



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
WATER

DWSRF 02-08

September 24, 2002

MEMORANDUM

Subject: Documentation of Drinking Water State Revolving Fund (DWSRF) Program
Withholding Decisions relating to the Operator Certification Program

To: Drinking Water Branch Chiefs
DWSRF Program Managers
Regions I - X

From: William R. Diamond, Director Evelyn R. Washington for /s/
Drinking Water Protection Division

The section of the Safe Drinking Water Act authorizing the DWSRF program provides for withholding of DWSRF funds if states are not implementing programs related to capacity development and operator certification. Each year, EPA must make a decision as to whether a state has met the requirements of those two programs and is therefore eligible for its full allotment of DWSRF funds.

For the operator certification program, the decision on withholding 20 percent of each fiscal year's appropriation must be made by September 30 of each year. This means that drinking water programs must evaluate a state's implementation of that program prior to that date so that it can have a decision on record by September 30. Funds that are withheld from those states that have failed to sufficiently implement their operator certification programs are reallocated to states that have met the requirements as part of that year's allocation of funds. For example, for FY 2003 funds, a state's program implementation must be approved by September 30, 2002 or their FY 2003 funds will be reallocated to other states as part of the allocation of the FY 2003 appropriation. This differs from the capacity development program, where funds withheld from states that fail to meet requirements are reallocated to other states at the end of the two year period of availability for a specific appropriation.

While drinking water program staff working in the area of operator certification are responsible for determining if a state has met the requirements of the program, DWSRF project officers are responsible for ensuring that they have the documentation to report to Headquarters as to whether any

states should have funds withheld. Both Regional DWSRF and operator certification staff should maintain a record of the annual approval of implementation of a state's operator certification program in their project files in the form of an email, note or memo. Documentation of the decision will be critical should either program be evaluated in the future as part of a General Accounting Office or Inspector General investigation.

Please work with your regional operator certification staff to make sure that DWSRF staff receive documentation of decisions on state operator certification programs by September 30. In addition, as soon as state programs have been approved, this information should be communicated to both the state operator certification and DWSRF program staff. This is particularly important for state DWSRF staff so that they may plan for use of funds they will be eligible to receive.

If you have any questions about the operator certification program, please contact Jenny Bielanski at 202-564-3836. Questions about the DWSRF program should be directed to Veronica Blette at 202-564-4094.

cc: Jenny Bielanski, HQ Operator Certification Coordinator
Regional DWSRF Coordinators