

# RECLAMATION

*Managing Water in the West*

## Rural Water Supply Act of 2006

P.L. 109-451



U.S. Department of the Interior  
Bureau of Reclamation

# Overview of Presentation

- **Part I: Requirements of Rural Water Supply Act of 2006**
  - Act deadlines
  - Action plan for meeting requirements
- **Part II: Key Provisions of the Act**
  - Eligibility
  - Definition of a rural water project
  - Prioritization of projects
- **Part II: Current Status**
  - Where are we now?

**Presentation – Part I**

**Requirements of the Rural  
Water Supply Act of 2006**

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# **The Rural Water Supply Act of 2006 - Signed on December 22, 2006**

- **Title I – Rural Water Program**
- **Title II – Loan Guarantee Program**

# Summary of the Act

- The Act authorizes the establishment of a rural water supply program in the 17 Western States
- The program will provide assistance with appraisal investigations and feasibility studies for rural water projects
- The Act does NOT authorize the construction of rural water projects
- A “rural water supply project” must serve a community or communities each with a population of less than 50,000, including Indian tribes, dispersed home sites and rural areas, with domestic, industrial, municipal and residential water.

# Title I - Requirements

- **Authorizes the establishment of a Rural Water Program**
- **Requires the development of Programmatic Criteria**
- **Requires both Appraisal and Feasibility Criteria**
- **Requires a Rural Water Program Assessment to evaluate other agencies' rural water programs and the status of ongoing rural water projects**

# Title I - Deadlines

- **Develop and Publish Criteria for Eligibility & Prioritizing Requests for Assistance**
  - **Promulgate Criteria for Assessing Appraisal Investigations**
  - **Promulgate Criteria for Assessing Feasibility Studies**
  - **Rural Water Program Assessment**
- **By December 2007**
  - **By December 2007**
  - **By June 2008**
  - **By December 2008**

# Rulemaking Required

- P.L. 109-451 requires that criteria be promulgated and published in the Federal Register
- This requires a rulemaking in accordance with the Administrative Procedures Act



# Interim Final Rule

- The rule will be drafted as an “Interim Final Rule”
- We anticipate publishing the Interim Final Rule in the Federal Register in February 2008
- An Interim Final Rule is effective upon publication
- Public review and comment will follow publication of the rule
- Rule will be re-published as “final” following public comment in August 2008

# Presentation - Part II

## Key Provisions of the Act

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# What is the Purpose of the Program?

- **Section 103(a) of the Act authorizes Reclamation to create a rural water supply program in Reclamation States to:**
  - Investigate opportunities to ensure safe and adequate rural water supply projects for domestic, municipal, and industrial use in small communities, Indian tribes and rural areas;
  - **Provide assistance with appraisal and feasibility studies** for rural water supply projects;
  - **Recommend to Congress that authorization be provided for the construction** of a rural water supply project; and
  - Oversee, as appropriate, the construction of rural water supply projects that are authorized by Congress.

# What Assistance Will Be Available Under the Program?

- Once programmatic criteria are developed, an eligible non-Federal entity will be able to:
  - **Request Reclamation to review and approve** a completed appraisal or feasibility study, developed with or without assistance from Reclamation
  - **Request a grant or cooperative agreement** to conduct an appraisal or feasibility study, or
  - **Request Reclamation to conduct an appraisal or feasibility study** in cooperation with the non-Federal project entity

# Does the Act Authorize Construction of a Rural Water Project?

- **No.** The Act does not authorize the construction of a rural water project
- The Act **authorizes Reclamation to provide assistance** with appraisal and feasibility studies
- Once a feasibility study is completed, **Reclamation must prepare a “feasibility report”** making a recommendation to Congress on whether it should authorize the project for construction and on the appropriate non-Federal cost share for construction
- **Congress must provide additional authority before a project can be constructed**

# What Types of Projects Will be Eligible for Assistance?

- An eligible “rural water supply project” is defined in the Act to include a project that:
  - Is designed to serve a community or group of **communities of not more than 50,000 inhabitants** (including tribes, dispersed home sites, or rural areas)
  - **Serves rural areas with domestic, industrial, municipal and residential water, and**
  - This can include **noncommercial livestock watering and noncommercial irrigation of vegetation** less than one acre
  - The Eligibility criteria will be included in the rule

# How Will Requests for Assistance Under the Program be Prioritized?

- The Act states that projects must be prioritized in accordance with factors, such as whether:
  - The project **applies a regional or watershed perspective**
  - There is an **urgent and compelling need for a project** to improve water quality or address water supply needs
  - The project **helps meet applicable legal requirements**, and
  - The project is **cost effective**

# What types of infrastructure can be included in a rural water project?

- **A rural water project can include:**
  - **Pumps, pipes, wells and other diversions**
  - **Storage tanks and small impoundments**
  - **Water treatment facilities including desalination facilities**
  - **Equipment and management tools for water conservation, groundwater recovery, and water recycling, and**
  - **Appurtenances**



# What Types of Projects are **not Eligible** for Assistance under the Act?

- A rural water project may NOT include:
  - Commercial irrigation, or
  - Construction of a major impoundment structure

# Will Ongoing Rural Water Supply Projects have to Comply with the Act?

- No. Rural water projects authorized prior to the **enactment** of P.L. 109-451 are not subject to the requirements of the Act

# Are there Cost Share Requirements?

- **Yes.** The cost share requirements for appraisal and feasibility studies are as follows:
  - Reclamation will pay for **100%** of the cost of an appraisal study up to **\$200,000**. The non-Federal entity must provide **a 50% cost share for any costs exceeding \$200,000**
  - The **non-Federal entity is responsible for 50% of the total cost of the feasibility study**. In-kind contributions are allowed

# Does the Act Discuss Cost Share Requirements for Construction?

- **Yes.** Reclamation's feasibility report must state the appropriate non-Federal share of construction costs
- The non-Federal share must be:
  - **At least 25% of the total construction costs**
  - Determined **based on an analysis of the capability to pay** information included in the feasibility study
- Reclamation's feasibility report must also state:
  - What amount of grants, loan guarantees, or a combination of those, should make up the Federal cost share; and
  - A schedule identifying the portion of OM&R costs allocated to each non-Federal entity participating

# Are Guaranteed Loans Available for Rural Water Projects?

- **Yes. Guaranteed loans are available for the construction of a rural water project, once Congress has authorized construction.**

# Presentation – Part III

## Current Status

# Where Are We Now?

- Final rule in September 2008

# Who Can I Contact for More Information on Reclamation's Rural Water Supply Program?

- Please Contact:
  - ✚ Either of the Program Managers:  
James Hess  
[JHess@usbr.gov](mailto:JHess@usbr.gov)  
(202) 513-0543  
Or  
Avra Morgan  
[aomorgan@do.usbr.gov](mailto:aomorgan@do.usbr.gov)  
(303) 445-2906
  - ✚ Mid Pacific Region Coordinator  
Tracy Slavin  
[Tslavin@mp.usbr.gov](mailto:Tslavin@mp.usbr.gov)  
(916) 978-5202