



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

OFFICE OF  
WATER

**DWSRF 99-01**

September 10, 1998

**MEMORANDUM**

Subject        Extension of Payment Period for FY97 Drinking Water State Revolving Fund  
Grant Funds

From:           James Bourne  
                  DWSRF Program, HQ

To:             DWSRF Coordinators  
                  Regions I-X

We are extending the period of time over which States may take payment for capitalization grant funds for FY97 funds only. Normally, States are required to take payment for all funds by the earlier of 8 quarters after award of the grant or 12 quarters after allotment of the funds. For FY97 funds awarded in September 1998, this would mean that payments would have to be taken by September 30, 1999 because that date would be 12 quarters after allotment (the earlier of the 8/12 quarter window).

We recognize that it has taken States time to apply for their capitalization grants and get programs up and running. **Therefore, we are extending the payment window another four quarters, for FY97 funds only.** States will thus have the flexibility to abide by a 12/16 quarter window instead of 8/12 quarters. This means that States will have until May 2000 to take payment for awards made in May 1997 and until September 2000 to take payments for awards made in September 1998. States will continue to have one year from the date a payment is made to make binding commitments with projects.

One important note is that this extension will not affect the deadline by which States must provide match for FY97 funds. If a State intends to take payments after September 30, 1999, it must assure that the associated match is deposited in the Fund or into the State's letter of credit before that date.

If you have any questions please call me at (202) 260-5557 or Veronica Blette at (202) 260-3980.