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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
9226 FEDERAL BUILDING, SIXTH AND ARCH STREETS
PHILADELPHIA, PENNSYLVANIA 19106



June 6, 1975

Mr. Daniel J. Snyder, III
Regional Administrator
Environmental Protection Agency
Philadelphia, Pennsylvania 19106

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Dear Mr. Snyder:

As part of our review of the operation and maintenance of wastewater treatment plants in various States, we have visited several plants in Pennsylvania. One of our visits was to the plant at Throop Borough, Pennsylvania. This plant was selected for review because several operational deficiencies had been found during State inspections.

The Throop facility is the largest of four plants operated by the Lackawanna River Basin Sewer Authority (LRBSA). The four plants were constructed by the LRBSA with the assistance of a Federal grant of \$3,064,520 awarded to the Authority under the Federal Water Pollution Control Act (Public Law 84-660) in December 1968. An additional \$2,079,000 was awarded to the LRBSA under the 1972 amendments to the act (Public Law 92-500) on May 2, 1974. The estimated construction cost of the Throop plant and a related pumping station was \$3,861,000.

Although the Throop plant began operations in August 1972, your agency has not made the final inspection. The LRBSA has not submitted the final cost figures, despite your agency's request for this data in March 1974. The final grant payment of \$153,380 is being withheld.

During our visit on April 15, 1975, we observed that the administration/control building at Throop also housed the administrative and executive offices of the LRBSA. These offices included an accounting office, assessor's office, executive director's office, and a conference room. Our subsequent comparison of our observations to the building size, design, and interior arrangement as shown on the "final" plans for the plant showed that the plans did not provide for the additional space for the LRBSA offices. The "final" plans were submitted by the Authority

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in January 1969, and were approved by the Federal Water Pollution Control Administration (FWPCA) on April 9, 1969. The grant file did not show that any revisions to the plans were subsequently provided by the Authority and approved by either the FWPCA or your agency.

We discussed our observations with the Director of the Grants Coordination Division and other staff members. They agreed that the additional office space was not part of the project as described in the grant application and was not necessary for the operation of the Throop plant. Moreover, the LRBSA should have notified your agency of the change in the scope of the project. They also agreed to inspect the project and determine if the costs of the additional building space would be an allowable charge against the Federal grants the Authority had received.

On May 19 and 20, 1975, your staff inspected the entire LRBSA project. This inspection covered operational matters as well as the additional office space. They found there were two sets of plans-- the "final" plans that had been approved with the grant and plans which were used to construct the facility at Throop. Both sets showed the same date--December 1968.

The Director of the Grants Coordination Division informed LRBSA officials that the additional building space used to house the Authority's offices would not be eligible for Federal participation. Also, the Authority would have to segregate the costs to construct the additional space including the added plumbing, electrical, and other costs from the total costs of the building.

We would appreciate being informed of the final settlement made on this project, including the amount of costs disallowed and the basis for the settlement.

We would like to acknowledge the cooperation and assistance received from your staff throughout our review.

Sincerely yours,

ALLEN R. VOSS
Allen R. Voss
Regional Manager