

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WSG 168A

Date Signed: May 18, 2004

MEMORANDUM

SUBJECT: Modifications of Policy Regarding Use of the Drinking Water State Revolving Fund Capacity Development Set-Aside for Routine Compliance Monitoring

FROM: Benjamin Grumbles
Acting Assistant Administrator

TO: Regional Administrators
Regions 1-10

I am writing to modify Agency policy regarding the use of the Drinking Water State Revolving Fund (DWSRF) capacity development set-aside for routine compliance monitoring costs. On September 4, 2003, the Agency determined that the DWSRF capacity development set-aside authorized by section 1452(k)(1)(B) of the Safe Drinking Water Act, as amended, should not be used for long-term, routine compliance monitoring.¹ Since several States were using the set-aside for monitoring, the policy established a transition period to minimize program disruption. The policy established January 1, 2005, as the date by which States were to stop use of the set-aside funds for routine monitoring.

In response to concerns that recently have come to my attention, I am adjusting the timeline set forth in the policy. Because some State Legislatures only meet every other year, a deadline of January 1, 2005, may not afford such States an opportunity to work with their legislatures to secure alternative funding for routine activities. In order to address this concern, I am extending the deadline for transition from use of the set-aside to January 1, 2006. If any States currently using the set-aside face extraordinary barriers to transitioning away from such use by January 1, 2006, then I ask that you negotiate a reasonable time frame with them on a case-by-case basis.

If you have questions, please feel free to contact me or have your staff contact Charles Job, Infrastructure Branch Chief, at (202) 564-3941.

¹ "Eligibility of Routine Compliance Monitoring Costs under the Drinking Water State Revolving Fund Capacity Development Set-Aside"; DWSRF 03-04; September 4, 2003; From: Cynthia Dougherty, Director, Office of Ground Water and Drinking Water; To: Water Division Directors Regions I-X.