of a feasibility study are available at
your local Reclamation office. Reclama-
tion will notify you in writing of the
outcome of this determination
within 90 business days from the date
of Reclamation's receipt of the feasi-
bility study;
(b) If the feasibility study does not
include the required information, you
will be notified in writing of the rea-
sons why, and you will have an oppor-
tunity to make changes and re-submit
the corrected feasibility study to Rec-
clamation for additional review. Where
appropriate, Reclamation will work
with you to suggest approaches to cor-
rect the feasibility study;
(c) Once Reclamation determines
that the feasibility study includes all
of the required information, Reclama-
tion will review the study to deter-
mine, based on application of the cri-
teria set forth in §404.49, whether or
not it is appropriate to recommend to
Congress that it authorize construction
of the project;
(d) Reclamation's review of the feasi-
bility study will take no longer than
180 business days from the date that
Reclamation determines that the study
includes all of the required information
and is ready for review; and
(e) Reclamation will document its
findings in a feasibility report, as more
fully described in section §404.50.

§ 404.49 What criteria will Reclamation
use to determine whether to rec-
ommend that a proposed rural
water supply project be authorized
for construction?
In reviewing a feasibility study, Reclama-
tion will assure that the proposed
project is consistent with the policies
and programs of the President and will
apply the following criteria to evaluate
and determine whether it is appro-
priate to recommend authorization for
construction:
(a) The degree to which the project
meets the prioritization criteria in
§404.13;
(b) The outcome of the environ-
mental analysis;
(c) Whether there is a Federal inter-
est in the project, including:
(1) A clearly defined Federal nexus to
a proposed project;
(2) The Federal cost of the project in
relation to the amount of Federal re-
sources likely to be available; and
(d) Whether the recommended project
alternative is clearly supported by the
feasibility study, based on application
of the following factors, including the
extent to which the alternative:
(1) Addresses near and long-term
water demand;
(2) Advances public health and safety
and consideration of other benefits of
the proposed rural water supply
project;
(3) Addresses environmental quality
and source water protection issues;
(4) Addresses opportunities to treat
and use low-quality or non-potable
water, water-reuse based supplies, and
brackish and saline waters, through in-
novative and economically viable
treatment technologies;
(5) Addresses opportunities for water
conservation through structural or
non-structural approaches and dem-
onstration technologies to reduce
water use and water system costs;
(6) Addresses opportunities to take
advantage of economic incentives and
the use of market-based mechanisms;
(7) Includes a reasonable and sup-
ported estimate of construction costs
and operation, maintenance, and re-
placement costs;
(8) Is consistent with the Principles
and Guidelines (incorporated by ref-
erence at §404.4);
(9) Includes a reasonable and sup-
ported operation, maintenance, and re-
placement plan to assist the project
sponsor in establishing rates and fees
and a schedule identifying how those
costs should be allocated to each non-
Federal project sponsor;
(10) Demonstrates your financial ca-
pability to pay at least 25 percent of
the design and construction costs and
100 percent of the operation, mainte-
nance, and replacement costs;
(11) Is eligible for guaranteed loans;
(12) Includes adequate administrative
and financial controls to manage con-
struction and operation, maintenance,
and replacement of the project;
(13) Is eligible for assistance under
other Federal authorities to pay for
discrete features or portions of the
project;
(14) Is technically feasible and can be constructed within industry standards;
(15) Involves partnerships with other state, local, or tribal governments or Federal entities; and
(16) In the case of Indian tribes and tribal organizations, the extent to which the alternative addresses the goal of economic self-sufficiency;
(17) The degree to which the proposed project demonstrates that it has clear deliverables, will be accomplished within a reasonable schedule, within budget, and is well managed; and
(18) Other factors and criteria that Reclamation deems appropriate.

§ 404.50 What information will be included in the feasibility report prepared by Reclamation.

The feasibility report prepared by Reclamation will include:
(a) Reclamation’s finding as to whether the proposed rural water supply project is feasible and the reasons supporting that determination;
(b) A recommendation to Congress regarding whether or not the proposed rural water supply project should be authorized for construction, and the reasons supporting the recommendation. This recommendation will be based on Reclamation’s review of the feasibility study and its application of the criteria set forth in § 404.49; and
(c) If the rural water supply project is recommended for construction, the feasibility report will also include:
(1) The appropriate Federal and non-Federal share of the capital construction costs for the project and for projects involving multiple project sponsors, the portion of those costs allocated to each project sponsor;
(2) What amount of grants, loan guarantees, or combination of grants and loan guarantees should constitute the Federal share of the project;
(3) The annual operation, maintenance, and replacement costs, and the portion of those costs allocated to each project sponsor participating in the rural water supply project; and
(4) An assessment of the financial capability of each project sponsor participating in the rural water supply project to pay the portion of the construction and operation, maintenance, and replacement costs allocated to it.

§ 404.51 Are proposed projects under the Rural Water Supply Program reviewed by the Administration?

Yes. The Administration will review all projects proposed for funding under the Reclamation’s Rural Water Supply Program. This includes review under Executive Order 12322 to determine whether the project is consistent with the policies and programs of the President. This review will occur before the feasibility report is finalized.

§ 404.52 Who will the feasibility report be provided to?

Upon its completion, Reclamation will:
(a) Provide the feasibility report to you;
(b) Submit the feasibility report to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives;
(c) Make the report publicly available, along with associated study documents; and
(d) Publish in the FEDERAL REGISTER a notice of the availability of the results.

Subpart E—Miscellaneous

§ 404.53 Does this rule provide authority for the transfer of pre-existing facilities from Federal to private ownership, or from private to Federal ownership?

No. This rule does not authorize the transfer of pre-existing facilities or pre-existing components of any water system from Federal to private ownership, or from private to Federal ownership.

§ 404.54 Who will hold title to a rural water project that is constructed following the completion of an appraisal investigation or feasibility study under this program?

Title to any rural water project planned, designed, and recommended for construction under this program will be held by the non-Federal project sponsor.