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Report to Douglas M. Costle, Administrator, Environmental Protection Agency; by Henry Eschwege, Director, Community and Economic Development Div.

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Selected aspects of the Environmental Protection Agency's (EPA's) efforts to implement the industrial cost recovery provisions of the Federal Water Pollution Control Act Amendments of 1972 were reviewed. These 1972 amendments authorized EPA to make grants to municipalities for 75% of the eligible costs to construct publicly owned waste treatment plants. Grantees were inconsistent in determining which industrial users should be included or excluded from an industrial cost recovery system and had differing interpretations of the types of waste subject to industrial cost recovery. EPA has approved industrial cost recovery systems where the costs incurred by the grantees to develop and administer the systems exceeded the amounts to be recovered from industrial users through industrial cost recovery payments. In addition, many grantees felt that the costs associated with administering an industrial cost recovery system will not be recovered through industries' industrial cost recovery payments. (BRS)

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

B-166506

April 11, 1978

The Honorable Douglas M. Costle
Administrator, Environmental
Protection Agency

Dear Mr. Costle:

The General Accounting Office recently completed a review of selected aspects of the Environmental Protection Agency's (EPA) efforts to implement the industrial cost recovery provisions of the Federal Water Pollution Control Act Amendments of 1972 (Public Law 92-500). We identified the following issues which, we believe, merit your attention:

--There is need for improvements in determining which industries and which types of industrial waste discharges should be subject to industrial cost recovery, and

--The Agency has approved grantee industrial cost recovery systems which do not recover all the associated development and administrative costs.

This letter, together with three enclosures, summarizes our observations. We have also included our comments on the potential impact of the Clean Water Act of 1977 on certain aspects of the industrial cost recovery program.

As you know, the Clean Water Act of 1977 (Public Law 95-217) enacted on December 27, 1977, resulted in several changes to the industrial cost recovery provisions of Public Law 92-500. The act also required the Agency to submit a report to Congress no later than December 31, 1978, regarding the efficiency of, and the need for, the program. In discussions with the staffs of the Senate Environment and Public Works Committee and the House Public Works and Transportation Committee, it was agreed that GAO's observations regarding EPA's administration of the program would be helpful to EPA in its mandated study. Therefore, we have summarized our information so that our observations will be timely and useful to the Agency in carrying out its congressionally mandated study.

CED-78-102
(087205)

We reviewed Federal laws, regulations, legislative history, and guidelines governing the industrial cost recovery program as well as the practices and procedures used by EPA, the States, and grant recipients in implementing those requirements. Our review was performed at EPA headquarters in Washington, D.C., and at EPA regional offices in Philadelphia, Chicago, and Kansas City. We visited 52 grantees who had either an EPA-approved industrial cost recovery system or had certified to EPA that they had no industrial users subject to industrial cost recovery. We also visited 15 grantees whose industrial cost recovery system had not been approved by EPA, and 41 industrial users subject to the industrial cost recovery program.

ISSUES MERITING EPA'S ATTENTION

We found that grantees were inconsistent in determining which industrial users should be included or excluded from an industrial cost recovery system. In some cases, grantees had gone beyond the authority of the regulations and had improperly excluded industrial users by establishing arbitrary cut-offs based on factors such as (1) flow level (e.g. an industry was excluded from industrial cost recovery if its flow was less than 1200 gallons per day irrespective of whether the discharge was sanitary or process waste) or (2) minimum industrial cost recovery payment (e.g. if an industry's payment was $25 per month or less the industry was excluded). Enclosure 1 contains additional examples and details on this matter.

Grantees also had differing interpretations of the types of waste subject to industrial cost recovery. For example, some grantees charged industrial users on the basis of total wastewater discharged while others deducted the sanitary waste portion and charged industrial users for only process waste. As a result of these practices, similar businesses and industries have not been treated consistently by the various grantees, and many commercial enterprises have not been charged industrial cost recovery. These inconsistencies were attributable in large part to the "dry" industry exclusion option in EPA's regulations and guidelines and the varying interpretations of that option by grantees and EPA regional offices.

We also found that EPA has approved industrial cost recovery systems wherein the costs incurred by the grantees to develop and administer the systems exceeded the amounts to be recovered from industrial users through industrial cost recovery payments.

ENCLOSURE I

NEED FOR IMPROVEMENTS IN DETERMINING WHICH INDUSTRIES AND WHICH TYPES OF INDUSTRIAL WASTE SHOULD BE SUBJECT TO INDUSTRIAL COST RECOVERY

There is a lack of clear guidance by EPA as to which types of industrial waste should be subject to industrial cost recovery (ICR) payments. As a result, some grantees required certain types of businesses or industries to make ICR payments while other grantees exempted such firms from ICR even though their wastes were similar as to volume or quality.

The widespread differences among grantees as to the types of waste subject to ICR result largely from varying interpretations of the provision in EPA's regulations and guidelines which gives grantees the option of excluding industrial users discharging primarily segregated domestic waste or waste from sanitary conveniences--commonly referred to as "dry" industries.

Some grantees have also excluded industrial users for reasons other than the optional "dry" industry exclusion. Such exclusions, which appear to have gone beyond the scope of the regulations, are based on flow and ICR revenue cutoffs.

Lack of clear guidance by EPA in determining which types of waste should be subject to ICR

Although EPA has clearly defined which industries shall be subject to ICR payments, EPA's guidance is unclear regarding which types of discharge from such industries will be subject to ICR payments. For example, EPA allows grantees to exclude users which discharge primarily segregated domestic wastes or sanitary wastes, but it has not defined "primarily segregated domestic or sanitary" wastes. As a result, similar types of industrial wastes may or may not be excluded depending upon how the grantee arbitrarily defines "primarily segregated domestic" or "primarily sanitary" wastes.

Section 502(18) of Public Law 92-500 defined industrial user to mean any industry identified in the Standard Industrial Classification (SIC) Manual, Bureau of the Budget, 1967, as amended and supplemented, under the category "Division D-Manufacturing" and any other class of significant waste producers as the Administrator, by regulation, deems appropriate.

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EPA, in its implementing regulations, defined an industrial user as:

"Any nongovernmental user of publicly owned treatment works identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget as amended and supplemented, under the following divisions:

(a) Division A Agriculture, Foresting, and Fishing
(b) Division B Mining
(c) Division D Manufacturing
(d) Division E Transportation, Communications, Electric, Gas, and Sanitary Services
(e) Division I Services

A user in the Division listed may be excluded if it is determined that it will introduce primarily segregated domestic wastes or wastes from sanitary convenience."

Thus, while the EPA regulations expanded the definition of industrial user by adding SIC Divisions A, B, E, and I, the regulations also permit grantees to exclude users which discharge primarily segregated domestic or sanitary wastes.

EPA has also published advisory guidelines to establish general minimum guidance and to inform industrial users, grantees, Regional Administrators, and the public concerning industrial cost recovery. The guidelines provide that, at the option of the grantee, an industrial user identified in the Agency's regulations may be excluded from ICR payments under the following conditions: (1) the industrial user discharges only nonprocess segregated wastes or wastes from sanitary conveniences and (2) the industrial user is not a significant user as defined in the Federal regulations. 1/ The guidelines further provide that in the event the grantee decides to exercise the above option, every industrial user meeting the two conditions must be excluded and the estimated sanitary waste water from all other industrial users discharging a combination of process and sanitary wastes should be deducted prior to computing ICR payments.

1/ A significant industrial user is defined in 40 C.F.R 35.925-12 as one that will contribute greater than 10 percent of the design flow or design pollutant loading of the treatment works.

ENCLOSURE I

Industrial users excluded from ICR
under the "dry" industry exclusion option

Our review included 36 grantees with EPA approved ICR systems and 16 grantees which had certified to EPA that they had no industrial users subject to ICR requirements. All 52 grantees exercised the option to exclude the payments from industries discharging primarily segregated domestic wastes or wastes from sanitary conveniences. The methods and criteria used, however, in exercising this option varied among the grantees.

In most cases, the grantee excluded from ICR payments any industrial users discharging wastes at or below domestic waste strength. Although EPA's region V recommended that waste be included if it exceeded 200 parts per million of biochemical oxygen demand (BOD) or 250 parts per million of suspended solids (SS), the determination of what constituted domestic strength waste differed among the grantees reviewed.

The following table shows the range of domestic strength cutoffs used by 6 grantees in EPA region V.

Grantee	Domestic strength cut-off BOD (ppm)	SS (ppm)
Shawano Lake, Illinois	200	200
Schererville, Indiana	240	240
Hammond, Indiana	220	260
Niles Townsnip, Illinois	300	350
Hinsdale, Illinois	200	250
Northern Moraine, Michigan	200	200

The above table shows that many of the grantees did not use region V's cutoff values. Similar variances were found among grantees in EPA regions III and VII. Region III considered domestic strength as anything less than 350 parts per million of BOD or SS, while region VII has a cutoff of 300 parts per million for both parameters.

Although some grantees used domestic strength cut-off values to exclude certain types of industrial waste, other grantees did not use a scientific basis and instead, arbitrarily made exclusions based upon their belief that the characteristics of the waste were strictly sanitary in nature. For example, in EPA region III the municipality of East Whiteland, Pennsylvania, arbitrarily required ICR payments from laundries and car washes whereas the municipality of Malvern, Pennsylvania, excluded these types of businesses from ICR payments. It is interesting to note that although East Whiteland and Malvern had the same consulting engineer in the previous example, the municipalities had different definitions concerning what types of businesses were or were not subject to ICR payments.

ENCLOSURE I

Another example of inconsistent ICR payments occurred in EPA's region V. Six grantees we reviewed in this region excluded users such as laundromats and car washes because they arbitrarily considered these users to discharge primarily sanitary wastes. Another grantee plans to include users such as car washes and laundries in its ICR system when its system is fully implemented. One other grantee excluded coin operated laundromats from ICR payments because it considered discharges from this type of facility to be primarily sanitary waste. However, the same grantee included in ICR payments discharges from commercial laundries and car washes because it believed these types of discharges were industrial.

In EPA region VII, only one of fifteen grantees we reviewed required ICR payments from businesses such as gas stations, car washes, laundries, etc. The other grantees excluded these types of businesses from ICR payments because they considered the discharges as only sanitary wastes.

Many grantees also believed that small commercial firms discharged only domestic or sanitary wastes, and, on that basis excluded them from the ICR system. For example, in Hinsdale, Illinois, the waste water flow of commercial users represented 25 percent of the total treatment works' capacity, but the commercial users were excluded even though some of the wastes were not domestic or sanitary.

The Hampton Roads Sanitation District, Virginia, excludes industrial users from ICR payments if, in their opinion, the industrial users contribute primarily segregated domestic waste or waste from sanitary conveniences. Hampton Roads' customers accounts showed that 85 users were discharging waste water in excess of 25,000 gallons-per-day. Further analysis showed that 41 of the 85 users would have to make ICR payments and 44 would not.

The types of users excluded from the ICR system are summarized as follows:

Number of users	Description
19	Hotels/motels
8	Hospitals
1	Power Plant
6	Colleges
1	Railroad
2	Telephone communications
2	Food preparation
3	Meat packers
1	Inorganic chemicals
1	Trailer park
44	Total

We noted another type of inconsistency among grantees when determining ICR payments. According to EPA's guidelines, if a grantee decides to exclude industrial users under the "dry" industry option, the grantee should also deduct the estimated sanitary waste water from all other industrial users discharging a combination of process and sanitary wastes prior to computing the ICR payments.

Although all 52 grantees we reviewed exercised the "dry" industry exclusion option, only 18 deducted amounts for sanitary waste water from the other industrial users with a combination of sanitary and process waste.

Some of the grantees who deducted sanitary waste from industrial users used various employee allowances to calculate the deduction as shown in the following table.

Grantee	Allowance per employee (gallons per day)
Rockford, Illinois	16
Shawano Lake, Wisconsin	33
Schererville, Indiana	25
Algonquin, Illinois	20
Madison, Illinois	20
Niles Township, Michigan	20
Berrien County, Michigan	20

Industrial users excluded based on amounts of flow or ICR revenue cutoffs

Grantees have also, in some instances, excluded industrial users from ICR systems when either the volume of wastewater flow or the amount of ICR revenue to be recovered did not meet or exceed an arbitrary minimum level established by the grantee.

Exclusion of industrial users from ICR on the basis of volume or amount of ICR revenue cutoffs is not permitted by the law or EPA's implementing regulations. However, grantees generally adopted such cutoffs in order to make their ICR systems cost beneficial and more manageable. For example, officials of Madison, Wisconsin's, Metropolitan Sewerage District stated that they established a minimum flow of 12,000 gallons per day, which is equivalent to about $25 per year in ICR payments, in order for their system to be cost effective. At a flow level of 12,000 gallons per day or less, the number of industries having to make ICR payments declined from about 2,000 to 28.

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Ar official of the City of Shawano, Wisconsin (part of the Shawano Lake Sanitary District) informed us that they had established a break-even point at $25 per month of ICR payments per industrial user. Any user with an ICR charge of less than $25 per month was eliminated from the ICR system.

The grantees employing cutoffs and a description of the basis for such cutoff is shown below.

Grantee	Basis for exclusion of industrial users
Cleveland, Ohio	1,200 gallons/day or less of flow
Hinsdale, Illinois	1,000 gallons/day or less of primarily domestic waste
Medina County, Ohio	10 percent or less of system design flow
Shawano Lake, Wisconsin	$25 per month or less in ICR payments
Madison, Wisconsin	12,000 gallons/day or less of flow; and/or $25 per year or less in ICR payments
Gilbertville, Iowa	10 percent or less of system design flow or low strength waste
Moberly, Missouri	5 percent or less of system design flow or 50,000 gallons a day
Carroll, Iowa	$25 per month or less in sewer charges

A similar situation may occur in Omaha, Nebraska, which does not yet have an EPA approved ICR system. Omaha's consulting engineer, in an April 1977 report, noted that about 700 of the 1,200 identified industrial users would contribute less than one percent of the total ICR revenues and that industrial charges for these industries would be $2 or less per month which was not sufficient to pay the city's billing cost. The report also noted that 900 of the 1,200 industrial users would provide only about 2 percent of the total ICR revenues. The consulting engineer recommended excluding those industrial users whose ICR payments would not cover billing costs.

EPA, however, instructed Omaha officials to include all 1,200 users in its ICR system to insure equity among all users, and to charge each one at least a minimum amount to cover billing costs. Omaha officials, in October 1977, stated they were considering charging a minimum ICR fee that was less than the billing cost in order to obtain equity. They said they would obtain the additional money needed to cover billing costs through the city's general fund.

ENCLOSURE II

AMOUNTS RECOVERED FROM INDUSTRY ARE NOT SUFFICIENT TO OFFSET ICR DEVELOPMENT AND ADMINISTRATION COSTS

EPA has approved ICR systems that will not recover sufficient amounts from industrial users to offset the related ICR development and administration costs. When ICR costs exceed the amounts recovered from industry, grantees must pay for these costs from revenues received from user charges or other sources of funds. Because user charge revenue is usually the only source available to the grantee to offset the excess ICR costs, residential and other nonindustrial users will be paying some of the ICR costs through user charges.

To recover all costs associated with an ICR system, grantees should bill industrial users for industry's share of the construction costs of the treatment facilities attributable to the Federal grant, plus an additional amount for related development and administrative costs. Only then would industrial users pay for all of industry's costs applicable to an ICR system and the residential and non-industrial users would not be subsidizing part of industry's payments. Neither EPA's regulations nor its guidelines relating to ICR contain advisory procedures for recovering all costs relating to an ICR system.

Public Law 95-217 eliminates the requirement to develop an ICR system for some of the smaller grantees. The law allows EPA to exempt from ICR any industrial user with a flow equivalent to 25,000 gallons per day or less of sanitary waste if the discharge does not in any way interfere with operation of the treatment works or the sludge of the works. The exemption will, in some instances, exclude all industries that may be discharging into a grantee's plant thereby eliminating the need for an ICR system. For other grantees, the number of industrial users will be reduced. In both instances, the 25,000 gallon a day exemption will eliminate or reduce industries' ICR payments received by grantees and the U.S. Treasury.

Cost to develop and administer ICR systems

To comply with the ICR requirements, grantees incur development and administration costs. Development costs relate to:

--identifying industrial users,
--developing a plan for monitoring industrial discharges,
--developing a plan for assessing and collecting ICR charges,

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--developing an accounting system to record ICR costs and ICR payments from industry,
--obtaining agreements from member jurisdictions in a metropolitan sanitation district to charge ICR where appropriate, and
--obtaining system approval from EPA.

Seventy-five percent of the eligible costs associated with developing an approved ICR system can be funded by EPA. The remaining 25 percent must be funded from other sources available to the grantee.

An ICR system can be developed either in-house or by a consultant on a contractual basis. The development costs for ICR systems for the grantees included in our reviews ranged from $100 for a grantee with a population of 2,200 and one industry to $153,000 for a grantee serving 1.3 million users and 1200 industries.

We noted in our review, however, that only a small portion of the development costs relating to a grantee's ICR system is being paid back by industry through ICR payments. Generally, grantees are only requiring industry to pay back the Federal share of ICR development costs equivalent to industry's use of the treatment facility. For example, if ICR development costs are $4,000, industry is not being required to pay back $3,000 (75 percent of $4,000 eligible costs) but, instead, is only having to pay back a percentage of the $3,000 equivalent to its percentage of use in the treatment facility. If industry uses 20 percent of the facility, industry only pays back $600, not the total $3,000. The $2,400 difference is being paid for by the taxpayers at large.

This practice does not appear to be consistent with the legislative history surrounding the ICR provisions of P.L. 92-500. Both the Senate and House reports accompanying the bill that became P.L. 92-500 expressed the view that it is "inappropriate in a large Federal grant program providing a high percentage of construction funds to subsidize industrial users from funds provided by the taxpayers at large."

The costs of administering an ICR system include:
--monitoring the flow rate of industrial discharges,
--sampling and analyzing industrial discharges to measure waste strength,
--maintaining an accounting system for ICR charges and revenues, and
--summarizing data annually and recomputing ICR charges if industrial discharges change significantly.

Costs of administering an ICR system are not funded with Federal grant assistance and must be paid from other revenue sources of the grantee.

ENCLOSURE II

ICR administrative costs for grantees reviewed varied widely For example, some grantees incurred only minimal costs whereas one grantee estimated its adminitrative costs to be $100,000 annually.

We also noted that some grantees were not recovering from industry the grantee's share of costs to develop an ICR system (i.e. 25 percent of total development costs) and the grantee's costs to administer the ICR system.

We obtained ICR cost and payment data from 26 grantees with approved ICR systems and compared the grantee's share of development costs (i.e., 25 percent of total development costs) and grantee administrative costs to the grantee's share of ICR payments (i.e., 50 percent of total ICR payments). Our analysis disclosed that eight of the 26 grantees will not receive sufficient ICR payments from industrial users to offset all of the related ICR costs as shown in the table below.

Grantee	Estimated annual ICR costs: Development (note a)	Administrative	Total	Estimated annual ICR payments (note b)	Estimated unrecovered annual ICR costs
Algonquin, Illinois	$ 17	$ 500	$ 517	$ 40	$ 477
Berrien County, Michigan	21	20,000	20,021	3,019	17,002
Franklin, Pennsylvania	39	4,600	4,639	152	4,487
Madison, Illinois	208	20,000	20,208	8,227	11,981
Moberly, Missiouri	60	660	720	272	448
Niles Township, Michigan	104	-0- (c)	104	51	53
Oberlin, Ohio	17	2,000	2,017	246	1,771
Willistown, Pennsylvania	26	-0- (c)	26	8	18

(a) Grantee's 25 percent share allocated over the life of the treatment works.
(b) Grantee's 50 percent share of ICR payments.
(c) Grantee estimated administration costs to be minimal.

Berrien County developed an ICR system at a cost of $2,500. Seventy-five percent of the development costs, or $1,875, is eligible for EPA grant assistance. The remaining $625 or 25 percent is absorbed by the county. The county estimated the costs to administer its ICR system at $20,000 a year. Over the ICR recovery period of the treatment works the county will incur an average annual cost of $20,021—$21 a year for its share of the system development costs plus $20,000 a year to administer the ICR system. The annual cost of $20,021 can be offset by the county's share of ICR payments, which, in this case, is $3,019 a year. Therefore, the county must subsidize its ICR system for the $17,002 a year in unrecovered ICR development and administration

ENCLOSURE II

costs. Berrien County officials told us that all grantee related ICR costs will have to be recovered through user charges because no other revenue source is available. Berrien County officials also told us that only a portion of the unrecovered ICR development and administration costs will be recovered from the industrial users and the remaining amount will have to come from non-industrial users.

All ICR costs could be recovered through the ICR system

To preclude non-industrial users of the treatment facilities from subsidizing industry, grantees have to ensure that industry pays for all its ICR development and administrative costs.

We believe the best approach would be to require grantees to include all ICR related costs in the ICR payment from industry. Thus, the ICR payment received from industry would include amounts to offset (a) grantee's share of ICR development costs, (b) grantee administrative expenses, and (c) percentage of construction and ICR development costs paid for by the Federal Government relating to industry usage.

For example, in the Berrien County situation discussed previously, the county would have to annually bill its 13 industrial users a total of $26,121. In total the amount billed by the county would appear as follows:

Annual ICR development costs (represents 25% of amount paid solely by grantee)	$ 21
Annual ICR administration costs	20,000
Annual Federal share (includes 75% of ICR development costs paid solely by Federal Government)	6,100
Total annual billing	$ 26,121

This method of billing will allow the county to recover all of its ICR development and administrative costs in addition to the amount due from industry to reimburse the amount of Federal funds used for ICR development and construction. The residential and non-industrial users would not have to subsidize the ICR system and the county would still benefit from the 50 percent or $3,050 the county retained for future expansion and development.

ENCLOSURE II

Potential impact of Public Law 95-217 on the industrial cost recovery program

The Clean Water Act of 1977 (Public Law 95-217) enacted on December 27, 1977, resulted in several changes to the ICR provisions of Public Law 92-500. In one of these changes, the Administrator is authorized to exempt from ICR requirements any industrial user with a flow into the treatment works equivalent to 25,000 gallons or less per day of sanitary waste, if the industrial user does not introduce into the treatment works any pollutant which interferes with the treatment works or its sludge.

The amendment exempting from ICR payments those industries discharging the sanitary waste equivalent of 25,000 gallons or less a day will in some instances reduce the number of industries subject to ICR, and in others eliminate the need for an ICR system. We applied the 25,000 gallon a day exemption to the 26 grantees from whom we were able to obtain ICR cost and payment data to determine what effect it would have on the number of industries required to pay ICR. Our analysis showed the following changes:

	Number
ICR systems eliminated	8
ICR systems in which the number of industries was reduced	5
ICR systems which remained unchanged	4
ICR systems for which data was not available to determine changes	9
Total	26

We did not obtain data to determine the sanitary equivalent of the discharges. For comparison purposes, we assumed that the industry's waste would not interfere with the treatment works.

Six of the eight grantees whose systems were eliminated had only one industry subject to ICR; the other grantee had two industries. The annual ICR costs and ICR payments lost by these eight grantees follows.

ENCLOSURE II

Grantee	Grantee's related annual ICR costs	Annual ICR payments lost
Denton, Maryland	$ 1	$ 20
Falls Township, Pennsylvania	20	41
Gilbertville, Iowa	30	424
Lebanon, Missouri	118	6,924
Murray, Nebraska	178	396
Plainfield, Iowa	26	100
Willistown Township, Pennsylvania	26	15(a)
Oberlin, Ohio	2,017	491
Total	$ 2,418	$ 8,411

(a) Amount recovered did not offset grantees costs.

Five grantees' ICR systems resulted in a reduced number of industries due to the 25,000 gallon a day exemption. Three of the five had seventeen or less before the exemption and ten or less after the exemption. Two of the three ended up with only one industry remaining. The remaining two grantees, Hopewell, Virginia, and Hampton Roads Sanitation District, Virginia, had their industries reduced by large percentages, but lost comparatively little in ICR payments.

The number of industrial users applicable to the five grantees before and after the 25,000 gallon a day exemption and the resulting losses in ICR payments are shown in the following table.

	Number of Industries			Annual ICR payments		
Grantees	Before	After	Lost	Before	After	Lost
Delaware Co. Regional Water Quality Control Authority	17	10	7	$ 100,390	$ 81,079	$ 19,311
East Whiteland Township, Pennsylvania	7	1	6	3,384	1,577	1,807
Emmaus, Pennsylvania	3	1	2	717	535	182
Hampton Roads, Virginia	564	39	525	38,096	29,734	8,362
Hopewell, Virginia	85	5	80	759,832	758,267	1,565
Total	676	56	620	$ 902,419	$ 871,192	$ 31,227

ENCLOSURE II

The 25,000 gallon a day exclusion will allow grantees to:

—eliminate ICR systems not recovering all ICR costs,
—eliminate ICR systems generating low ICR payments, and
—administer a more manageable ICR system in that the smaller industries are eliminated.

As shown by the table on page 12, the reductions in industries will not reduce industries' ICR payments significantly.

ENCLOSURE III

STATUS OF GRANTEES' ICR SYSTEMS AND BASIS FOR EXCLUDING INDUSTRIAL USERS EPA REGION III

GRANTEE	COMMENTS
DELAWARE	
Kent County Levy Court	Grantee has an approved ICR system with one industrial user (coatings and resins manufacturer). Users who discharged only domestic wastes were excluded.
MARYLAND	
LaVale Sanitary Commission	Grantee certified that it has no industrial users. Grantee has 159 commercial establishments, but all commercials were considered to discharge domestic or sanitary waste and were excluded from the ICR requirements.
Frederick County Metropolitan Commission	Grantee certified that it has no industrial users. Grantee has a couple commercial establishments (e.g., retail store, gas stations, etc.), but excluded them on the basis that they discharged sanitary waste. The grantee defined an industrial user as a plant manufacturing a product and discharging a high BOD, SS, or metals discharge.
City of Denton	Grantee has an approved ICR system with one industrial user (a car wash). Other users were excluded because they were considered to discharge domestic or sanitary waste.
Anne Arundel County	Grantee has an approved ICR system with 20 to 30 industrial users. Industrial users discharge liquid wastes from industrial processes as distinct from sanitary or domestic wastewater.

ENCLOSURE III

MARYLAND

Washington Suburban Sanitation Commission	Grantee has an approved ICR system with 37 industrial users. Initially, the grantee had identified 9,000 to 10,000 industries from a water consumption study as potentially subject to ICR. The grantee plans to exclude industries which discharge domestic or sanitary wastes.

PENNSYLVANIA

Township of Falls Authority	Grantee has an approved ICR system with two industrial users (a steel warehouse and a parts warehouse). The grantee plans to exclude industries which discharge primarily segregated domestic wastes or wastes from sanitary conveniences.
The Municipal Authority of the City of Sunbury	Grantee has an approved ICR system with eight industrial users. The grantee exercised the option to exclude all industries with segregated domestic waste or wastes from sanitary conveniences.
Emmaus Municipal Authority	Grantee has an approved ICR system with three industrial users. The grantee excluded users who discharge sanitary or domestic waste.
Willistown Township Municipal Authority	Grantee has an approved ICR system with one industrial user (i.e. a hospital). The hospital was included because of its high BOD levels. The grantee excluded other users on the basis that they discharged primarily domestic waste.
Delaware County Regional Water Quality Control Authority	Grantee has an approved ICR system with 17 industrial users that will pay ICR. The grantee defined an industrial user as any user other than a residence or a commercial establishment. Commercials were excluded they were considered to discharge only domestic or sanitary waste.

PENNSYLVANIA

East Whiteland Municipal Authority	Grantee has an approved ICR system with seven industrial users including a car wash and laundry. However, the grantee excluded other commerical firms because their wastes were considered domestic.
Malvern Municipal Authority	Grantee certified it has no industrial users. Grantee system serves 854 residences and 46 commercial firms. All commercial firms were excluded because they were considered to discharge domestic or sanitary waste.
Easttown Municipal Authority	Grantee certified it has no industrial users. The grantee has residential and commercial users in its system. All commercial users were excluded because they were considered to be domestic waste dischargers.
General Authority of the City of Franklin	Grantee has an approved ICR system with four industrial users. The grantee excluded users which discharge domestic or sanitary waste.
East Pennsboro Township Authority	Grantee certified that it has no industrial users subject to ICR. The grantee defined an industrial user as one that discharges a process waste related to manufacturing. The grantee excluded such users as hotels, restaurants, etc., on the basis that they discharged primarily domestic or sanitary waste.
Tamaqua Borough Authority	Grantee has an approved ICR system with two industrial users. The grantee excluded users who discharge primarily segregated domestic wastes or waste from sanitary conveniences.

Montgomery Water and Sewer Authority	Grantee has an approved ICR system with one industrial user (a fabric manufacturer). Nine other users, including retailers, doctors, and a gas station, were excluded because their waste was considered sanitary.

VIRGINIA

Hampton Roads Sanitation District	Grantee has an approved ICR system with more than 500 industrial users. The grantee excluded users which discharged primarily segregated domestic wastes or wastes from sanitary conveniences.
Town of Waverly	Grantee certified that it had no industrial users subject to ICR. The grantee excluded users that discharged primarily segregated domestic wastes or wastes from sanitary conveniences.
James City County Sanitary District No. 3	Grantee certified that it had no industrial users subject to ICR. Commercial users, including motels, restaurants, and service stations were excluded on the basis that they discharged sanitary or domestic wastes.
Rivanna Water and Sewer Authority	Grantee has an approved ICR system with more than 200 industrial users, comprised mostly of dairy, bottling, textile, and frozen food plants. The grantee excluded users that discharge domestic wastes.
City of Hopewell	Grantee has an approved ICR system with 85 industrial users. The grantee defined industry as any contributor of wastewater to the system other than segregated domestic wastes.

EPA REGION V

ILLINOIS

Hinsdale Sanitary District	Grantee certified it has no industrial users. Grantee's ordinance prohibits discharge of industrial waste into its system. Grantee also defines industry as any flow greater than 1,000 gallons per day.

ENCLOSURE III

Village of Lake Villa	Grantee certified it has no industrial users. Grantee defines industry to include activities involving the mechanical or chemical transformation of materials into new products.
Sanitary District of Rockford	Grantee has an approved ICR system with one industrial user identified thus far. Grantee excludes industry having domestic wastes and employee equivalents are used to lower ICR charges.
Village of Algonquin	Grantee has an approved ICR system with two industrial users subject to ICR. The grantee excluded industrial users that discharged solely domestic wastes.
OHIO	
Medina County	Grantee certified it has no industrial users. Grantee excludes industry having domestic waste and any industry less than 10 percent of the system design flow.
City of Oberlin	Grantee has an approved ICR system with two industrial users. The grantee excludes industries which discharge primarily segregated domestic wastes or wastes from sanitary conveniences. A laundromat was excluded on this basis.
Cleveland Regional Sewer District	Grantee has an approved ICR system with 1,200 industries. The grantee excluded from ICR any industry that discharged less than 1,200 gallons per day.
WISCONSIN	
Northern Moraine Utility Commission	Grantee certified it has no industry subject to ICR. Grantee excluded industry that discharged primarily segregated domestic waste or waste from sanitary conveniences.
Shawano Lake Sanitary District No. 1	Grantee has an approved ICR system with one industrial user (whey products). Eleven other industries were identified as major industrial sewer users; however, all were excluded from ICR because they were not considered to discharge industrial waste.

	The excluded industries included soft drink bottling plants, a coin-operated laundry, wood products plants, and a glue manufacturer.
Madison Metropolitan Sewerage District	Grantee has an approved ICR system with 28 industrial users subject to ICR. The grantee excluded industry if its volume was 12,000 gallons per day or less, or its ICR payments were less than $25 per year.
MICHIGAN	
Niles Township	Grantee has an approved ICR system with no industrial users. Grantee excludes industry if its waste water is within the domestic waste level.
Berrien County	Grantee has an approved ICR system with 13 industrial users subject to ICR. The grantee excluded those industrial users which discharged primarily segregated domestic wastes or wastes from sanitary conveniences.
INDIANA	
Town of Schererville	Grantee has an approved ICR system with three industrial users. Grantee excludes industry if its waste is domestic and permits a deduction for employee equivalents.
Sanitary District of Hammond	Grantee has an approved ICR system. Grantee excludes industry that discharges domestic strength wastes.
EPA REGION VII	
IOWA	
City of Carroll	Grantee has an approved ICR system which now has five users including a car wash and two laundromats. Users which discharge only sanitary wastes were excluded along with users that have sewer charges equal to or less than $25 per month.

ENCLOSURE III

City of Gilbertville	Grantee has an approved ICR system with one industrial user (meat processor). Industrial users were considered for inclusion in the ICR system only where their flow was 10 percent or more of total flow or if they had high strength wastes.
Town of Plainfield	Grantee has an approved ICR system with one industrial user (locker plant). Other businesses were excluded from ICR because their waste was considered domestic or sanitary.

NEBRASKA

Village of Murray	Grantee has an approved ICR system with one industrial user (locker plant). Any user that contributes only domestic waste was excluded from ICR.
City of York	Grantee has an approved ICR system with two industrial users (locker plants). Users were excluded from ICR if they discharged primarily segregated domestic waste or waste from sanitary conveniences.
City of Blair	Grantee certified it has no industrial users subject to ICR. Although the grantee has many commercial firms and several manufacturers, none were considered to discharge high strength, process wastes, and, therefore, were not considered industrial users for ICR purposes.

MISSOURI

City of Kirksville	Grantee has an approved ICR system in which five industrial users have made ICR payments. The grantee excluded industrial users which discharged primarily segregated domestic wastes or wastes from sanitary conveniences.
City of Lebanon	Grantee has an approved ICR system with one industrial user (milk processor). The grantee excluded users that discharged domestic or sanitary waste.

ENCLOSURE III

City of Marshfield	Grantee has an approved ICR system but has no industrial users subject to ICR. Two industries had been initially identified as being subject to ICR. However, one firm went out of business and the other was retested and found to be below domestic levels.
City of Moberly	Grantee has an approved ICR system with a few industries subject to ICR. The grantee felt that it did not need to collect ICR payments since none of the industries met the definition of a "major contributing industry" as defined in its NPDES permit.
City of Princeton	Grantee has an approved ICR system with one industrial user (meat processor) subject to ICR. Grantee excluded those industrial users that discharged primarily segregated domestic waste or waste from sanitary conveniences.
City of Belton	Grantee certified it has no industrial users subject to ICR. The grantee's consulting engineer considered an industry eligible for ICR only if its wastewater discharge amounted to 10 percent or more of the flow or pollutant loadings (BOD or SS) of the treatment works.
City of Fulton	Grantee certified it had no industrial users subject to ICR. While the grantee had commercial firms such as car washes, service stations, laundries, restaurants, and a shopping center in its service area, it considered the wastewater discharges of these firms as equivalent to domestic waste and as such not subject to ICR.
City of Greentop	Grantee certified it has no industrial users subject to ICR. The grantee's determination was based on the fact that since there were no water meters in operation of the size (over 5/8 inches) that would serve industry, then there were no industries.

ENCLOSURE III

City of Ash Grove	Grantee certified it has no industrial users subject to ICR. The grantee defined industry as big water users, businesses with large payrolls, and manufacturers. The grantee excluded the town's laundromat because it was considered to discharge domestic waste only.