



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We conducted an audit of the Colonias Wastewater Treatment Assistance Program (CWTAP) because of the large unliquidated obligation balance in the program almost a decade after the last grant had been awarded. Our audit objective was: Has the U.S. Environmental Protection Agency (EPA) provided the oversight necessary to ensure that the Texas Water Development Board manages CWTAP grants so that funds are drawn properly and projects are completed on time?

Background

From Fiscal Years 1993 through 1999, EPA awarded assistance agreements (grants) totaling \$300 million to the Texas Water Development Board for water infrastructure improvements along the border in poor, under-developed, unincorporated areas called colonias.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080623-08-P-0184.pdf

Millions of Federal Dollars Remain for Colonias Projects

What We Found

Nearly 10 years after EPA Region 6 awarded the last CWTAP grant to the Texas Water Development Board (the Board), \$78 million still has not been spent. The Region has taken some positive steps to address unliquidated obligations in the CWTAP, such as working with the Board to establish a schedule for using the remaining funds. However, Region 6's oversight of the program has been hindered because work plans lacked project details and operating agreements did not specify corrective actions.

If Region 6 does not improve its oversight of the program, the funds will probably not be fully spent by the current CWTAP grant fund drawdown projection of 2010. Every delay in disbursing CWTAP funds reduces the purchasing power of those grant dollars and delays needed improvements in public health and quality of life.

EPA has taken action to address similar issues with more recent grants awarded under the current U.S.-Mexico Border Program. In August 2007, the Office of the Chief Financial Officer issued a policy to address funds administration and provide guidance on appropriate monitoring targets. The goal of this policy is to optimize project completion rates, clarify program oversight, and reduce unliquidated balances related to the grant program. EPA needs to adopt a similar process for the CWTAP program, to ensure that project delays will not further delay disbursing federal funds and completion of projects.

What We Recommend

We recommend that the Regional Administrator for Region 6:

1. Amend the workplans and/or operating agreements for the open CWTAP grants to include specific projects, schedules, and dollar amounts.
2. Develop and implement a policy, similar to what is contained in the Office of the Chief Financial Officer's 2007 EPA Policy for the U.S.-Mexico Border Program, which specifies a process for taking corrective actions when projects are delayed.

EPA concurred with our recommendations and provided timeframes for taking corrective actions.