

NO. 2

**MARCH, 1977** 

## USER CHARGE/INDUSTRIAL COST RECOVERY WORKSHOP HELD

A special workshop was held by the East Central Florida Regional Planning Council on December 9, 1976 to review and discuss water quality management financial requirements related to user charges and industrial cost recovery. Persons from local governments, waste treatment agencies and other interested organizations throughout the area were invited to attend.

The guest speaker for the workshop was John F. Hurlebaus, an Economist from the U.S. Environmental Protection Agency (EPA). Mr. Hurlebaus is in the "program support" section of the Atlanta Office of EPA, and has major responsibilities for ensuring that federal guidelines for user charge and industrial cost recovery systems are uniformly administered in the southeast region.

Approximately 40 persons participated in the workshop, including waste treatment agency directors and staff, local officials, and consultants assisting with waste treatment facility planning and engineering. A "Technical Handbook" containing information of the federal requirements, and suggestions for meeting the requirements was distributed to all participants. Additional copies of this publication remain, and are available at the Regional Planning Council offices.

## BUILDING YOUR 208 VOCABULARY - USER CHARGE/INDUSTRIAL COST RECOVERY

The Federal Water Pollution Control Act Amendments of 1972 (P.L.92-500) require that agencies receiving federal funds for the construction of waste treatment facilities (sewage treatment plants and any associated collection network components) adopt "user charge" and "industrial cost recovery" systems.

A <u>user charge</u> (UC) is a charge levied on the customers of a federally-funded sewage treatment facility by the local utility and is intended to recoup the operation and maintenance costs of the facilities. Sufficient funds must be collected from users each year to cover all operation and maintenance costs. User charges must be proportional to the actual cost of treating the user's waste. The purpose of the user charge requirements are to insure that local utilities which provide sewage treatment services will; (1) have adequate revenues available to properly maintain their operations, and (2) charge customers on a fair share basis. The user charges are one portion of each customer's regular service bill, which may be computed on a monthly, bimonthly or other basis.

Industrial cost recovery (ICR) involves the dollar repayment by industrial users of a sewage treatment facility for the amount of the federal construction grant used to provide capacity and facilities for treating their wastes. Fifty percent of the recouped construction costs are returned to the federal government, 40 percent are retained by the local utility and reserved for expansion or reconstruction of the treatment works, and 10 percent are available to the local utility for use on a discretionary basis.

According to federal regulations, the U.S. Environmental Protection Agency (EPA) may not pay more than 50 percent of the federal share of a 201 step 3 construction grant unless the grantee has submitted adequate evidence of the timely development of user charge and industrial cost recovery systems. No more than 80 percent of the federal grant may be funded until the user charge and industrial cost recovery systems are approved by EPA.

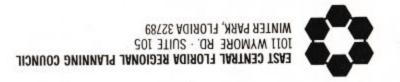
## "GOOD NEWS" THROUGH STREAMLINES

Lake Apopka's pollution problems have received much publicity in the past few years. Primary concern has been expressed about the need to improve the large Lake's water quality.

Not so many years ago, Lake Apopka received a great deal of publicity about its fabulous fishing opportunities. More recently, the Lake's publicity has centered around its pollution problems as well as various ideas and proposals for the improvement of water quality. The once thriving sport fishing industry has declined to an all-time low, and the general concensus is that the impacts of man's activities around the Lake has resulted in its "premature death." All lakes undergo a natural aging process known as "eutrophication." Large amounts of pollutants and nutrients can hasten this natural lake aging process, causing the lake's water quality to deteriorate much more rapidly than would otherwise naturally occur. Adverse impacts have been ascribed to rainfall runoff and discharges from urban development, sewage treatment plants, muck farms and citrus groves.

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The most effective procedure to follow in the restoration of a water body as large as Lake Apopka (30,720 acres) has been very difficult to determine. Now, after several years of preliminary planning study and review, a Lake restoration program financed by federal and state funds is about to be initiated. The first phase of the Lake restoration effort involves a feasibility study to fully evaluate the capabilities, constraints, and impacts of undertaking a full-scale restoration project on the Lake. Special attention will be given to implications of the draw-down on neighboring land activities, particularly the multi-million dollar citrus production and commercial vegetable farming industries. Once engineering and economic constraints are established (determined), the following two phases of the project will involve the activities associated with the restoration of the Lake.

The actual drawdown is expected to take eight to twelve months, with a portion of the Lake bottom exposed for approximately four to six months. Subsequently, the Lake will be allowed to refill to its previous level.

The total cost of the project is estimated to be nearly three million dollars, with funding to come from both federal and state sources. Monies for the Phase I engineering constraint study are split nearly equal, as \$143,900 from the U.S. Environmental Protection Agency is matched with an equal amount from state funds. An additional \$10,000 of state monies have been added for supplemental purposes.

Actions are being taken to reduce the quantities of pollutants and nutrients entering the Lake. The design of better wastewater treatment plants are presently underway, being one part of a plan to remove the sewage treatment plant discharges from the Lake. Agricultural interests have spent considerable time and money in the construction of methods to remove agricultural source discharges from the Lake.

The "208" Areawide Water Quality Management Planning Program is intended to address the topic of pollutionabatement activities and other measures necessary to achieve clean water goals. A major objective of the 208 Program is to determine if feasible measures can be developed, that when implemented, will effectively decrease or eliminate the amount of pollutants and nutrients entering a lake from urban development and associated sources. The 208 Program will evaluate the various management, financing and implementation strategies associated with the construction and operation of the technical alternatives.

Lake restoration measures are not completely new to the area. Several lakes in the Orlando area have undergone restoration projects. The most noticeable example is Lake Eola, the City of Orlando's downtown showplace. Other lakes in the area that restoration programs have been applied to are Lake Weston, located near Eatonville, and Lake Lawne, located on the west side of Orlando. It should be noted that, while these lakes are nowhere near the size of Lake Apopka, lake restoration projects have been undertaken with varying degrees of success. Of the local efforts mentioned, the Lake Weston restoration projecis regarded as being a good example of a successful restoration effort.

If you desire more information about the Lake Apopka restoration project contact Mr. Bob Dillard, Administrator, Office of Lake Restoration, Florida Department of Environmental Regulation at (904) 487-1855. Information about the Lakes Eola, Weston and Lawne restoration projects can be obtained from Mr. John Bateman, Orange County Pollution Control Officer (305) 948-3102. Streamlines will keep you informed about the progress achieved in the Lake Apopka Restoration project and other local activities and projects of environmental interest.

## ARE YOU INTERESTED? . . . .

208 Streamlines is a newsletter prepared by the 208 staff of ECFRPC. The purpose of 208 Streamlines is to inform interested persons about what is happening in the 208 Program and what activities are taking place within the local areas to improve our water quality.

If you want to know more about 208 planning . . . .

Then call 305/645-3339 (Environmental Planning Division)