



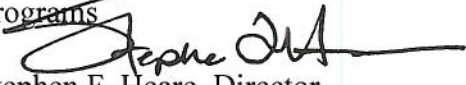
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460



OFFICE OF  
WATER

**MEMORANDUM**

**SUBJECT:** Conducting Internal and External Reviews on State Operator Certification Programs

**FROM:**   
Stephen F. Heare, Director  
Drinking Water Protection Division

**TO:** Drinking Water Program Managers  
Regions I-X

The purpose of this memorandum is to provide suggested methods for internal and external reviews of state operator certification programs, recommend who should perform the external reviews, and specify the type of information to be included in the annual operator certification program implementation report. This document is not intended to provide a set of definitive requirements which EPA will use to make Drinking Water State Revolving Fund (DWSRF) withholding decisions, but instead is meant to provide guidance by which the states can conduct both internal and external reviews to determine if their programs are being implemented effectively, and to determine if any revisions need to be made to these programs.

**Background**

The 1996 Amendments to the Safe Drinking Water Act provide for the development and implementation of a federal operator certification program through rules and funding pursuant to §1419 of the Act. Under these rules, EPA was directed to publish guidelines in cooperation with states, federal agencies, and other stakeholders with the purpose of developing minimum requirements for an acceptable state drinking water operator certification program. Under section 1419, states must meet requirements contained in EPA's operator certification guidelines to avoid DWSRF capitalization grant withholding. There are no other sanctions for states with operator certification programs that do not meet the requirements of the guidelines. Working with stakeholders, EPA developed the resulting nine baseline standards, published in the February 5, 1999, *Federal Register Notice: Final Guidelines for the Certification and Recertification of the Operators of Community and Noncommunity Public Water Systems*.

States are given flexibility in the creation of their operator certification programs provided they meet the minimum requirements covered by the nine standards. The standards prevent backsliding in states which had existing programs containing more stringent requirements. Due to the broad nature of the nine baseline standards, some

states have requested additional information to assist in successfully meeting and implementing the requirements. This document is intended to provide further direction in addressing Baseline Standard 9, Program Review. More specifically, Baseline Standard 9 refers to state internal and external operator certification program reviews.

### **Baseline Standard 9**

This standard reflects the need for a state to periodically conduct a review of its certification program through both internal and external reviews. These external reviews may utilize interested stakeholders such as water system operators, third-party trainers, non-profit organizations, and other governmental stakeholders to evaluate the program, with respect to a state's training and certification activities.

#### *Program Review:*

*States must perform reviews of their operator certification programs. EPA recommends that States perform periodic internal reviews and occasional external/peer reviews. Examples of items to review include: regulations, exam items for relevancy and validity, compliance, enforcement, budget and staffing, training relevancy, training needs through examination performance, and data management system.*

Some additional information regarding internal and external reviews can be found in EPA 816-R-00-022 (January 2000), "EPA Operator Certification Guidelines, Implementation Guidance." The section entitled "Initial Submittal Contents," contains a list of items that states may have included in their initial submittal package which can be used in developing the procedure for an internal or external review ([epa.gov/safewater/operatorcertification/pdfs/guide\\_operatorcertification\\_implementation\\_guidance.pdf](http://epa.gov/safewater/operatorcertification/pdfs/guide_operatorcertification_implementation_guidance.pdf)).

### **Purpose of the Reviews**

A state's review of its drinking water operator certification program is a critical mechanism to assist in continually improving the program and to help ensure the protection of public health. Many things can change over time that can affect a state's drinking water operator certification program, such as funding sources and allocations, federal and state regulations, state appropriations, and political issues. Thus, states are to conduct reviews of their drinking water operator certification programs and include the results of the reviews in their annual operator certification program implementation reports. EPA is not requiring this information for the purpose of determining the success of a state program but to ensure that the state is itself conducting this review to ensure that its program resources are being effectively utilized.

EPA recommends that part of the review process consist of internal program reviews every three years and external/peer reviews every five years. Some parts of a state program need more frequent review, such as training activity and budget. Other elements of programs that fulfill longer term planning needs may not need continual review but should be done periodically, such as every three years. States should review all elements that are necessary to their programs and their successful implementation. All

elements may not need to be discussed in each of the review reports, but rather the state may focus on any significant changes made to the program. Any states currently conducting internal and external reviews are reminded of the antibacksliding clause. The reviews completed and respective reports created must not be less stringent than those previously conducted unless justified by the state and approved by EPA.

### **Internal Reviews: Every 3 Years**

Internal reviews are those reviews performed within the implementing agency. EPA recommends internal reviews be performed every three years, and can be in the form of informal or formal discussions. These discussions are intended to help the program with both establishing and reviewing short- and long-term goals and evaluating the implementation of the program. Internal review information is reported directly in the operator certification annual report. In some cases, states may use the annual federal reporting requirements to initiate an informal internal review of the program to ensure the annual reporting is timely and accurate.

EPA recommends that states having meetings with their training providers and/or stakeholders each year provide in their annual reports a brief description of the issues discussed. If the state calls a special meeting with stakeholders, a summary of the issues and the outcomes should be described in the annual report. Internal meetings to discuss enforcement, budget, staff, data management, etc., are to be reported with a brief description of the outcome in the annual report. Elements to consider when conducting an internal review include, but are not limited to, the following:

- Staffing
- Budget
- Exam Reviews
- Compliance Rate Determination
- Regulation Review
- Enforcement
- Status of Certified Operators/Trends
- Training/Testing
- Renewals
- Database Management
- EPA Expense Reimbursement Grants
- Outreach
- Stakeholder Involvement

After each element is reviewed, states should also be sure to address any changes that have occurred since the last internal review. Further changes as well as improvements and future direction should also be considered. The Appendix provides questions to consider when reviewing each element.

### **External Reviews: Every Five Years**

External reviews are performed every five years by an entity outside the state operator certification program primacy agency for the purpose of providing the state with

a report describing the results of the review and listing recommendations for improving their program. EPA recommends states perform an external review every five years focusing on specific areas of a state's program or encompassing the entire program. In any year in which an external review is performed, the resulting report may be referenced and attached to the state operator certification program annual report. Elements included in an external review could include the following (See Appendix for questions to consider when reviewing each element):

- Staffing
- Budget
- Exam Reviews
- Compliance Rate Determination
- Regulation Review
- Enforcement
- Status of Certified Operators/Trends
- Training/Testing
- Renewals
- Database Management
- EPA Expense Reimbursement Grants
- Outreach
- Stakeholder Involvement
- State Regulation Changes
- Strategic Planning
- Primacy Agency delegation/changes

External reviewers can assist the state in developing a long-term strategic plan, in developing goals, or in providing feedback on progress made to date in implementing the state's strategic plan. When creating a strategic plan, milestones can help to ensure continuing progress in improving the program and in reaching the set goals. The state and/or external reviewers can specify objectives, rationale, goals, and an action plan for each of the priorities established by the state. By clearly laying out the details of the plan, the state will be in a better position to ensure a successful operator certification program.

### **Funding an External Review**

States fund their operator certification program either through the fees generated by the program implementation or through direct appropriations from the state. States considering external reviews may experience limitations with funding and resources needed to conduct the review. Funding can come from several sources which can include but are not limited to: fees generated from certification and examination, State legislature appropriations, PWSS support, and DWSRF Programmatic set-asides. States will need to plan ahead for the funding to conduct external reviews using existing funding sources.

The PWSS programmatic set-aside, provided for under the Drinking Water State Revolving Fund (DWSRF), enables a state to use up to 10 percent of its DWSRF program. Funding for an external review would be an allowable use under this set-aside,

and EPA suggests that states open a dialog with their counterparts in the state drinking water program and DWSRF programs to discuss future possibilities.

**Further Information**

This document is intended to assist states in developing their efforts to conduct internal and external reviews of their operator certification programs. It is not intended to require that each review element described in this document be included in all reviews, nor will the results of the reviews be used by EPA in making withholding determinations. If you have any questions you may contact me at (202) 564-7992, or have your staff contact Meghan Klasic at (202) 564-8221.

cc: Operator Certification Coordinators, Regions I-X

## **Appendix**

### **Elements to Review Internally and Externally**

Discussions within the state agency conducting the review and with other state agencies are important for ensuring the implementation of the state operator certification program. These reviews can help identify trends and their specific successes and challenges in the renewal cycle, and supports state efforts to set both short- and long-term goals for their programs. Some suggested topics and questions to address are as follows:

#### **Staffing**

1. What are the numbers/hours of FTEs that work on the operator certification program?
2. What are the functions performed per FTE (e.g., 1 FTE tracks request for certification exam, 2 FTEs track renewal status, etc.)?
3. Is there a backlog for responding or taking appropriate action per program function?

#### **Budget**

1. What are the annual expenses itemized by program function?
2. What are the annual salary expenditures itemized by position?
3. What is the source of funds (i.e., certification fees, exam fees, dedicated fund, etc.)?

#### **Exam Reviews**

1. How are certification exams provided? How often are they provided?
2. How are certification exams scored?
3. Does the program develop exams or purchase exams? If purchased, from which organization?
4. Review certification exams for accuracy. How are they validated?
5. How often are exams reviewed for relevancy and how is this documented/addressed?
6. Provide documentation on changes made as a result of relevancy review.
7. Present annual pass/fail rates by license/certification category and if possible, system type and size.

#### **Compliance Rate Determination**

1. Provide certified operator compliance rates based on the number of systems required to have a certified operator.
2. If possible, break compliance rates out by certification type, system type, and size.

#### **Regulation Review**

1. Provide documentation of how often the operator certification program rules, regulations, and/or policies are reviewed, including by whom.
2. Provide documentation of any changes made as a result of a regulation review.

**Enforcement**

1. What enforcement actions are taken against operators with no or improper licensing?
2. What enforcement actions are taken against systems with no or improperly licensed operator(s)?
3. What is the result of these enforcement actions?

**Status of Certified Operators/Trends**

1. What is the process for tracking operator certification status?
2. Are there any trends related to the total number of operators or by certification level?
3. Are there any trends related to the distribution of operators across system size or type?

**Training/Testing**

1. What is the approval process for training courses for CEUs?
2. How is training provided for CEUs?
3. How often is training provided? Is it enough to meet demand?
4. Are there any training needs that are not currently being met?

**Renewals**

1. What is the process for renewal? Have any changes been made?
2. How is operator renewal status tracked?
3. Is there a separate training program for renewals that is provided by the program?

**Database Management**

1. Is there one or are there multiple databases that contain certified water operator information?
2. Is the database online and accessible to operators?

**EPA Expense Reimbursement Grant (ERG)**

1. How do you advertise use of ERG (e.g., free training, free certification, etc.)?
2. How are/were ERG funds spent? What activities is your program supporting?
3. Is the program on track to use all ERG funds by the end date?
4. What are other potential uses for unexpended funds?

**Outreach**

1. Does your program have a user-friendly and up-to-date website?
2. How do you inform operators of available training?
3. Do you do any outreach to inform your communities about your operator certification program or employment opportunities?

**Stakeholder Involvement**

1. Who are your stakeholders?
2. What efforts have you made to reach out to your stakeholders and local partners?

3. What role do your stakeholders play in your operator certification program?

**After each of the elements of the operator certification program has been reviewed, consider the following questions:**

1. Have any changes occurred since the last internal/external review?
2. If changes have occurred, did they improve the program?
3. How do you measure improvements?
4. What changes still need to be made?
5. What improvements to the operator certification program can be made?
6. What do you see as the future direction of your operator certification program?