



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
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OFFICE OF
WATER

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CWSRF 02-04

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Subject: Applicability of EPA Quality Assurance Requirements to CWSRF and DWSRF Grants

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To: Water Program Managers

Grants made to states for Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs (40 CFR 35 Subpart K and L) are subject to quality assurance requirements outlined in the general grant regulations at 40 CFR 31.45¹. Region 1 has asked Headquarters for guidance on the applicability of an EPA Order 5360.1, which was released in May 2000, describing the policy and program requirements for EPA's mandatory agency-wide quality system. The purpose of this memo is to respond to the region's request and clarify quality assurance requirements for these grant programs.

¹*General Grant Regulations 40 CFR 31.45 Quality assurance.*

If the grantee's project involves environmentally related measurements or data generation, the grantee shall develop and implement quality assurance practices consisting of policies, procedures, specifications, standards, and documentation sufficient to produce data of quality adequate to meet project objectives and to minimize loss of data due to out-of-control conditions or malfunctions.

The scope of the EPA Order covers programs that encompass the collection, evaluation, and use of environmental data by or for EPA, and the design, construction, and operation of environmental technology by EPA. It applies to the Agency and may also apply by extension through appropriate regulations to extramural agreements including state, local and tribal governments receiving financial assistance under the authority of 40 CFR 31 and 35. Some of the activities that could fall under quality assurance (QA) requirements include environmental programs that:

- characterize environmental or ecological systems and the health of human populations;
- directly measure environmental conditions or releases, including sampling collection, analysis, evaluation, and reporting of environmental data;
- use environmental data collected for other purposes or from other sources (secondary data), including literature, industry surveys, compilations from computerized databases and information systems, results from computerized or mathematical models of environmental processes and conditions; and
- collect and use environmental data pertaining to the occupational health and safety of personnel in EPA facilities and the field.

Application to Infrastructure Projects

Unlike many provisions of the general grant regulations, which apply to both grantees and subgrantees, the quality assurance provision (40 CFR 31.45) applies only to the grantee (i.e., the state). Recipients of SRF assistance are not subject to quality assurance requirements.

Actions taken by the state to approve projects for financing do not involve environmentally related measurements or data generation. Therefore, quality assurance practices as outlined in 40 CFR 31.45 are not needed. However, as a best management practice, states should have procedures for project review in place to ensure that proposed projects are appropriate and reasonable. EPA can review state procedures during its annual review of a state's SRF program.

Application to DWSRF set-asides and CWSRF administrative funds

There are activities, particularly in the areas of source water protection, where environmental data could be collected by the state. Activities related to the conduct of source water assessments can require the compilation of information to determine the susceptibility of drinking water sources to potential sources of contamination. Measures that may be needed to protect source water could require that environmental data be collected to adequately assess threats and determine appropriate solutions to the problems identified. If a state CWSRF uses its administrative funds to conduct a watershed assessment in an effort to identify projects for funding, it might also have to collect environmental data. Such activities, when conducted by the grantee (i.e., the state), are subject to the quality assurance requirements in 40 CFR 31.45 and the EPA Order.

The goal of EPA and states should be to ensure that environmental data collected by the state for programs funded through the set-asides are of sufficient quality to allow for sound decision-making. States need to develop agency-wide Quality Management Plans (QMPs) detailing how they will manage quality assurance. In the absence of a QMP, states have developed program-specific Quality Assurance Project Plans (QAPP) for an entire grant program or for specific activities under grants while they await the development of state agency-wide QMPs. Because it may be appropriate for states to apply QA requirements to activities that may involve the collection of environmental data, we are proposing the following steps to ensure that states have programs in place to ensure that SRF funds are used effectively. Our objective is to ensure quality while also minimizing the potential burden that such requirements could place on states and EPA.

We propose the following steps for environmental data collection activities conducted by states that are funded through the SRF programs:

- If a state agency has a QMP approved by EPA, we take the view that the state has “primacy” for quality control. Thus, individual QAPPs developed for activities funded by the grantee are reviewed and approved by the state. These QAPPs are held on file by the state and can be requested and reviewed by EPA during programmatic reviews.
- If the state does not have a QMP in place, it should be working toward developing one. In the interim, QAPPs developed by states must be approved by EPA.
- States should make use of approved QAPPs that may be in place within state drinking water or water quality programs if they include activities that are similar to those conducted through the SRF programs. If the activities are not included, the state should work to amend existing QAPPs rather than develop new ones.

If you have additional questions, please contact Veronica Blette from the DWSRF program at (202) 564-4094 or Sheila Platt from the CWSRF Program at (202) 564-0686.

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