

Reclamation Manual

Directives and Standards

Subject: Feasibility Studies

Purpose: Sets forth the responsibilities and the basic requirements for feasibility studies conducted within Reclamation.

Authority: The Reclamation Act of June 17, 1902, (32 Stat. 388, 43 U.S.C. 391) and acts amendatory thereof and supplementary thereto; the Federal Water Project Recreation Act of July 9, 1965 (Public Law 89-72, 79 Stat. 213); and the Water Resources Planning Act of July 22, 1965 (Public Law 89-80, 79 Stat. 244).

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1. **Scope.** Feasibility studies are detailed investigations specifically authorized by law to determine the desirability of seeking congressional authorization for implementation. They require acquisition of primary data and participation of public agencies and entities and the general public to develop a preferred plan from a range of alternative courses of action to meet recognized needs, problems, and opportunities associated with the planning area of concern. Funding for feasibility studies appear as specific line items in the Energy and Water Development Appropriations Act for any given year.
2. **Authority.** Appraisal studies, special studies, and/or technical investigations and reports are authorized under Federal Reclamation Law (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto). However, feasibility studies cannot be initiated until specifically authorized in accordance with the Federal Water Project Recreation Act (Public Law 89-72, Section 8; 79 Stat. 217). The Secretary of the Interior is provided general authority under Title XVI of Public Law 102-575, as amended, to conduct feasibility studies to investigate opportunities for wastewater reclamation and reuse. Because of the unique provisions of projects authorized and funded under Title XVI, feasibility studies for these projects will follow *Guidelines for Preparing, Reviewing, and Processing Proposals Under Title XVI of Public Law 102-575, as Amended*.
3. **Prefeasibility.** The responsible manager will normally initiate prefeasibility activities in the year prior to appropriation of funds based on the inclusion of the specific investigation in the President's budget proposal. Prefeasibility activities may include preparation of plans of study and preparation of cost-sharing agreements. These initial activities may be performed as part of an existing Geographically Defined Program (GDP) or General Planning Activities (GPA) account; however, feasibility investigations are not to be conducted within a GDP or GPA. When prefeasibility activities have concluded and the investigation is ready to proceed to feasibility, the study must be authorized by Congress and presented as a line item in the budget.

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4. **Appraisal Studies.** The responsible office will propose proceeding to feasibility based on the results of an appraisal study. Appraisal studies are brief preliminary investigations to determine the desirability of proceeding to a feasibility study. They use primarily existing data and information to identify plans for meeting current and projected needs and problems of the planning area. The appraisal study will identify at least one potential solution that requires Federal involvement or identify an array of options that have been screened and evaluated to substantiate potential Federal involvement.

5. **Feasibility Studies.**
 - A. Feasibility studies include additional data collection and analyses to develop and consider a full and reasonable range of alternatives. Feasibility studies will be conducted consistent with the *Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies* (P&G).

 - B. The feasibility study process will include such items as: identification of present and future conditions, identification of problems and needs, evaluation of resource capabilities, formulation of alternative plans, analysis and comparison of alternatives, and plan selection. An iterative process is used to refine alternatives to arrive at a National Economic Development (NED) plan or preferred plan that reasonably maximizes net NED benefits with acceptable impacts to the ecosystem and human environment. Alternatives optimizing Environmental Quality, Regional Economic Development, and Other Social Effects may also be developed and presented. Innovative approaches to the solution of resource problems are encouraged. The responsible office shall implement a process to involve all diverse resource interests in the study.

 - C. Feasibility studies will normally be integrated with compliance under the National Environmental Policy Act (NEPA), Fish and Wildlife Coordination Act, Endangered Species Act, National Historical Preservation Act (NHPA), and other related environmental and cultural resource laws. These activities will proceed concurrent with the feasibility study and culminate in an integrated planning report/NEPA compliance document (PR/NEPA Document). The Reclamation NEPA Handbook and NEPA compliance personnel will be consulted for specific guidance in the process. The review process for integrated PR/NEPA documents will follow NEPA, NHPA, and other appropriate review processes. Feasibility studies will also comply with State, Tribal, and local environmental and cultural resource laws and ordinances, as appropriate.

6. **Cost Sharing.** Feasibility studies require sharing of the investigation costs with a non-Federal cost-sharing partner, in accordance with OMB Circulars (A-21, A-87, A-122, and A-133) and Reclamation's *Criteria and Procedures for Reviewing Cost-Share Agreements on*

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Reclamation Projects. The Reclamation *Financial Assistance Handbook* provides guidance for completing cost-share agreements. Cost sharing may be in the form of in-kind services, cash payments, or a combination of the two. The non-Federal cost share will be equal to or exceed 50 percent of the total study costs. Should costs increase during the course of study, at least a 50-percent cost-share ratio must be maintained. Less than 50-percent cost share may be justified if an overwhelming Federal interest in the study can be documented. Cost sharing for feasibility studies involving Indian Tribes will be negotiated on a case-by-case basis. Prior to any significant expenditure of Federal funds, a signed cost-sharing agreement with the non-Federal partner is required. The agreement will specify the method and schedule for payment or in-kind services.

7. **Accountability and Documentation.**

- A. **Cost Sharing.** Cost-share documentation will be in accordance with OMB Circulars (A-21, A-87, A-122, and A-133) and Reclamation's *Criteria and Procedures for Reviewing Cost-share Agreements on Reclamation Projects*. The Reclamation *Financial Assistance Handbook* provides guidance for completing cost-share agreements. The responsible manager will maintain records of the non-Federal partner's contributions considered for cost-sharing purposes. The non-Federal partner(s) will periodically submit a formal record of cost-sharing activities or transfers of funds to Reclamation. The responsible manager will review the contributions to verify applicability and value of in-kind services. At the conclusion of the cost-shared study, the responsible manager will prepare documentation of Federal and non-Federal contributions, with supporting information. For studies that are multi-year, annual cost-sharing documentation will be prepared. Conditions for Reclamation and the non-Federal partner(s) cost-share reporting will be included in the cost-sharing agreement.
- B. **Feasibility Studies.** The results of feasibility studies will be documented in a PR/NEPA document or a concluding report and approved by the Regional Director. Interim documents may be developed at the discretion of the responsible office to highlight important decision points and facilitate team review. The need for interim documents will be determined during scoping and documented in the plan of study.
- C. **Government Performance and Results Act (GPRA).** The manager conducting the feasibility study will be responsible to comply with the reporting requirements of GPRA.