



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

OFFICE OF
WATER

DWSRF 01-02

November 17, 2000

MEMORANDUM

Subject: Period for obligation of 1452(k) funds for the conduct of source water delineations and assessments

To: DWSRF Regional Coordinators
Regions I - X

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

Section 1452 (k)(1)(C) of the Safe Drinking Water Act (SDWA) indicates that an authorized activity under the State and local assistance set-aside for the Drinking Water State Revolving Fund (DWSRF) program is to “make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with [section 1453], except that funds set aside for such expenditure shall be obligated within 4 fiscal years.” EPA has received questions from States regarding what is meant by the term “obligated” for the purposes of section 1452(k)(1)(C) and whether the delineation and assessment funds have to be expended within four years. This memorandum serves to provide the answers to these questions.

EPA has determined that the term “obligated” does not mean that the delineation and assessment funds must be expended by the State within the four year period, but that funds must be committed within this time frame. The four year period for committing the delineation and assessment funds begins on the date of award of the fiscal year 1997 capitalization grant which includes the set-aside. A State has the following two options for demonstrating that it will commit all delineation and assessment funds within the required time frame:

- 1) any State using contracts to complete the delineations and assessments must issue all contracts within the four year time period; or
- 2) any State using its own staff to complete the delineations and assessments must either provide budget forecasts showing staff commitments or provide details in its workplans indicating staff commitments for the time period over which funds are required to be expended.

EPA recognizes that it is possible that the actual period of time over which delineation and assessment funds are expended could exceed four years. However, a State must expend all reserved set-aside funds by the time it is required to have its source water assessments completed. Section 1453 requires that source water assessments be completed no later than 2 years after approval of a State's source water assessment program (SWAP), unless EPA grants an extension of up to an additional 18 months. For example, if a State received its SWAP approval in November 1999 and was granted an extension by EPA for completing its assessments, it would have to expend all delineation and assessment funds by May 2003. Any State that does not meet the deadline for expending the delineation and assessment funds must transfer these funds to another set-aside category (provided that they not exceed statutory ceilings) or to the Fund to be used for projects.

We encourage you to work with your States to ensure that they expend funds reserved for source water assessments efficiently and in accordance with approved workplans. If you have any additional questions, please contact Kimberley Roy at (202) 260-2794.

cc: Joan Harrigan-Farrelly, Prevention Branch
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