial, engineering and construction resources that will be required to now move forward and meet the July 1, 1977, goal do not

exist, either within the federal government, at the state or local level, or within the private sector. The question is not can the 1977 deadline be met, but rather, how many years must the deadline be extended.

The point is that OMB, EPA and the Congress should not ignore the obvious fact that industry is confronted with the same immutable barriers to achieving Phase I treatment capability as public treatment works--insufficient capital, inadequate lead time and the shortage of design and construction resources. To ignore such realities is to invite further delay, cost inefficiency and uncertainty, the price of which must ultimately be borne by the same persons who are paying for improved municipal treatment works--the public.

We now comment on the specific proposals:

Federal Funding of Public Treatment Works

We believe it is unrealistic to assume that, if the federal share of funding for treatment works is reduced, state or local governments will fill the void. If the federal government is unable to assume the burden of financing such costly improvements, which primarily benefit downstream users, state and local jurisdictions, whose budgets have already been strained to the limit and are experiencing growing resistance to new funding proposals from already overtaxed constituencies, cannot be expected to carry the load. The only viable solution is a new timetable for achieving secondary treatment which that extension of the Phase I deadline to 1983, coupled with limitation of federal funding to only those projects which will maximize pollutant reduction benefits in relation to cost, is the optimum manner in which to accomplish the broader goals of the Act.

To assist in generating the funding needed to carry out this less ambitious but more realistic program, we further recommend that the grant payback concept now embodied in the Act only for industrial users be expanded to include all types of users. There is no rational or equitable basis for discriminating against industrial dischargers by requiring them to repay the cost of constructing new facilities needed to handle their effluent, without imposing similar obligations on commercial and residential dischargers.

Finally, progress toward the goal of cleaning up the nation's water can be most effectively maximized by discarding the cost-ineffective concept of uniform effluent limitations. The limited federal and

resources available to achieve the clean water objective make it imperative that those funds be spent where maximum benefit can be achieved. This can only be done by tailoring the level of treatment required at each discharge point to such individually varying factors as the type and quantity of pollutants being emitted, the sensitivity of the receiving waters and their downstream uses, and the point on the curve where further treatment becomes only marginally beneficial in relation to cost. Such an approach makes sense for both the federal government and for industry and is consistent with the mandate of § 304(b)(1)(B) of the Act that effluent limitations taken into account "the total cost of application of technology in relation to the effluent reduction benefits to be achieved from (its) application."

Extension of the July 1, 1977 Deadline

As discussed in our preliminary comments, the issue is not should the Phase I deadline be extended, but for how many years. As stated above, we believe an extension to 1983 is realistic and reasonable, although the adequacy of any extension will ultimately have to be determined by actual experience. The problem with the extension proposal as presently drafted is that it totally fails to address the compliance problems of industrial point sources. Both municipal and industrial dischargers require across-the-board relief if the Act is to have any credibility. Equity and probably even constitutional constraints require such evenhanded treatment. To retain the existing July 1, 1977,deadline for industry is to foster a situation in which a substantial percentage of all types of point sources will, through no fault of their own, be in violation of the law.

There are other obvious reasons for according such relief to industrial dischargers. The pretreatment requirements imposed by the Act on dischargers to public treatment works is one. Aside from the issue of equitable treatment, only marginal benefit is obtained from requiring industrial dischargers to pretreat to secondary levels while the systems to which the discharges are made are only capable of treating other effluents, including those from commercial and residential sources, to primary levels. It's self-defeating. It's also terribly cost-ineffective. Furthermore, the result of such a dual standard would be to require industrial sources to individually install costly sophisticated secondary treatment facilities which would be unneeded within a period of only a few years when public treatment works bring their units on stream. It makes no practical sense to require dischargers to a common system to each set up their own separate

secondary treatment facilities where such treatment can be accomplished much more efficiently, and at a tremendous savings in capital expenditures, through a common municipal facility. It makes even less sense where the separate facilities would have such a short useful life.

To illustrate the waste of pollution abatement resources which could result, one need only look at the refineries discharging into the Los Angeles County sanitation system. Costly physical-chemical treatment facilities designed to achieve waste reduction have already been installed. It would be an extravagant commitment of financial resources to now install secondary biological treatment units which would become redundant when the county installs its own secondary treatment facilities within the next few years.

There are other reasons for an across-the-board extension of the 1977 deadline. At least one authoritative study of the impact of storm water runoff on urban water pollution loads has concluded that such runoffs offset much of the removal efficiency which can be achieved through secondary treatment. If the Phase I program is to accomplish its purposes, corrective action with respect to urban storm water runoff must be taken. This will require time. There are also indications that non-point source discharges must be controlled if the program is to move forward on the most cost-effective basis. It makes little sense for point sources to spend billions of dollars to achieve only marginal gains in pollutant removal while non-point sources continue to discharge pollutants essentially uncontrolled. As a national water pollution control strategy, it is inefficient and inequitable to require the industrial section to over spend on pollution control while more urgent and more effective control measures are overlooked in other areas.

Recommendations

We urge OMB and EPA to seek the following amendatory relief: (1) an extension of the July 1, 1977 deadline for achieving § 301(b)(1) treatment capability to July 1, 1983, for both publicly owned treatment works and industrial point sources; (2) realignment of the construction grant program to assure that federal funds are expended on only those projects which will achieve the maximum pollutant reduction benefits in relation to their cost; (3) recognition of urban storm water runoff correction and non-point source control as priority objectives under the Act; and (4) the assignment of a preeminent role to cost/benefit analysis in establishing effluent limitations for individual point sources.

We appreciate this opportunity to comment on the proposals which have been made by OMB.

Very truly yours,

HARRY MORRISON
Vice President & General Manager

July 1, 1975

Mr. Russell E. Train, Administrator
U.S. Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Train:

This letter is directed to you in response to the five "issue" papers on potential legislative amendments to the Federal Water Pollution Control Act that appeared in the May 28, 1975 Federal Register.

We feel you and your staff are to be complimented upon the depth to which each topic is addressed and the timeliness of each issue. However, we do have concern that many of the issues, such as the reduction in funding level, cannot be considered outside the context and provisions of the total act. To reduce federal support without relaxing requirements predicated on such support would further compound the endless problems encountered in administering the complex and interrelated provisions of the act.

Review by our staff members has produced the attached comments. We request that these comments be included in the hearing record related to the issue papers and be fully considered. We hope they will be helpful to you.

We appreciate the opportunity to have reviewed and commented upon the amendments which you propose.

Sincerely,

John F. Spencer, Assistant Director
Office of Water Programs

JFS:bj
Enclosure

COMMENTS OF THE STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY

TO THE

POTENTIAL LEGISLATIVE CHANGES

TO THE

FEDERAL WATER POLLUTION CONTROL ACT (P.L. 92-500)

AS PUBLISHED IN THE MAY 28, 1975 FEDERAL REGISTER

Amendment I - Reduction of the Federal Share

Grant support to eligible municipal facilities in the State of Washington is 75 percent federal and 15 percent state. When comparing our total construction needs to available grand funds, it becomes obvious that the demands far exceed the supply. Reduction of the federal share is not logical when the demand is the result of stringent treatment requirements for municipal facilities.

A reduction in the federal share of grants for municipal waste treatment systems cannot be isolated from consideration of the stringent treatment requirements and accomplishment dates Congress established for municipal systems. Recognizing that the cost of municipal facilities exceeds the combined abilities of federal, state and local financing, a reduction in federal assistance without a commensurate change in treatment requirements would seriously jeopardize this program. There is no evidence that greater financing is available at the local levels of government to justify a shift in the construction financing burden to local government.

A slight reduction in the federal share of funding will not increase local accountability and project management. With a very strong state and federal interest in these projects, local participation is dependent upon financial assistance to conduct proper management, and not dependent upon a reduction in construction assistance.

If the percent of grants is to remain the same and there is no change in treatment requirements, an extension of the 1977 deadline is the most reasonable course of action dealing with the high cost of municipal facilities.

Amendment II - Limiting Federal Funding of Reserved Capacity to Serve Projected Growth

We concur with and support the spirit and intent of the California "10/20" program. We do feel that the scope of this program should be broadened to encompass existing sources in service areas which are not connected to the system but will be connected during the planning period of the project. Also, we feel that components 3, 5 and 6 of your definition of "reserved capacity" must be included as essential design factors and that component 4 is measured under the 10/20 plan rather than being correlated with the life of the project, which may be considerably longer.

The present trend of utilizing environmental legislation such as P.L. 92-500 as a vehicle for establishing and enforcing land use controls must be terminated if not reversed. We now see instances at a disturbing frequency where the adage of "the tail wagging the dog" has application. The construction grants program must be placed in the context of conforming with existing or proposed land use plans rather than dictating such plans.

It appears that 10/20 program is a positive step towards alleviating overdesign, mimimizing the secondary environmental impact of influencing population growth and bringing the grants program into closer harmony with land use planning. This program would also bring about a more equitable distribution of available funds and direct their expenditure to correction of immediate problems.

However, any change in requirements for sizing facilities must consider the impact on local financing which usually involves bonding for 20 to 30 year periods.

Amendment III - Restricting tye Types of Projects Eligible for Grant Assistance

We recommend no change in the existing eligibility criteria. The flexibility now provided states and regional administrators in determining eligibility through the priority rating system should be continued.

Other federal grant and loan programs supportive of sewerage facility construction, such as were administered by HUD and FHA, have been discontinued in deference to P.L. 92-500. Thus, the FWPCA has basically become the total funding program for sewerage works. Restricting the types of projects eligible for grant assistance under P.L. 92-500 would

place many needed and/or required projects in the position of receiving very limited or no federal support.

Amendment IV - Extending 1977 Date for Publicly Owned Treatment Works to meet Water Quality Standards

Based upon the progress to date under the Act in municipal facility construction, the federal and state governments have little recourse but to operate a "tolerance policy" with respect to the 1977 compliance date. Enforcement is not practical where a lack of funds precludes compliance. From the state viewpoint, this is a highly undesirable situation which should be corrected through amendment of the Act.

The 1977 date should be reevaluated and changed based upon an analysis of the progress made in the grants program to date and the anticipated levels in the near future. The 1977 goal has provided emphasis to the program but cannot be enforced as a practicable requirement for all municipal systems.

Amendment V - Delegating A Greater Portion of the Management of the Construction Grants Program to the States

We strongly support total delegation of the program to the states. However, delegation without implementation capability will do little to improve performance or assure program success.

Delegation of additional responsibilities must be accompanied by a federal commitment of predictable state program funding under at least a five year period. If this funding is to be tied to a percentage of the state construction grant allotment then the allotment amount must be stabilized from year to year.

It is our belief that the present dual system of federal/state management of the construction grants program is highly inefficient. Coupled with the complexity of the program, this inefficiency has resulted in inexcusable delays in project funding. Further delegation with in fact program responsibility and authority would, in our view, expedite the flow of funds into needed construction projects thereby obtaining both economic and environmental benefits.

June 23, 1975

Environmental Protectin Agency
Office of Water & Hazardous Materials
(W.H. 556) Room 1033, West Tower,
Waterside Mall
401 M Street, S.W.
Washington, D.C. 20460

Gentlemen:

I concur with the testimony of John L. Maloney given at the public hearing, San Francisco, California on June 19, 1975. Attached is a copy of his address.

Sincerely,

Linc Ward

Attachment

cc: Mr. J.O. Maloney
Industrial Association
os San Fernando Valley
P.O. Box 3563
Van Nuys, California 91407

July 7, 1975

Russell E. Train, Administrator
Environmental Protection Agency
401 "M" Street, S.W.
Washington, D.C. 20025

In re: Potential Legislative Amendments to the Federal Water Pollution Control Act

Dear Mr. Train:

I am enclosing for inclusion in the record of the public hearings conducted by the Environmental Protection Agency on June 25, 1975, at the Civil Service Auditorium in Washington, D.C., the position of the Washington Suburban Sanitary Commission.

The Commission's position is addressed particularly to the five discussion papers originated by EPA to encourage discussions of the various issues. Although not specifically framed within the five papers, EPA might consider proposing the suspension of the tertiary treatment process required to achieve water quality standards, in certain select cases where design and other considerations would permit it, until after adequate secondary treatment facilities have been placed into operation. It may well be that secondary treatment in combination with other point and non-point source pollution controls, would achieve the desired water quality standards without incurring the extraordinary capital costs and operating expenses tertiary treatment would require.

I think you for the opportunity to have our remarks included in the hearing.

Very truly yours,

Paul T. Sisson
General Counsel

PTS/dbc
Enclosures

cc: Mr. David Sabock

STATEMENT OF THE WASHINGTON SUBURBAN SANITARY COMMISSION FOR THE RECORD OF THE PUBLIC HEARING ON "POTENTIAL LEGISLATIVE AMENDMENTS TO THE FEDERAL WATER POLLUTION CONTROL ACT" JUNE 25, 1975 AT THE CIVIL SERVICE AUDITORIUM, WASHINGTON, D.C.

The Washington Suburban Sanitary Commission is a public and municipal corporation created and existing under the Laws of the State of Maryland with the legislatively imposed duties of providing inter alia water and sewer services within the Maryland counties of Montgomery and Prince George's. These counties make up the Washington Suburban Sanitary District and, with the Potomac River, combine to form the northerly borders of the District of Columbia. The Potomac boundary also separates the Sanitary District from Northern Virginia, the remaining portion of the Washington Metropolitan Area.

The Washington Suburban Sanitary Commission is a participant with the District of Columbia and certain sections of Virginia in the Regional Wastewater Treatment Plant at Blue Plains in the District of Columbia and is in the Section 208 Federal Water Pollution Control Act planning area of the Metropolitan Council of Governments (COG).

In addition to participating in the Blue Plains Sewage Treatment System the Commission owns and operates several plants of its own providing a high degree of treatment to sewage within its area of responsibility. The expanding needs of the Sanitary District are being provided for by a large additional sewage treatment plant presently under design. The Commission also has had occasion to participate, and is participating, in various Adjudicatory Hearings pertaining to the terms of permits issued under the National Pollution Discharge Elimination System Program (By EPA and Maryland) under the program for discharge elimination within the Sanitary District.

The Washington Suburban Sanitary Commission would, in as briefly a manner as possible, like to present its position with reference to the proposals as contained in the Discussion Notices published in the May 28 Federal Register, Volume 40, No. 103.

Paper No. 1 -- REDUCTION OF THE FEDERAL SHARE

The Commission would oppose a reduction of the Federal share of contributions below the present 75% within the Washington Metropolitan Area for the following reasons:

a. The Federal presence in the Metropolitan Area has had a great impact on the adoption of water quality standards for the

"Nation's River", the Potomac River, that has dictated the need for advance waste treatment plants within the area.

b. Public Law 92-500 has fostered the advanced wastewater treatment concept within the Metropolitan Area and the Commission is committed to the construction of such plants.

c. For the Federal Government, in the Metropolitan Washington Area at least, having played such a major role in raising water quality standards requiring advanced wastewater treatment in expanded facilities to then, when the program is underway and committed to the highly expensive advanced wastewater treatment based on a 75% contribution, to reduce its contribution to 55% would amount to a breech of trust. The expensive concept of advanced wastewater treatment based on water quality standards would not have been so readily accepted in the area without the Federal Government's proffered carrot of a high percentage contribution.

In our opinion, a reduced Federal share within the Metropolitan Area would inhibit, delay or even stop the construction of needed facilities. If required to proceed in these days of increased costs with a lesser Federal share, the impact on the Commission's already accelerating rate structure may be disastrous. Rate increases for water and sewer when combined with the soaring power rates and other burgeoning costs might reach the saturation point and add even greater inflationary pressures in the price-wage spiral.

We also happen to believe a reduction of the Federal share could lead to an increase in the cost effective design accountability but here again, its impact on our user rates might approach the disastrous.

The proposal, advanced at the open hearing, that the Federal Government guarantee the construction bonds for facilities construction is a worthy one. Any savings possible in interest payments makes more funds available for construction or reduces the overall cost.

Paper No. 2 -- LIMITING FEDERAL FUNDING OF RESERVE CAPACITY TO SERVE PROJECTED GROWTH

Because of the Commission's unique relationship with the counties embraced within the Sanitary District, both of which have charter form of government, and the other planning authorities within the area, many of the matters discussed in Paper 2 would be more appropriately addressed by those authorities rather than the Commission. Suffice it to say, though, that a ten year limitation on treatment plants appears unrealistic and shortsighted. Our experience is that it may take that

long (with a 6 to 8 year minimum) for new plants from conception to operational performance. Therefore, there would be little, if any, lead time within which to provide new facilities. A ten year reserve capacity for expandable plants would appear to be reasonable.

Paper No. 3 -- RESTRICTING THE TYPES OF PROJECTS ELIGIBLE FOR GRANT ASSISTANCE

The Washington Suburban Sanitary Commission recommends that the types of projects presently authorized by Public Law 92-500 continue to be authorized for funding. In the event, however, that economic or other reasons would dictate the deletion of projects from the list of those eligible for funding, the Sanitary Commission would suggest those listed in the Notice as V -- Correction of combined sewer overflows; and, VI - Treatment or control stormwaters. In our opinion these are more readily excluded by definition alone, from the municipal waste treatment process than those others listed, all of which have direct relationship to the collection and treatment of sewage.

Paper No. 4 -- EXTENDING 1977 DATE FOR THE PUBLICLY OWNED PRETREATMENT WORKS TO MEET WATER QUALITY STANDARDS

Of the five alternatives proposed in Paper No. 4, the Commission would urge that alternative number 3 be adopted. It is extremely important to maintain the integrity of the original enactment of Public Law 92-500 and as many of the reasonably obtainable dates therein as possible. We can do this best by maintaining the 1977 date for publicly owned works to meet water quality standards and providing the Administrator with discretion to grant extensions on an ad hoc basis based on good faith performance. This is an extremely practicable approach. Furthermore, the Federal Water Pollution Control Act, itself, will be weakened materially to the point of ineffectiveness, or destroyed altogether, if slippages and lack of good faith are permitted to permeate the Act. Indeed, the great strides of the environmental movement in cleaning the air, water and to an extend, the land, will suffer if we allow time schedules, once regarded as attainable goals, to slip by, be ignored or extended merely to delay facing the problem of finances.

Paper No. 5 -- DELEGATE A GREATER PORTION OF THE MANAGEMENT OF THE CONSTRUCTION GRANTS PROGRAM TO THE STATES

The Commission would be in favor of delegating a greater portion of the management of construction grants program to the States if effective costs savings can thereby be demonstrated. If supervisory and and approval staffs could be reduced on an Environmental Protection Agency level with EPA's role mainly that of monitoring the

enforcement of the grants program and the State assuming the enlarged role of management without materially increasing its staff or expenses, then the delegation should be made. Also, project review time could be materially reduced if responsibility for grants was assigned to the States.

The Washington Suburban Sanitary Commission wishes to take this opportunity to thank the Administrator for providing the opportunity for the Commission to express its position on a subject of vital interest to it. We especially appreciate the workmanlike approach and preparation that has gone into setting up these hearings and providing a forum for all to express their opinions. We look forward to seeing the type of legislation proposal that will emerge from these hearings with great hope for the future which can only be realized by maintaining the continued viability of the Federal Water Pollution Control Act.

JEC/dbc
July 3, 1975

PROPOSED REVISIONS TO THE SEWAGE TREATMENT GRANT PROGRAM

OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY

The Department of Planning & Development of the Township of Woodbridge has reviewed the proposed changes in the Sewage Treatment Grant Program with respect to its potential affects not only on Woodbridge, but on other communities in various stages of development. It has become clear that a severe insufficiency exists in the amount of available Federal monies to assist municipalities in the construction of sewage treatment facilities. This has resulted in a far-reaching proposal to decrease the Federal share of funding for such projects and to change the eligible activities to a degree that may affect most future development in this country. Woodbridge, as most older municipalities, experiences certain insufficiencies with its existing sewage treatment facilities. These include inadequate treatment facilities, sewage lines in need of rehabilitation and/or replacement, and finally, a complicated interrelationship between sanitary and storm water runoff aggravated in Woodbridge's case by the presence of both riverine and tidal flooding.

Sewage treatment facilities have traditionally been designed to accommodate not only existing but proposed development and subseuqnet flow characteristics. These projected flow characteristics have normally taken into account Master Planning and Zoning factors of those lands undeveloped at the time of the preparation of the calculation. This is a vital consideration particularly in those municipalities which are far from 100% developed. With increasing emphasis being placed on environmental impacts, many municipalities are taking a closer look at the side effects of future development. Woodbridge Township, for example, has adopted local environmental controls which take into account such factors as storm water runoff and sanitary sewer capacities. No major land use development will be permitted in this municipality until the decision-making bodies are convinced that adequate physical facilities exist to accommodate the development. In less developed municipalities where adequate sanitary facilities have not been either designed or constructed, the proposed reduction in Federal funding for sewage facilities may well result in the effective prevention of future development. If the provision of sanitary sewage facilities is shifted to the municipality or the particular developer of a major land use, the financial burden may prove to be too great to permit the development to take place at all. This could have far-reaching effects on the future land development pattern of this country. This policy decision may result in a concentration of new development in those areas which can readily provide sanitary sewage treatment at little increased expense to the specific developer or municipality involved. This may result in an increased density of population in those areas already partially developed rather than to open up new areas.

While no one can object to the Federal Government's position with respect to "excessive" population projections or "excessive" per capita flow rates, it would appear that projected flows from future commercial and industrial establishments as well as wet weather flows, runoff infiltration, inflow etc. are viable factors to consider in designing a comprehensive sanitary sewage treatment system. It would also appear that not considering these factors would be a short-sighted approach to Federal funding of local projects. With the rise of construction costs in recent years, the designing of sanitary sewage systems to accommodate those expansions of population which can be reasonably expected to take place would still appear to be sound practice. The costs for revamping or expanding a recently constructed system, which proved inadequate a few years after its completion, would appear to constitute an inappropriate expenditure of monies. The problem may be avoided by clarification of these proposed funding criteria to better deal with likely future development.

RICHARD E. LAPINSKI, Director

Department of Planning & Development
Township of Woodbridge, New Jersey

REL:mj

cc: John J. Cassidy, Mayor
Municipal Council

June 23, 1975

Mr. David Sabock
Water Side
Mall Building
Water Planning
(W8 454)
Washington, D. C. 20460

Re: Environmental Protection Agency's Proposed Changes in Sewage Treatment Grant Program

The 1974 needs survey reveals that the $260 billion previously allocated in the federal budget would not allow the government to continue with its present funding program of 75% Federal and 25% State and Municipal and at the same time be able to satisfy the pollution control requirements of PL 92-500.

The Environmental Protection Agency, therefore, proposes to reduce the percentage of federal funding and encourage more State and local participation by limiting eligible funding programs to:

1. Secondary Treatment
2. Tertiary Treatment
3. Interceptor Sewers and eliminate federal aid to the following programs:

1. Correction of sewer infiltration/inflow
2. Major sewer Rehabilitation
3. Collector Sewers
4. Correction of combined sewer overflows
5. Treatment or control of storm waters

The aforementioned eliminations represent an enormous cost to any municipality and we believe it will be impossible for any Municipal Agency to obtain the funds required through its own bonding capacity and taxing capabilities to comply with the Environmental Protection Agency requirements for pollution control within the required time limits. As a matter of fact, without further federal assistance in this matter, many older cities, which are presently in decay will never be able to obtain the required controls.

The proposal further intends to limit federal funding by not paying for reserve capacity such as:

1. Excessive population projections
2. Projected flows from future commercial and industrial establishments
3. Excessive per capita flow rates
4. Wet weather flows - Runoff-infiltration-inflow.

We do agree that excess flow rates and projections of population should be eliminated. However, for a municipality to attract future commercial and industrial establishments to their undeveloped land which can only be used for commercial or industrial developments it would be unreasonable to design either the collector system or the treatment plan and not take these future conditions into account.

As indicated by the 1974 need survey, wet weather flow, runoff, infiltration and inflow are a tremendous problem and as mentioned in the previous paragraphs it would be unrealistic to expect municipalities to be able to fund the construction required to correct these conditions.

Since the Environmental Protection Agency has realized that it is impossible for all municipalities to meet the required PL 92-500 by 1977, we believe they should formulate a revised program which will extend the funding over and above the existing $260 billion over a longer period of time and not try to initiate any stop-gab measured at this point by giving dispensations to either municipal or privately owned industrial treatment systems.

We would like to see the Environmental Protection Agency delegate more of its responsibility to State and local agencies, so long as the State Agencies are prepared to process these applications quickly without duplication by various interstate agencies.

With the Environmental Protection Agency retaining its policymaking authority, supervision over State activities, review of Environmental Impact Statements and final approval of construction plans and specifications operation and maintenance manuals.

Very truly yours,

Eugene J. DeStefano, P.E.
Division Head

EJD/lm

cc: Mayor John J. Cassidy
James J. Maloney
Arthur Burgess
Charles Beagle
Richard Lapinski

June 18, 1975

Mr. James L. Agee
Assistant Administrator for Water Hazardous Materials
Environmental Protection Agency
Washington, D.C.

The Directors of the West Sacramento Sanitary District wish to comment and to have recorded their feelings reference the five specific areas on which you are holding a hearing on June 19, 1975 in San Francisco, California. Comments on the specific items are as follows:

a. A reduction of the federal share in the Clean Water Grant Program is opposed by this District. Any change in the percent of the federal share of the grant program would unduly restrict the program, unless the goals and objectives were also reduced. Influencing the funding capacities of the various participants by reducing the amount of federal participation would adversely effect those projects presently in planning and/or being considered for approval within the State. It is especially important that improvements that have been projected by many small agencies, such as ours, continue to be based on federal participation to the extent of 75% funding to preclude an adverse financial impact on the smaller communities. This federally mandated program, establishing the objectives and requirements of the Clean Water Grant Program has readily been accepted because of the federal grant promised. To reduce the federal share at this time would be breaking faith with the participants of the program, unless the objectives are also reduced. This is not recommended, as we feel the goals and objectives of the program are in the best interest of the nation. We recommend that there be no reduction in the federal share of this program.

b. Limiting Federal Financing to Serve Present Population. The District is opposed to this method of reducing federal participation. Such a consideration is inconsistent with established engineering practices for long range planning and such action would be detrimental to the future of all communities. This approach does not provide for the normal growth within an area by individuals who presently reside in that vicinity. We should use other parameters such as present flow.

c. Restrict the Types of Projects Eligible for Grant Assistance. It would appear that the logic discussed in the first item of the agenda applies equally to this. Also, it would indicate that to reduce or restrict the types of projects eligible for assistance would be to apply a restriction on those smaller agencies which are at the present time being considered for grant eligibility. It would show a discrimination in favor of the large cities or metropolitan or regional type activities versus the smaller Sanitation Agencies.

d. Extending the 1977 Date for Publicly Owned Pretreatment Works to Meet Water Quality Standards. This District wholeheartedly concurs in the idea to extend the 1977 date for meeting Water Quality Control Standards. We recommend that extending this date to 1980 or 1985 would be a more feasible way of reducing the immediate federal burden by projecting the cash flow over a longer period of time, thereby reducing the cash outflow in any one particular year.

e. Delegating A Greater Portion of the Management of the Construction Grants Program to the States. The West Sacramento Sanitary District wholeheartedly concurs that the State of California does have the expertise to adequately administer and supervise a greater portion of the management of the construction programs consistant with that authority which is available to the administrator of EPA to be delegated to the various states.

Further, we wish to record our feelings on two other aspects of this program as detailed in Public Law 92-500.

a. We feel that all projects meeting the criteria of Public Law 92-500, which had been previously funded prior to the Clean Water Grant Program, should be reimbursed to the complete total authorization which was contained in said Law passed by the Congress. Should there be a requirement for additional funds, those additional funds should be solicited from the Congress. It is respectively suggested that the EPA prepare such statistical data and present these facts to the Office of Management and Budget for consideration and submission to the Congress for appropriation of additional funds.

b. User Charges - The provisions of existing Public Law 92-500 should be amended to permit the use of User Fees and Ad Valorem Taxes in any manner deemed necessary by the local operating agency.

For the Board of Directors,

WEST SACRAMENTO SANITARY DISTRICT

RICHARD SENITTE,
President

RS/ds

June 13, 1975

Environmental Protection Agency
Office of Water and Hazardous Materials
Washington, D.C.

Attention: Mr. Edwin J. Johnson,
Acting Assistant Administrator

Subject: Paper No. 4 - Extending 1977 Date for the
Publicly Owned Pretreatment Works to meet
Water Quality Standards

Gentlemen:

This letter is in response to a notice published in the Federal Register Volume 40 - Number 103 on Wednesday, May 28, 1975 - page 23111.

We would request that Item #5 - To seek a statutory extension of the 1977 deadline to 1983 to be the alternative for this particular paper.

Federal funding for a disinfection system has been approved and construction will be completed in June 1975; therefore, to meet the 1977 requirements this operation will not have been operating long enough to produce the desired effluent and stream standards. By extending the time to 1983, sufficient time will have been allowed to make competent studies and to evaluate the operation of a completed plant. These studies will be necessary to determine the effluent quality and quantity to be discharged by this operation.

Major industries have announced plans to increase their volume of wastewaters that will have to be treated by the present wastewater plant; therefore, studies will have to be made to determine the impact of increased volumes and increased load to the wastewater facilities.

By extending the time, the wastewater facility can be evaluated and additions necessary can be properly designed.

Yours very truly,

M.S. Wickersheim, Superintendent
WATER POLLUTION CONTROL PLANT

MLW:mk
cc: Mayor Leo P. Rooff
Mr. J.W. Kimm, Veenstra & Kimm

WISCONSIN DEPARTMENT OF NATURAL RESOURCES

Comments on Proposed Changes
In the Federal Construction Grants Program

My name is Oliver D. Williams. I am the Administrator of the Division of Environmental Standards in the Wisconsin Department of Natural Resources. My observations today reflect comments received from two sources. First, and probably most important, are the comments of local officials and their consultants. The second source is the staff of the Department which has worked to implement the amendments to the Federal Water Pollution Control Act.

If I have a major message to bring to this hearing, it is a call for program stability. Predictability of funding levels is critical to budgetary and program planning. Uncertainty at both the State and local levels concerning which projects can be financed, and when, has resulted in loss of credibility for the pollution control program. The changes in the construction grants program brought about by the 1972 amendments created chaos. Only now, nearly three years later, are we beginning to achieve some public understanding of the new requirements. And here we are, discussing further proposed changes.

Announcements of Federal initiatives have raised false expectations about how quickly there would be visible results from these efforts. I am sure that all Wisconsinites share the national awareness that environmental quality problems are urgent. On the other hand, we know that major changes take time. Nowhere has this become more evident than in the administration of municipal waste treatment grants, where the gestation period -- from conception of a project, through facilities planning and design, to awarding of a contract and final construction -- can easily stretch out to the full five-year life of an NPDES permit.

This problem has become particularly acute in the public perception of the 1977 deadline. The national pollution control effort will suffer drastic credibility problems when it hits home to the taxpayer that the release of the impounded money, despite the great publicity which it has received, will scarcely dent the construction needs in this country. While the issues being discussed here today are important, it is regrettable that the paramount question -- how much is Congress willing to authorize for Fiscal Year 1977 grants and beyond -- apparently is not being discussed in this or any other national forum.

The simple fact is that the Congress, in the bold enactment of the 1972 amendments, assumed a major Federal responsibility for cleaning up the nation's waters. Without any significant prod from the States that I am aware of, Congress opened the Federal purse in magnanimous fashion -- offering guaranteed 75 percent grants for municipal projects, with almost unlimited eligibility. The warnings of those experienced in the municipal grants program, if heard at all, went unheeded. As a result, Federal appropriations at seemingly generous proportions are, when combined with rampant inflation, producing far less in tangible results than the relatively modest appropriations accomplished in pre-1972 years.

Now, after a handful of high-priority communities have shared in the 75 percent bonanza, the suggestion is put forth that this be cut back to 55 percent so that the Federal dollar will stretch further This smacks of a bail-out. If, as the position paper introduction states, "the magnitude of this indicated need appears to be beyond the funding capability of the Federal budget," how is the pressure to be eased by shifting the burden to State and local budgets? The same taxpayers are footing all of the bills, and it is no easier for clean water advocates to win the battle of the budget at State and local levels than it is in Congress.

What is needed, in my view, is a clear Federal statement that it intends to get out of the construction grants business after specified objectives are met. These objectives might be the attainment of BPT, BAT or water quality related effluent limitations through the construction of necessary waste treatment facilities, on a one-time-only basis. By limiting the use of Federal funds to treatment facilities and those interceptors and sewer rehabilitation projects identified as necessary to insure the integrity of those facilities, there is some hope that the plant owners will become more cognizant of their management responsibilities.

Further, by limiting Federal funding to treatment facilities, the question of the sizing of interceptors or the extension of collection systems will become relatively academic. These decisions -- related to land-use determinations and the intrinsically local judgments of whether or not to seek and encourage community growth -- can be made in the framework of local and regional planning, with whatever involvement State agencies feel they need to make.

The regulatory arm of PL 92-500, the permits program, can never be made to function effectively in the municipal sector if the permittee can

effectively raise the issue that his compliance is predicated upon a pending State or Federal grant. Which brings us to the issue of whether the 1977 date should be extended.

There is de facto recognition that the 1977 deadline has already been extended. A vast majority of municipal permits have been issued on an "operation and maintenance" basis, recognizing that existing facilities cannot achieve the defined secondary standards, let alone something better to assure compliance with water quality standards. If the priority system under which Federal construction grants are distributed is to have any significance at all, there must be recognition that enforcement will be geared to availability of funding for the initial design period. To select an alternative deadline date, such as 1983, is useful only if it becomes the deadline for Congress to carry out its end of the bargain. If selection of a target date is not geared to this theory, then alternatives 3 or 4 are the only logical choices. Those familiar with administrative law should, however, review this decision carefully. If ad hoc extensions will not protect permittees against civil suits, then another direction should be taken by Congress. The penchant for citizen or environmental group lawsuits is increasing, and administration of the clean waters program is not enhanced when a substantial portion of staff time is tied up in legal actions.

I have already touched on Paper No. 3, dealing with restricting the types of projects eligible for grant assistance. These should, in my opinion, be limited to secondary and tertiary treatment plants and correction of sewer infiltration/inflow, and those interceptors which have traditionally been eligible. At some later date, should studies moving forward under 208 planning so indicate, special funding for correction of combined sewer overflows and treatment or control of stormwaters might be considered. Point-source pollution, because of the regulatory relationship to the permit program, should be funded separately from control of non-point sources such as stormwater runoff. Our experience has shown that one of the greatest drains on the Federal grant program may be construction of collector sewers. These have traditionally been a local responsibility, and I strongly encourage return to that basis.

I intend to leave to municipal officials and their consultants the burden of response to Paper No. 2. We will, with support from EPA, administer this aspect of the grants program in whatever fashion Congress or EPA, through its regulations, might determine to be in the national interest. This is an area in which state-by-state consistency appears highly desirable.

With respect to Paper No. 5, Wisconsin has mixed emotions. We have had an excellent working relationship with the EPA grants staff in Region 5 and find that we can be mutually supportive in achieving the objectives of the Federal regulations -- both those promulgated by EPA and by other Federal agencies. Wisconsin is already reviewing plans and specifications and operations manuals, and is certifying I-I reports and environmental assessments. While we believe that we can assume full responsibility for the construction grants program and carry it out successfully, there are some functions which might better be left at the Regional level. We would suggest flexibility in working out these arrangements.

As to the source of funding for these administrative responsibilities, our preference would be a beefing up up of the Section 106 program grants rather than a skim-off of the construction grants funds. It scarcely makes sense to cast about for mechanisms to stretch the construction grants dollar and, at the same time, hitch new administrative costs to the same wagon.

One other topic I believe worthy of consideration in this legislative package is a realistic appraisal of the 208 program. It is already abundantly evident that the budgeting, and the time schedules, for effective planning in designated areas are unrealistic. Even more critical is the prospect that State agencies, with no financial support, must provide 208 planning in non-designated areas. In Wisconsin at least, this cannot be accomplished in any meaningful way at present budget levels. Certainly the admonition of Judge John Lewis Smith, Jr. to complete this process by 1976 is not feasible, and this should be addressed in Congressional oversighthearings.

In summary, although I believe that the Congress should not have been so generous in electing to finance 75 percent of eligible project costs in the 1972 Amendments, I now feel that the Federal government has a responsibility to live up to that commitment and to fund the program at a level communsurate to the need. That need can, however, be reduced by cutting back on the types of projects considered eligible for Federal grants, such as collection systems, stormwater controls, etc. A funding level of $5 billion per year -- which is less than 2 percent of the Federal budget -- would not be inappropriate for this effort. At this rate, treatment facilities should be upgraded to secondary or better by 1983 or sooner.

The 1977 deadline for compliance with secondary standards is totally unrealistic and must be extended. Permit issuance and enforcement must be geared to the priority system for distribution of these grants if

it is to have any validity. Congress cannot now duck the clear responsibilities stated in the 1972 Amendments, but it should have learned from that experience that it would be a mistake to establish a new deadline without shouldering full responsibility for its achievement.

APPENDIX TO THE RECORD

The following are lists of the witnesses and attendees at each hearing, plus the names and addresses of the people and organizations who submitted statements for the record. Although the hearing record officially closed on July 7, 1975, all statements received by EPA in Washington, D.C. headquarters as late as July 15, 1975, are included.

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June 9, 1975

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PUBLIC HEARING

Kansas City, Mo. June 17

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Hearing - June 17, 1975

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