



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OFFICE OF
WATER

February 1, 1999

SRF 99-05

MEMORANDUM

SUBJECT: Expeditious and Timely Use of SRF Funds

FROM: Richard T. Kuhlman, Chief /s/
 State Revolving Fund Branch

TO: Municipal Program Managers,
 Regions I-X

We have discussed on several occasions the issue of the expeditious and timely use requirement in the law and what this means in practical terms when evaluating state compliance with program requirements. The legal requirement at 602(b)(4) that "all funds in the fund will be expended in an expeditious and timely manner" very clearly applies to the entire SRF, not just to the federal grants. Our regulations at 40 C.F.R. 35.3135(c) repeats the statutory language and does not further define "expeditious and timely manner." Further, Section 606(c) requires that the states "shall annually prepare a plan identifying the intended uses of the amounts available to its water pollution control revolving fund." Finally, Section 602(b)(3) requires states to "enter into binding commitments to provide assistance...in an amount equal to 120 percent of the amount of each grant payment within one year after receipt of such grant payment." Generally, based upon an OGC opinion in the January 19, 1995 memo (95-3), that same time frame seems reasonable for committing repayments and other funds to projects. If all available funds are not committed to projects, then the IUP must contain a plan which details how and when the funds will be used. Unless a reasonable plan for using the funds is presented in the IUP, we recommend withholding the grant award until such a plan is prepared. Compliance with the expeditious and timely use requirement is also critical to defining one of our Pace of the Program measures -- timely use of repayments. Although this measure has not been defined, it will be addressed more fully in a subsequent memo asking for Regional participation in better defining and measuring pace. It remains our policy that all funds in the fund, including repayments, should be used within a year of receipt.

If you have any questions, please feel free to call me or your HQ contact on the Implementation Team.

cc.: CWSRF Coordinators, Regions I-X
 Implementation Team
 Evaluation Team
 Veronica Blette, DWSRF