

**Table 4-1**  
**Demonstration of Substantial and Widespread**  
**Economic and Social Impacts of Attainment of Designated Uses**

**CHECKLIST**

<b>STEPS</b>	<b>INFORMATION THAT WILL BE REQUIRED FROM APPLICANT</b>
1. Demonstrate that designated use is a potential use and not an existing use.	Data from State Water Quality Assessment Documents and water quality standards regulations.
2. Demonstrate that entity will incur substantial economic impacts.	
a. Identify all reasonable pollution reduction options,	Information on end-of-pipe treatment, possible treatment upgrades, additions to existing treatment, and pollution prevention activities including the following: <ul style="list-style-type: none"> <li>• change in raw materials,</li> <li>• substitution of process chemicals,</li> <li>• change in process,</li> <li>• water recycling, reuse and efficiency,</li> <li>• pretreatment requirements, and</li> <li>• public education.</li> </ul>
b. Evaluate costs of all reasonable pollution reduction options,	Assumptions about water demand, treatment capacity, expansion plans, population growth, and effectiveness of control in reducing pollution for each option. Estimate of project costs from design engineers, costs of comparable projects in the State, or judgement of experienced water pollution control engineers.
c. Identify lowest cost pollution reduction option that allows entity to meet water quality standards.	Information on treatment efficiencies for alternative pollution reduction techniques. Cost estimates for all alternatives.

**Table 4-1 CHECKLIST (Cont'd.)**

<b>STEPS</b>	<b>INFORMATION THAT WILL BE REQUIRED FROM APPLICANT</b>
3. Evaluate entity's financial health ( <b>Public Entities Only</b> ):	
a. determine method of financing,	Information on user fee financing mechanisms such as Revenue Bonds. Information on tax based financing mechanisms such as General Obligation Bonds.
b. annualize pollution reduction project costs,	Information on appropriate interest rates and period of financing.
c. allocate project costs,	Information on user groups, wastewater flow by user group, and surcharges on industrial users.
d. apply Municipal Preliminary Screener test,	Information on average total annual pollution control cost per household and median household income.
e. Depending on the results of the Municipal Preliminary Screener test, apply Secondary Test.	Information on results of Municipal Preliminary Screener test, overall net debt as a percent of full market value of taxable property, median household income, bond rating, community unemployment rate, property tax collection rate, and property tax revenues as a percent of full market value of taxable property.
4. Evaluate entity's financial health ( <b>Private Entities Only</b> ):	
a. annualize pollution reduction project costs,	Information on appropriate interest rates and period of financing.
b. Primary Measure:  profitability,	Information that will allow evaluation of whether an entity will remain profitable after incurring the cost of pollution reduction including: <ul style="list-style-type: none"><li>• revenues,</li><li>• cost of goods sold,</li></ul>

**Table 4-1 CHECKLIST (Cont'd.)**

<b>STEPS</b>	<b>INFORMATION THAT WILL BE REQUIRED FROM APPLICANT</b>
c. Secondary measures:	<ul style="list-style-type: none"><li>• portion of corporate overhead assigned to the entity, and</li><li>• total annualized pollution reduction project costs.</li></ul>
solvency,	Information that will allow evaluation of the entity's ability to meet its fixed and long-term obligations including:
liquidity, and	<ul style="list-style-type: none"><li>• long-term debt,</li><li>• current debt,</li><li>• net income after taxes, and</li><li>• depreciation.</li></ul>
leverage.	Information that will allow evaluation of how easily an entity can pay its short-term bills such as:
	<ul style="list-style-type: none"><li>• current assets,</li><li>• current liabilities, and</li><li>• total annualized pollution reduction project costs.</li></ul>
5. Determine whether impacts are widespread ( <b>Public Entities Only</b> ):	
a. Evaluate change in socioeconomic conditions that occur as a result of compliance.	Information on <u>changes</u> in median household income, community unemployment rate, overall net debt as a percent of full market value of taxable property, percent of households below the poverty line, impact on community development potential, and impact on community

**Table 4-1 CHECKLIST (Cont'd.)**

STEPS	INFORMATION THAT WILL BE REQUIRED FROM APPLICANT
6. Determine whether impacts are widespread ( <b>Private Entities Only</b> ):	property values resulting from compliance.
a. Define community,	Information on the geographical boundary of the area in which the majority of the entity's workers live and where most of businesses that depend on the entity are located.
b. Evaluate effect on employment,	Current unemployment, change in unemployment due to investment in pollution reduction.
c. Evaluate effect on tax revenues,	Information on the likely effect on assessed value of property tax revenues if the entity must adopt pollution reductions.
d. Assess impairment of development opportunities,	Information on the likelihood that the need to adopt pollution reductions in the affected community would discourage other businesses from locating in the area in the future.
e. Collect any relevant additional information that demonstrates widespread socioeconomic impacts.	Any additional information that suggests that there are unique conditions in the affected community that should also be considered.
7. Evaluate economic benefits of cleaner water.	Information on potential benefits of cleaner water including enhanced recreational opportunities, reduced treatment costs for downstream users and increased property values.
8. Public comment and debate period.	Be prepared to supply backup information on the application to modify

**Table 4-1 CHECKLIST (Cont'd.)**

<b>STEPS</b>	<b>INFORMATION THAT WILL BE REQUIRED FROM APPLICANT</b>
9. If substantial and widespread economic and social impacts are demonstrated, determine which pollution reduction option should be implemented.	or change a designated use to the public.  Information on the cost and efficiency of affordable pollution reduction alternatives.
10. Redesignate uses.	Uses will be determined by the level of "affordable" pollution reduction.
11. Standards will be adopted to protect new uses.	Once uses are established, standards should be revised to protect those uses.
12. Effluent limits and permits will be modified.	Limits will be modified to reflect effluent concentrations associated with the "affordable" pollution reduction technique.
13. Re-evaluate water quality standards in three years.	Per federal regulations, water quality standards must be revised every three years to determine if there is any new information or technology that allows attainment of the full designated uses without causing a substantial and widespread economic and social impact.