



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 25, 2009

### **S. 937**

#### **Sewage Overflow Community Right-to-Know Act**

*As ordered reported by the Senate Committee on Environment and Public Works  
on June 18, 2009*

S. 937 would require owners and operators of publicly owned sewage treatment plants to notify federal and state agencies and the public in a timely manner of any sewer overflows. Under this legislation, the Environmental Protection Agency (EPA) would be required to develop regulations establishing guidelines for the notifications. The legislation also would expand the types of activities that are eligible to receive funds from the Clean Water State Revolving Fund.

Based on information from EPA, CBO estimates that implementing this legislation would cost about \$1 million in 2010 and less than \$500,000 in subsequent years, subject to the availability of appropriations. Enacting the bill would not affect direct spending or receipts.

S. 937 would require treatment plants to comply with a number of new requirements. Those requirements are not conditions of federal assistance, and consequently, they would be intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Specifically, the bill would require water treatment plants to:

- Institute and utilize a monitoring program for sewer overflows, including combined sewer overflows and sanitary sewer overflows;
- Notify the public of a sewer overflow within 24 hours;
- Notify public health authorities and other affected entities, such as public water systems, if there is an imminent and substantial risk to human health due to a sewer overflow;
- Provide a report of an overflow to the state or to the Administrator of EPA;

- Report each sewer overflow on the discharge monitoring report to EPA or the treatment plant's state. This report must include the magnitude, cause, and mitigation efforts for the specific overflows; and
- Submit an annual report to EPA or the state on the number of overflows in a calendar year, including the details of magnitude, duration, location, potentially affected receiving waters, and mitigation efforts.

Without knowing the nature of the regulations that EPA would issue as a result of this bill, CBO cannot make a precise estimate of the costs of complying with the mandates. Based on information from affected entities, however, we estimate that such costs would likely exceed the threshold established in UMRA (\$69 million in 2009, adjusted annually for inflation). The bill's new requirements would involve additional personnel costs and could necessitate new infrastructure and engineering expertise. According to EPA and the National Association of Clean Water Agencies, over 16,000 treatment plants operate in the United States, and each of those entities could be affected by the requirements in S. 937. Infrastructure improvements, if required by the regulations, could be particularly expensive. Given the large number of affected entities, even a small increase in additional costs (less than \$4,500 per entity annually) would result in costs that exceed the threshold for intergovernmental mandates in at least one of the next five years. The bill also would expand the types of activities eligible to receive funds from the Clean Water State Revolving Fund to include the monitoring requirements discussed above.

This bill contains no new private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs) and Ryan Miller (for the state and local impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.