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

JUN - 1 2005

OFFICE OF WATER

MEMORANDUM

SUBJECT: Reporting Criteria for Annual State Capacity Development Program Implementation Reports

FROM: Cynthia C. Dougherty, Director
Office of Ground Water and Drinking Water

TO: Drinking Water Program Managers, Regions I-X

I am writing to send you the reporting criteria for the annual State Capacity Development Program Implementation Reports. These criteria (attached) have been developed through the hard work of State Capacity Development program representatives, the Association of State Drinking Water Administrators (ASDWA), and Environmental Protection Agency (EPA) staff in order to meet the requirements of the Safe Drinking Water Act (SDWA). I ask that you distribute this information to your States so that they may begin using the new criteria for the FY2004-2005 annual reporting period. I would also like to extend a well-deserved thanks to everyone involved with this effort.

In response to the Office of Inspector General's September 2003 Capacity Development Program Evaluation, the Office of Water made a commitment to establish consistent reporting criteria for the annual State reports. These criteria have been compiled to guide and assist States in the development of those reports. The criteria should also help EPA Regions maintain uniformity when assessing each State's implementation of its approved capacity development program. Lastly, the criteria should aid States as they develop their triennial progress reports to the Governor. I ask that you work with your States as they prepare their annual reports, to assist them in using the new reporting criteria and in implementation of their capacity development programs.

If you have any questions or comments please contact me, or you may contact our Capacity Development Program Coordinator, Steve Clark, at (202) 564-3884 (clark.steve@epa.gov).

Attachment

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Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

cc: State Drinking Water Administrators
Capacity Development Coordinators, Regions I-X
DWSRF Coordinators, Regions I-X
Jim Taft, ASDWA
Peter Shanaghan, OGWDW
Steve Heare, OGWDW

Attachment
Reporting Criteria for Annual
State Capacity Development Program Implementation Reports

It is EPA's intent that the reporting criteria should in no way hinder the inclusion of additional information or data, such as programmatic highlights and challenges. Reporting of additional information is encouraged so that EPA may have a detailed understanding of State implementation efforts. Further explanation has been provided to assist in developing responses to each question.

I. State Capacity Development Program Annual Reporting Criteria

A. New Systems Program Annual Reporting Criteria

The following questions ask States how they are ensuring that all new community water systems and new nontransient noncommunity water systems demonstrate technical, managerial, and financial (TMF) capacity with respect to each national primary drinking water regulation in effect or likely to be in effect on the date of commencement of operations. (The definition of a new system can be found on page 16 of the *Guidance on Implementing the Capacity Development Provisions of the Safe Drinking Water Act Amendments of 1996* (EPA 816-R-98-006)).

1. *Has the State's legal authority (statutes/regulations) to implement the New Systems Program changed within the previous reporting year? If so, please explain and identify how this has affected or impacted the implementation of the New Systems Program (additional documentation, such as an Attorney General (AG) statement or a statement from a delegated department attorney, may be required.) If not, no additional information on legal authority is necessary.*

   Explanation: This information will help identify whether States have maintained the necessary authority to implement the new systems program. Information provided may include programmatic changes or approaches as well as statute and/or regulation modifications, which can affect the implementation of the new systems program. Since some changes (such as statutory changes) could affect the legal authority, a statement from a State AG or delegated department attorney may be required. States should check with their EPA Regional Coordinator to determine if a new AG statement is required.

2. *Have there been any modifications to the State's control points? If so, describe the modifications and any impacts these modifications have had on implementation of the New Systems program. If not, no additional information on control points is necessary.*

   Explanation: Each State's New Systems Program identified a set of Control Points, which is an integrated feature of a State's program. A control point identifies a place where the Primacy Agency (or other unit of government) can

exercise its authority to ensure the demonstration of new system capacity. States should provide a discussion or a list that explains the modification(s) of control points for new systems, followed by an explanation of how and why the modification(s) have been identified. The explanation should include how the modification(s) is projected to affect the new systems program.

3. *List new systems (PWSID & Name) in the State within the past three years, and indicate whether those systems have been on any of the annual* Significant Non-Compliers *(SNC) lists (as generated annually by EPA's Office of Enforcement and Compliance Assurance).*

   Explanation: The intent of compiling compliance data is to identify whether there are noncompliance patterns during the first three years of a new system's operation. States may refer to other forms of violations data in addition to the SNC lists. For instance, compliance tracking has been identified by 41 States as an indicator, or a component of an indicator, in implementing the new systems program. States may elect not to provide this new system data to EPA. In this case, EPA Regional Coordinators will utilize the SDWIS/FED database to gather the information. EPA Regional Coordinators will verify this information with States for accuracy. An examination of any trends (e.g., sanitary survey results, capacity assessments, etc.) may also trigger States to revisit program implementation.

B. Existing System Strategy

The following questions will ask States to demonstrate how they are implementing strategies to assist public water systems (PWS) in acquiring and maintaining TMF capacity.

1. *In referencing the State's approved existing systems strategy, which programs, tools, and/or activities were used, and how did each assist existing PWS's in acquiring and maintaining TMF capacity? Discuss the target audience these activities have been directed towards.*

   Explanation: States should describe the broad range of programs and activities employed in their approved strategies, and discuss what role those programs and activities played in building or maintaining capacity of various types of systems. The response could include a brief explanation of how each activity is used in program implementation.

2. *Based on the existing system strategy, how has the State continued to identify systems in need of capacity development assistance?*

Explanation: This question refers to the method(s) prescribed within State strategies for identifying, selecting or prioritizing PWS's in need of assistance. States should describe the method(s) used and the frequency at which this process may have been performed (annually, semi-annually, continuously, or as otherwise identified within the strategies).

3. *During the reporting period, if statewide PWS capacity concerns or capacity development needs (TMF) have been identified, what was the State's approach in offering and/or providing assistance?*

   Explanation: States should describe the method(s) that have been utilized to identify system capacity concerns, and how such situations have been addressed. For example: If statewide reviews of sanitary surveys yielded common trends, or if they have identified a need for a specific type of operator training, discuss what actions have been performed to address these issues. Discussion of this process from planning to execution should answer the following:
   - What method was used to identify this need?
   - How has the need been addressed?

4. *If the State performed a review of implementation of the existing systems strategy during the previous year, discuss the review and how findings have been or may be addressed.*

   Explanation: This information is not intended to address program efficacy (effectiveness), but whether a review of implementation has been performed. If no review was conducted, no further information on this question is necessary.

5. *Did the State make any modifications to the existing system strategy? If so, describe.*

   Explanation: A response to this question may include program modification, wording, or approach. States should identify the reasons for the modification(s), how these modifications were identified, and how they will affect the implementation and future goals of the program.

II. Reporting Period and Submittal Dates

The annual implementation reporting period must consistently reflect either the previous State or Federal fiscal year. The report must be submitted to the appropriate EPA Regional Office within 90 days of the end of the reporting period.