



# At a Glance

*Catalyst for Improving the Environment*

## Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) conducted a review of earmarked grants known as Special Appropriation Act Projects issued to State and tribal Governments. The City of Huron, South Dakota, was selected for a site review.

## Background

The City of Huron received an EPA Special Appropriation Act Project grant, XP98838901. The purpose of the grant was to provide Federal assistance of \$3,871,500 for the upgrade of a water treatment plant. The City of Huron is required to provide local matching funds equal to 55 percent of the EPA-awarded funds.

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/2007/20070801-2007-2-00030.pdf](http://www.epa.gov/oig/reports/2007/20070801-2007-2-00030.pdf)

## ***Excess Federal Funds Drawn on EPA Grant No. XP98838901 Awarded to the City of Huron, South Dakota***

### **What We Found**

The City of Huron did not reduce the total grant costs by \$947,586 for amounts received from local water agencies. These local agencies provided funds to the City of Huron to offset project costs. Under Office of Management and Budget Circular A-87, Attachment A, the City of Huron needs to reduce the total project costs by the reimbursements received. The reduction in project costs resulted in the City of Huron having drawn \$68,203 of excess Federal funds. The City of Huron is also anticipating receiving additional reimbursements upon completion of the project, which should result in the repayment of additional funds.

### **What We Recommend**

We recommend that the EPA Region 8 Regional Administrator require the City of Huron to:

1. Repay \$68,203 for excess Federal funds drawn.
2. Advise EPA of all future reimbursements.
3. Repay 55 percent of all future reimbursements.