



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

OFFICE OF  
WATER

DWSRF 02-02

October 4, 2001

**Memorandum**

**Subject:** Hold Back of Drinking Water State Revolving Fund (DWSRF) Grants for States with Unapproved Operator Certification Programs

**From:** William R. Diamond, Director /s/  
Drinking Water Protection Division

**To:** Water Division Directors  
Regions I - X

Section 1419 of the Safe Drinking Water Act included a provision stating that EPA shall withhold 20 percent of the funds a state is otherwise entitled to receive under section 1452 (DWSRF program) unless the state has adopted and is implementing an operator certification program that meets the requirements of EPA guidelines. States were required to submit programs by February 5, 2001 (two years after publication of the guidelines) to avoid withholding of fiscal year 2001 grant funds that had not been awarded as of that date. No states were subject to a withholding of funds in association with the February 5, 2001 deadline.

A Federal Register notice published on April 18, 2001 (66 FR 19939) outlined the process by which states will be subject to hold back or withholding of DWSRF grant funds after October 1, 2001. States which have not received approval for their operator certification programs are subject to hold back of unawarded fiscal year 2001 and 2002 grant funds until their programs have been approved. If the programs are not approved by September 30, 2002, any funds that have been held back will be permanently withheld from the state.

As of October 1, 2001, 39 states had received approval of their programs. The programs for the remaining 12 states are undergoing EPA review. While a few of these states are close to receiving program approval, the 12 states, as shown on the attached table, will need to have 20 percent of their grant awards held back until their programs have been approved.

If you have any questions about this issue, please contact Kimberley Roy with the DWSRF program at (202) 260-2794 or Jenny Jacobs with the operator certification program at (202) 260-2939.

Attachment

cc. Regional Drinking Water Branch Chiefs  
Regional DWSRF and Operator Certification Coordinators

**State DWSRF Grants subject to 20% Hold Back**

<b>Region</b>	<b>State</b>	<b>Program Submitted</b>	<b>FY 2001 Grant subject to Hold Back</b>	<b>FY 2002 Grant subject to Hold Back</b>
1	Connecticut	February 2001	Yes	Yes
2	Puerto Rico	August 2000	Yes	Yes
3	Pennsylvania	February 2001	No*	Yes
	West Virginia	February 2001	Yes	Yes
6	New Mexico	December 2000	Yes	Yes
7	Iowa	February 2001	Yes	Yes
	Kansas	February 2001	No*	Yes
	Missouri	February 2001	Yes	Yes
9	Arizona	January 2001	No*	Yes
	Hawaii	January 2001	Yes	Yes
	Nevada	January 2001	Yes	Yes
10	Oregon	September 2001	No*	Yes

\* FY2001 grants awarded prior to February 5, 2001