

## 2010 SUPPORTING STATEMENT

(0572 – 0110)

### 7 CFR 1778, Emergency and Imminent Community Water Assistance Grants

#### A. Justification

1. Explain the circumstances that make the collection of information necessary.

The Rural Utilities Service (RUS) is requesting OMB clearance of the reporting requirements for 7 CFR Part 1778, Emergency and Imminent Community Water Assistance Grants (ECWAG). The legislative authority for this program is under Section 306A of the Consolidated Farm and Rural Development Act, (7 U.S.C. 1926(a)), as amended. RUS is authorized to make grants under Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)).

This regulation is used to administer grants made to rural communities under the ECWAG program. The objective of the program is to award grants to rural communities that have experienced a significant decline in quantity or quality of water or expect such a decline to be imminent. The grants assist the rural communities in obtaining or maintaining adequate quantities of water that meet the standards of the Safe Drinking Water Act (SDWA), (42 U.S.C. 300f, et seq.).

There are two levels of grant limits-\$500,000 and \$150,000. Grants not to exceed \$500,000 may be made for a project that alleviates a significant decline in potable water quantity or quality. These funds may be used for the construction of new wells, reservoirs, transmission lines, treatment plants, and other sources of water (water source up to and including the treatment plant). Grants up to \$150,000 may be made for a project that will remedy an acute shortage or significant decline in the quality or quantity of potable water in an existing system. The funds may be used for distribution waterline extensions, repairs or partial replacement on distribution waterlines, and operation and maintenance items on a distribution system.

Grants made under this program shall be made for 100 percent of eligible project costs. At least 50 percent of the grant funds are targeted to rural areas with populations not in excess of 3,000. Additionally, the rural area's median household income must not exceed 100 percent of a State's non-metropolitan median household income.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

The program provides grants that assist the residents of rural areas and small communities to secure adequate quantities of safe drinking water. RUS anticipates receiving 100 applications annually but approving 50 grants each fiscal year based on the past three years experience. Grants under this program may be made to public bodies and private nonprofit corporations serving rural areas. Public bodies include counties, cities, townships, incorporated towns and villages, boroughs, authorities, districts, and other political subdivisions of a state. Public bodies also include Indian Tribes on Federal and State reservations and other Federally-recognized Indian tribal groups in rural areas. Applicants will provide information to be collected as part of the application and grant process through certain documentation, certifications, or completed forms. Failure to collect the information would hinder the making of grants authorized by the Act.

An eligible applicant submits an application package and other information for a project to Rural Development field offices. The application package consists of the reporting and recordkeeping items cleared under OMB Number 0572-0121 (7 CFR Part 1780, Water and Waste Loan and Grant program). Applications who are eligible for ECWAG must also address items (a) and (b) below. The reporting burden is described as follows:

a. Documentation that a significant decline occurred within 2 years of filing an application or an emergency is considered imminent (to occur within 12 months of filing an application). Grants are authorized to alleviate a significant decline in the quantity or quality of potable water available to rural residents from water supplies. A significant decline in the quality of potable water occurs when the water source or delivery system does not meet SDWA requirements because of an emergency. A significant decline in the quantity of potable water occurs when an emergency disrupts the water supply, preventing the water source or delivery system from supplying water to the rural residents.

The applicant must demonstrate that the decline occurred within two years of the date the application was filed with RUS. For imminent decline, the applicant must demonstrate that the decline is likely to occur within 12 months of filing an application with RUS. Documentation evidencing a significant decline is imminent or has occurred may be obtained from State agencies that record such information, logs of well tests, water use records of the applicant, etc. The documentation could include anything that would indicate that a sufficient quantity or quality of water was available in the past, is unavailable now, and the decline occurred within the last two years. For imminent decline, the documentation could include anything that would indicate that a sufficient quantity or quality of water was available in the past but will not be available within the next 12 months.

b. Certification of compliance with the Safe Drinking Water Act. Grantees will be required to obtain a certification from the State agency or the Environmental Protection Agency stating that the proposed improvements will be in compliance with the requirements of the SDWA (42 U.S.C.). This reporting burden will help assure that projects will be constructed to meet the requirements of the SDWA and provide rural residents a supply of safe drinking water.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of

information technology, e.g., permitting electronic submission and responses, and the basis for the decision for adopting this means of collection.

Rural Utilities Service is committed to meeting the requirements of the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

The forms cleared under 0572-0121, which form the basic application for this program, are available on the RUS web site at <http://www.usda.gov/rus/water/wwforms.htm>. The forms are also available on the Web at the USDA Service Center Agencies (SCA) Online Services site. Applicants may find the forms needed for this program, complete them online, store them in electronic format, and print them for submission with the application package.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

RUS has reviewed all financial assistance programs it administers to determine which programs may be similar in intent and purpose. If applicants or borrowers are applying to or participating in more than one Rural Development program simultaneously, the Agency makes every effort to accommodate the requests within the same set of applications and processing forms. For example, if an applicant is filing under the Water and Waste Loan and Grant program simultaneously with the ECWAG program, the forms cleared under 0572-0121 would be used once. The application could be separated into parts applying to the ECWAG program and the Water and Waste program. If applicants are applying for or receiving a loan or other financial assistance from another Federal agency, RUS would use the forms and documents furnished the other agency as much as possible. However, the ECWAG program requires information unique to each borrower and each specific emergency be collected from applicants only applying for grants under 7 CFR 1778. Therefore, the information is not duplicated.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-1), describe the methods used to minimize burden.

Information will be collected from small entities, which will be affected by the reporting burden. The information to be collected is in a format designed to minimize the paperwork burden on small businesses and other small entities. The information collected is the minimum needed by the Agency to carry out the grant program authorized by the Act.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collected under this program is the minimum necessary to conform to the requirements established by law and the program regulations. Information is collected when the applicant files an application for a grant for the purposes outlined in 7 CFR 1778. It cannot be collected less frequently and meet the requirements of the program. Failure to collect proper

information could result in improper determinations of eligibility or improper use of funds. Therefore, the information cannot be conducted less frequently.

7. Explain any special circumstances that would require an information collection to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly. There are no information collection requirements that require specific reporting on more than a quarterly basis.
  - b. Requiring written responses in less than 30 days. There are no information requirements for written responses in less than 30 days.
  - c. Requiring more than an original and two copies. There are no specific requirements for information that requires more than an original and two copies.
  - d. Requiring respondents to retain records for more than 3 years. There are no requirements to retain records more than 3 years unless there is an exception of the type outlined in the USDA uniform assistance regulations or OMB uniform administration requirements for grants.
  - e. That is not designed to produce valid and reliable results that can be generalized to the universe of study. There are no such requirements.
  - f. Requiring use of statistical sampling which has not been reviewed and approved by OMB. There are no such requirements.
  - g. Requiring a pledge of confidentiality. There are no such requirements.
  - h. Requiring submission of proprietary trade secrets. There are no such requirements.
8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

In accordance with 5 CFR 1320.8(d), a Notice and request for comments on this information collection activity was published in the FEDERAL REGISTER on September 9, 2009, at 74 FR 46409. No public comments were received.

The following applicants were contacted in August 2009 to determine the burden on the public:

Dan McIntosh, Manager  
Southern Iowa Rural Water Association  
1391 190<sup>th</sup> Street  
Creston, IA 50801

Telephone: 641-782-5744

Southern Iowa Rural Water Association has had several projects funded through the ECWAG program. The manager credits the Rural Development staff with helping the organization navigate the information to be collected. He stated that the instructions seem to be straight-forward. In cases where the project involved both regular Water and Waste funds and ECWAG funds that were requested later, the Rural Development staff requested information related to the ECWAG only. Documenting the emergency or imminent threat consumed some time; however, the manager recognized that it was necessary to justify the funding requested in the application. Given the organization's experience with RUS programs and the application process, the burden was appropriate.

Dana Simon, Project Engineer  
Sellers & Associates  
148 Easy Street  
Lafayette, LA 70506-3050  
Telephone: 337-232-0777

Sellers & Associates has worked with several Louisiana borrowers on projects using the regular Water and Waste program and ECWAG projects. The project engineer, having helped borrowers with paperwork and other information collection, was familiar with the application process of RUS. She stated that providing some of the supporting information for the ECWAG program was easy for them to do, particularly when other funding was involved. She recommended that an applicant have the option to submit electronically the forms that can be downloaded from the Web and then submit larger hard copies of documents to the Rural Development offices. Otherwise, the burden was appropriate.

Jean Verbos, Administrator  
Gogebic Range Water Authority  
P. O. Box 445  
Ramsay, MI 49959  
Telephone: 906-667-0465

Gogebic Range Water Authority has used ECWAG twice. The manager reported that the information collection was not a burden since she was already familiar with the application process under the regular Water and Waste program.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors of grantees.

RUS has not made any decisions to provide payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents, and the basis for the assurance in statute, regulation, or agency policy.

No assurance of confidentiality is provided. Under the Freedom of Information Act, the public can request most data collected from respondents. The information collected under the provisions of these programs is not considered to be confidential. Organizations such as nonprofit entities and public bodies from which the information is collected ordinarily are required to make their activities available for public scrutiny.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

The information collected does not contain any questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

The information for this package was derived from past experience. The program level was \$6,749,461 in FY 2006, \$6,959,192 in FY 2007, and \$6,832,100 in FY 2008 for an average of \$6,846,917. Based on this level, the Agency anticipates making 50 grants.

See the attached spreadsheet. The collection is summarized as follows:

Regulation	Number of Respondents	Total Annual Responses	Total Annual Hours
7 CFR Part 1778	100	200	400

RUS estimates the burden to be \$14,400 to the respondents to comply with this regulation. The cost is based on 100 borrowers each completing 2 documents annually. The Agency estimates that for each request, approximately 50 percent of this time is professional and 50 percent is clerical.

Cost to the Public:

Professional time: 400 @ \$19.00 hr. = \$ 7,600.00  
 Clerical time: 400 @ \$17.00 hr. = \$ 6,800.00  
 Total: = \$14,400.00

The Department of Labor, Bureau of Labor Statistics, Standard Occupational Classification wage rates were used as the basis for the cost estimates. The hourly earnings for Clerical time in a non-metropolitan area are \$17.00 and Professional time earnings are \$19.00.

13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information.

There are no capital and start-up costs or purchase of services components involved with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The Federal Government processes applications under the Water and Waste Loan and Grant Program under regulations 7 CFR part 1780 (0572-0120) and this regulation. The cost to the Federal Government is estimated as follows:

Review of both documentation of an emergency or imminent threat and certification of compliance with the Safe Drinking Water Act will be made for 100 respondents and take 2 hours each to complete/review at the following cost:

$$4 \text{ hrs} \times 100 \times \$43.00 = \$17,200.00$$

The salary of \$43.00 per hour is based on a loan analyst (GS 12, step 2) plus 18 percent for fringe benefits. The total cost to complete review of the additional items required by this package is \$17,200 due to hourly wage increases.

15. Explain the reasons for any program change or adjustments reported in items 13 or 14 of the OMB Form 83-I.

This is an extension of a previously approved information collection.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

There are no plans to publish the information collected.

17. If seeking approval to not display the expiration date for OMB approval of the information collected, explain the reasons that display would be inappropriate.

No such approval is requested.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions requested.

**B. Collection of Information Employing Statistical Methods.**

This collection does not employ statistical methods.