

Rural Water Supply Program Fact Sheet

Rural Water Supply Program Overview

The Rural Water Supply Program was authorized by Title I of P.L. 109-451, the Rural Water Supply Act of 2006 (Act). This Program enables Reclamation to assist rural communities in the western United States with the planning and design of projects to develop and deliver potable water supplies. Rulemaking to establish the programmatic criteria for the program was conducted with public comment in 2008. The interim final rule became effective in 2009 and the Directives and Standards, which further define Program requirements, responsibilities, and review processes, became effective in 2010.

Under the Program, states (or a political subdivision of a state), Indian tribes, and entities created under state law with water management authority can seek financial and technical assistance to undertake appraisal investigations and feasibility studies to explore potable water supply needs and options for addressing those needs. In the Program's first year, Reclamation funded ten appraisal investigations and three feasibility studies. In 2011, seven appraisal investigations and two feasibility studies were awarded.

While the Act provides Reclamation the authority to undertake appraisal investigations and feasibility studies, it does not provide authority to undertake the construction of water delivery facilities recommended for development under the Program. Construction of a project requires a specific Act of Congress.

Federal Assistance for Planning Rural Water Projects

Assistance is available for appraisal investigations and feasibility studies for rural water supply projects intended to serve a community or group of communities, including Indian tribes and tribal organizations, each of which has a population of no more than 50,000 people, with domestic, industrial, municipal, and residential water. Eligible rural water supply projects do not include commercial irrigation or major impoundment structures. While water supply for commercial livestock operations and other industrial uses are allowable under the program, investigations and studies for projects that will provide water primarily for domestic, residential, and municipal uses will receive higher priority consideration.

Eligible entities can participate in the Program by:

1. Working with Reclamation to complete an appraisal investigation or feasibility study;
2. Seeking a grant or entering into a cooperative agreement with Reclamation to complete an appraisal investigation or feasibility study themselves or through their own contractor (both in cooperation with Reclamation); or
3. Submitting an appraisal investigation or feasibility study prepared without any financial or technical support from Reclamation for review and inclusion in the Program. This option provides eligible applicants the opportunity to have Reclamation review a previously completed appraisal investigation or feasibility study and prepare a report with recommendations on whether to proceed to the next step in the planning process.

An appraisal investigation is an analysis of domestic, municipal, and industrial water supply problems, needs, and opportunities primarily using existing data and includes a preliminary assessment of

alternatives to determine if there is at least one viable alternative that warrants a more detailed investigation.

Appraisal investigations will provide a recommendation on whether a feasibility study should be initiated. Reclamation will pay 100-percent of the costs of appraisal studies up to \$200,000 and 50-percent for all costs above that amount.

A feasibility study is generally completed following the completion of an appraisal investigation, and a recommendation for proceeding to a feasibility-level analysis. It is a detailed investigation requiring the acquisition of primary data, and an analysis of a reasonable range of alternatives, including a preferred alternative. A technical and economic analysis is also completed.

Funding for feasibility studies is cost-shared. Reclamation will pay 50-percent and the non-Federal entity will pay 50-percent. Based upon a determination of financial hardship, Reclamation's share of the feasibility study may be increased.

Construction

The Act, the interim final rule, and the Directives and Standards do not impact projects that were authorized for construction prior to enactment.

Based upon the findings of a completed feasibility study, Reclamation will make a recommendation to Congress regarding the construction of a rural water supply project and the appropriate non-Federal share of construction costs. In general, the non-Federal project entities must pay 100 percent of all costs to operate, maintain and repair constructed projects in addition to paying a minimum of 25-percent of the capital construction costs. Non-Federal project entities may be required to pay more depending on the outcome of an analysis of their capability to pay. Indian tribe project beneficiaries may have all or part of their non-Federal construction costs deferred based upon their capability to pay.

Next Steps

To participate in this program, interested non-Federal entities must respond to the Fiscal Year 2011 Reclamation Rural Water Supply Program Funding Opportunity Announcement by January 31, 2011. The Funding Opportunity Announcement outlines all the requirements for requesting program assistance and can be found on www.grants.gov under Funding Opportunity Number R11SF80307.

As noted earlier, eligible entities can also participate by submitting an appraisal investigation or feasibility study prepared without any financial or technical support from Reclamation. If the submitted investigation or study meets the eligibility and prioritization criteria, it will be incorporated into the program. Eligible entities can submit their completed appraisal investigation or feasibility study to their local Reclamation Area Office without having to respond to the FOA. This option provides eligible entities the opportunity to have Reclamation review the previously completed appraisal investigation or feasibility study and, once determined to be complete and technically adequate, prepare an appraisal report or feasibility report, as applicable, on behalf of the entity. Contact your regional representative for additional information on submitting an independent investigation or study for review.