

## § 725.8

(3) Where avoidance of floodplains cannot be achieved, minimization of adverse impacts and support of floodplain development, and preservation and restoration of natural and beneficial floodplain values;

(4) Where avoidance of wetlands cannot be achieved, minimization of adverse impacts and support of new construction in wetlands, and preservation and enhancement of natural and beneficial wetlands values; and

(5) Involvement of the public in the floodplain management and wetlands protection decisionmaking process.

(b) The Council's Floodplain Management Guidelines (43 FR 6030) shall be used as the basis for implementing the criteria in § 725.7(a)(1) through (5).

(c) The responsible official representing the regional planning sponsor shall, to the fullest extent of his or her authority, ensure that any activities carried out under his or her plans and programs meet the criteria in § 725.7(a)(1) through (5).

### § 725.8 Report, plan and recommendation development and review.

All reports, plans and recommendations received under section 104 of Pub. L. 89-80 shall be reviewed by the Council for reflection of and opportunities to meet the objectives of E.O. 11988 and 11990. This review shall be based on the criteria in § 725.7(a)(1) through (5), on E.O. 11988 and 11990, and on the Council's Floodplain Management Guidelines (43 FR 6030).

### § 725.9 Reviews of compliance.

Reviews of compliance performed pursuant to section 304 of Pub. L. 89-80 shall include analysis of each program's treatment of floodplain management and wetland protection in accordance with the manner in which these concepts are expressed in E.O. 11988, 11990, and the Council's Floodplain Management Guidelines (43 FR 6030).

## PART 740—STATE WATER MANAGEMENT PLANNING PROGRAM

Sec.

740.1 Purpose and scope.

740.2 Definitions.

740.3 State applications.

## 18 CFR Ch. VI (4-1-04 Edition)

740.4 State water management planning program.

740.5 Review and approval of State applications and programs.

740.6 Financial assistance.

740.7 Administration of financial assistance.

740.8 Reporting.

740.9 Recordkeeping.

740.10 Program review and assistance.

740.11 Federal/State coordination.

740.12 Amendments.

740.13 Supplemental instructions.

AUTHORITY: Water Resources Planning Act of 1965 (as amended), Pub. L. 89-80, 79 Stat. 244, 42 U.S.C. 1962c; Federal Grant and Cooperative Agreement Act of 1977, Pub. L. 95-224, 92 Stat. 3, 41 U.S.C. 501 *et seq.*; E.O. 12044, 43 FR 12660.

SOURCE: 45 FR 72010, Oct. 30, 1980, unless otherwise noted.

### § 740.1 Purpose and scope.

(a) In recognition of the role of the States as the focal point for the management of water and related land resources, this part establishes guidelines for financial and program assistance to States for water management planning programs which address each State's particular needs, which are based on established State goals and objectives, and which take into consideration national goals and objectives.

(b) The purpose of the State Water Management Planning Program (Program) is to provide financial and program assistance to participating States to support the development and modification of comprehensive water management planning programs.

(c) Funds made available under this part shall be used to establish, develop or enhance existing or proposed State water resources management and planning programs that are designed to address pertinent State and national goals and objectives, as well as the goals and objectives of Title III of the Water Resources Planning Act (Act), Pub. L. 89-80, as amended, by addressing in the Program the following:

(1) Coordination of the program authorized by the Act and those related programs of other Federal agencies;

(2) Integration of water conservation with State water management planning;

(3) Integration of water quantity and water quality planning;

(4) Integration of ground and surface water planning;

## Water Resources Council

## § 740.2

(5) Planning for protection and management of groundwater supplies;

(6) Planning for protection and management of instream values; and

(7) Enhanced cooperation and coordination between Federal, regional State and local governmental entities involved in water and related land resources planning and management.

### § 740.2 Definitions.

*Act* means the Water Resources Planning Act (as amended), Pub. L. 89-80, 42 U.S.C. 1962 *et seq.*

*Activities* means a series of actions and operations which address the water management problems of the State and have a specific purpose or objective. Activities are further characterized by one or more major tasks and milestones.

*Affected interests* means public and private organizations, local, tribal, State and Federal governments that may be potentially affected by the State water management planning program.

*Application* means a document submitted by a Governor or designee for consideration by the Council for a grant.

*Council* means the Water Resources Council established by section 101 of the Act.

*Designated agency* means an entity of a State designated by the Governor to act as the grant recipient and to act as liaison with the Council for this Program.

*Fiscal year* means a 12-month period ending on September 30, unless otherwise specified.

*Governor* means the chief executive officer of a State, including the Mayor of the District of Columbia.

*Grant agreement* means a document executed by the authorized official of the Water Resources Council and by the authorized representative of the State agency designated as the grant recipient containing the agreed terms and conditions of the approved grant offer and award.

*Grant period* means a 12-month period specified in the grant agreement, which shall begin during the fiscal year as defined above, during which program funds are authorized to be expended, obligated, or firmly committed by the

grantee for the purposes specified in the Act, in the grant agreement and in these guidelines.

*Land area of a State* means the land and inland water area of a State as defined and set forth in the publication "Boundaries of the United States and the Several States" Geological Survey Professional Paper 909, U.S. Government Printing Office, Washington, DC issued in 1976, or revisions thereof.

*Local government* means a local unit of government including a county municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, sponsor group representative organization (as defined in 7 CFR 620.2, 40 FR 12472, March 19, 1975) and other regional or interstate government entity; or any agency or instrumentality of a local government exclusive of institutions of higher education and hospitals.

*Milestones* mean key events in the activity implementation schedule. Milestones indicate important dates for design implementation and monitoring tasks. Examples of milestones include but are not limited to hiring of key staff, publication dates, workshop dates, or the completion of specific phases of the implementation schedule.

*Obligation* means orders placed, contracts awarded, grants issued, services received and similar transactions during a given period that require the disbursement of money.

*Per capita income of a State* means the most recent year of official U.S. Department of Commerce per capita income figures for the State.

*Program period* means the period beginning on October 1, 1980, and extending through the authorized life of the Program.

*Program funds* means grant funds provided under the Act, non-Federal funds and the value of in-kind contributions used for matching purposes.

*Population of a State* means the latest official resident population estimate by the U.S. Department of Commerce available on or before January 1, of the year preceding the fiscal year for which funds under this part are appropriated.

*Related land resources* means any land affected by present or projected management practices causing significant

**§ 740.3**

effects on the quantity or quality of the water resource.

*State* means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or the Commonwealth of the Northern Mariana Islands.

*State water management planning* means those activities necessary to effect coordinated decisions for the use of water and related resources within a State or interstate region; which provide for the correction or prevention, respectively, of present and future water and related land resources problems; which consider the potential for water and related land resources use from the standpoint of present and future needs; and which provide for involvement of affected interests. Water management planning activities may include, but are not limited to, planning, data collection and analysis, studies and investigations, program design and coordination, development of regulation and enforcement programs, information dissemination, public meetings, and the coordination of the program with other related programs.

*Task* means a specific action or operation which comprises a part of the implementation effort for an activity.

*Water conservation* means activities designed to (1) reduce the demand for water, (2) improve efficiency in use and reduce losses and waste of water, or (3) improve land management practices to conserve water.

*Water management planning need* is defined as the basis for establishing criteria for assessing each State's need for assistance under the Program.

*Work Plan* means a document listing the major program elements to be performed under the program during each grant period which presents, in chronological order, the major activities and tasks in the program element; which targets major milestones or proposed accomplishments by activity, cost and date; and which will be used in preparing reports to reflect accomplishment of goals and objectives under the participating State's comprehensive program.

**§ 740.3 State applications.**

(a) The Council shall invite the Governor of each State to submit a State application.

(b) To be eligible for financial assistance under this part, a State shall submit to the Council an original and two copies of a State application executed by the Governor or designee. The State application shall be submitted not later than 90 days from the date of the Council's invitation.

(c) The program application package shall consist of:

(1) The forms and instructions for completing the application;

(2) The criteria to be used by the Council in assessing need for water management planning funds;

(3) Information on the applicable Federal requirements for administering the program; and

(4) Other information pertinent to the application.

(d) A State application shall contain:

(1) The name and address of the designated State agency;

(2) A description of the comprehensive State water management planning program, or modifications thereto, as required by § 740.4(a);

(3) A work plan of the major program activities of the State water management planning program which targets milestones on a semi-annual basis;

(4) A budget and corresponding narrative in accordance with the forms and instructions provided by the Council;

(5) A notice of concurrence by the State clearinghouse in accordance with the Office of Management and Budget (OMB) Circular A-95;

(6) The manner in which the general public is involved in the development and modification of the State program; and

(7) A brief description of activities, in order of priority, which would be carried out if additional funds were made available during the grant period under the provisions of § 740.6(e). This may include supplementing or complementing ongoing activities described in paragraph (d)(3) of this section.

(e) The Governor or designee may request an extension to the submission date by submitting a written request to the Council not less than 30 days

## Water Resources Council

## § 740.5

prior to the date referred to in paragraph (b) of this section. The extension shall be granted only if, in the Council's judgment, acceptable and substantial justification is shown and the extension would further the objectives of the Act. An extension shall not be granted for more than 30 days.

### § 740.4 State water management planning program.

(a) A State shall submit a description of its proposed State program with the State application, which shall:

(1) Describe water and related land resources problems, needs and opportunities, and the priorities proposed for their resolution;

(2) Specify the goals and objectives which reflect the water resources policy of the State and which address the major problems which are of concern to the State;

(3) Describe the major elements of the State water management program, which should address but not be limited to:

(i) The integration of water quantity and water quality planning and management;

(ii) The protection and management of instream values;

(iii) The protection and management of groundwater supplies;

(iv) The integration of ground and surface water planning and management; and

(v) Water conservation.

(4) Identify Federal, State, or local government, or public or private organizations that will participate and a general description of how they are involved in the management planning process;

(5) If provisions are made for pass-through of funds, describe the *process* by which recipients will be selected, and the purpose of the pass-through; and

(6) List existing or proposed administrative, legal and/or institutional arrangements to be used in coordinating intrastate, interstate and regional water resources planning activities involving State, local and/or the Federal Government with the proposed water management planning program of the State to assure that all such activities

are considered in program implementation.

### § 740.5 Review and approval of State applications and programs.

(a) The Council shall review and approve each State application for financial assistance if it is determined that:

(1) The State water management planning program meets the objectives of the Act;

(2) The State application and the State water management planning program meet the requirements of this part; and

(3) Progress on the previous grant period's work plan is satisfactory, based on the requirements set forth by the Council.

(b) Based on the review of the application, the Council shall determine the amount of funds to be made available pursuant to § 740.6 and shall notify the designated agency in each participating State of the grant award as soon as possible after funds are apportioned for Council use.

(c) If an application is not approved by the Council, it shall be returned by registered mail with a full explanation of the reasons for that determination. The State shall then be allowed the opportunity to submit a revised application within 30 days after receipt by the State of such notification. Should the State determine that further review is required by the State clearinghouse under OMB Circular A-95, an additional 30 days will be allowed.

(d) If the grant amount requested by a State differs from the grant amount offered by the Council, the Council will request the designated State agency to submit a revised budget and work plan with the acceptance of the grant offer.

(e) The State, upon acceptance of the terms and conditions of the notice of grant award, as presented by the Council, will be granted financial assistance in the amount of the approved final budget.

(f) The work plan for the State water management planning program may be revised at any time by submitting revisions to the work plan and budget to the Council for approval in connection with any proposed significant change (an addition or deletion of major activities specified in the approved work

## § 740.6

## 18 CFR Ch. VI (4-1-04 Edition)

plan) with appropriate provision for A-95 State clearinghouse review. The Council will review the proposed revision and notify the State of its decision no later than 30 days from the date of receipt of the request.

### § 740.6 Financial assistance.

(a) The Council shall provide financial assistance from funds available for each fiscal year to each State having an approved application pursuant to § 740.5.

(b) Within the provisions prescribed by paragraphs (c) and (d) of this section, the Council may grant up to 50 percent of the cost for a State program.

(c) The funds appropriated pursuant to the Act for the fiscal year shall be allocated among the participating States as follows, except that under paragraphs (d) (2) through (4) of this section no State shall be granted a greater or lesser sum of funds which shall be based upon a procedure in which each of the factors of population, land area, and the reciprocal of per capital income, are adjusted such that:

(1) Those States having observations two standard deviations below the mean of each respective factor are equated to the mean-minus-two standard deviations, and

(2) Those States having observations two standard deviations above the mean of each respective factor are equated to the mean-plus-two standard deviations.

(d) Financial assistance for the Program shall be allocated among the participating States from funds available for any fiscal year based on the following formula:

(1) An equal share not to exceed \$100,000, the total of which shares shall not exceed 10 percent of the funds available for any fiscal year;

(2) One-third of the remaining balance of the funds after accounting for paragraph (d)(1) of this section in the ratio that the population of each State bears to the population of all States;

(3) One-third of the remaining balance of the funds after accounting for paragraphs (d)(1) and (2) of this section in the ratio that the land area of each State bears to the land area of all the States;

(4) One-third of the remaining balance of funds after accounting for paragraphs (d)(1), (2), and (3) of this section in the ratio that the reciprocal of all per capital income of a State bears to the sum of the reciprocals for all States; and

(5) The remainder of the funds according to the need for water management planning in each State as expressed by the State and assessed by the Council. In assessing need for water management, the Council shall utilize established criteria, the proposed program, and information made available during program review.

(e) Redistribution of grant funds may occur:

(1) If a State fails to apply for a grant within the period specified in § 740.3, or is unable to match the total allocation reserved under § 740.6(d) for that State, that portion of the reserved allocation will be withdrawn by the Council;

(2) If a State fails to obligate Federal funds within the grant period of the approved or amended grant agreement as prescribed in § 740.7(c), such funds shall be returned to the Council not later than 30 days after submission of the Financial Statement for the grant period unless the Council, based on written request, grants an exception or extension to this time limitation;

(3) Funds available under paragraph (e)(1) of this section shall be available for redistribution to those States requesting additional funds pursuant to § 740.3(d)(7). These funds shall be distributed on the basis of proposals in the application, and the relationship of the State's original allocation to the original allocation of other States requesting redistribution funds; and

(4) Funds available under paragraph (e)(2) of this section shall be added to funds available for distribution for the next fiscal year, if the appropriation legislation for the current year allows such action.

### § 740.7 Administration of financial assistance.

(a) Grants under this part shall comply with the requirements of:

(1) Office of Management and Budget (OMB) Circular A-102, Revised, (34 CFR

## Water Resources Council

## § 740.7

Part 256), entitled "Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments;"

(2) Federal Management Circular (FMC) 74-4 (34 CFR Part 255), entitled "Cost Principles Applicable to Grants and Contracts with State and Local Governments;"

(3) OMB Circular A-73 (34 CFR Part 251), entitled "Audit of Federal Operations and Programs;"

(4) OMB Circular A-95, entitled "Evaluation, Review and Coordination of Federal and Federally assisted Programs and Projects;"

(5) Treasury Circular (TC) 1075, entitled "Regulations Governing Withdrawals of Cash from the Treasury for Advances under Federal Grants and other Programs;"

(6) TC 1082, entitled, "Notification to States of Grants-in-Aid Information"; and

(7) Other procedures which the Council may from time to time prescribe for the administration of financial assistance.

(b) The planning process as required by these guidelines and assisted by WRC Title III program funds shall reflect the concepts of the Council's 1979 publication, *A Unified National Program for Floodplain Management*, and the concepts of floodplain and wetlands identification, avoidance and mitigation as described in the Council's *Floodplain Management Guidelines* (43 FR 6030). In the application for financial assistance, the State shall assure the Council that the following planning concepts have been or will be integrated into the planning process:

(1) Determination of whether proposed activities would be located in floodplains or wetlands, or, even if located outside of them, would have the potential to affect floodplains or wetlands;

(2) Avoidance of performing activities within floodplains or wetlands wherever there is a practicable alternative;

(3) Where avoidance of floodplains cannot be achieved, minimization of adverse impacts and support of floodplain development, and preservation and restoration of natural and beneficial floodplain values; and

(4) Where avoidance of wetlands cannot be achieved, minimization of adverse impacts and support of new construction in wetlands, and preservation and enhancement of natural and beneficial wetlands values.

(c) Program funds must be obligated within the grant period unless the Council, based on written request, grants an exception or extension to this time limitation. The repeated occurrence of unobligated program funds at the end of the grant period will be considered in determining the need for assistance in subsequent years pursuant to § 740.6(d)(5).

(d) The procurement standards, practices, rules and policies of the State as customarily applied, if in accordance with Attachment O of OMB Circular A-102, shall govern for procurement costs incurred in an approved program.

(e) For all matching funds the sources of a State's cost share shall have no bearing on whether or not such costs can be matched by Federal funds except that:

(1) Other Federal funds or property cannot be used for matching purposes unless specifically permitted by Federal law;

(2) Program funds shall not be used to match Federal funds under any other federally aided program;

(3) Non-Federal funds used to match other federally aided programs shall not be used to match funds provided under the Act; and

(4) Federal funds provided through this program, if duly matched through the requirements of this part, may be used as non-Federal contributions for Level B studies beginning in Fiscal Year 1981.

(f) Any cost incurred for water management planning may be employed for matching a grant awarded under the Act except as specified in this section. Such expenditures must be reasonable, documentable, and directly applicable to the approved program.

(g) Program funds may not be used for:

(1) Items whose costs are not allowable under the provision of FMC 74-4;

(2) Contributions, dues or assessments to support headquarters offices of interstate commissions, compacts,

## § 740.8

councils, interagency committees, or other similar organizations;

(3) Scholarly or scientific investigations for purposes other than addressing water management problems, needs, concerns or interests specifically identified and explained in the approved program as a priority consideration;

(4) Construction, payment of subsidies, or purchase of land or easements;

(5) Purchase of equipment with a unit cost of \$1,500 or more without prior approval of the Council; and

(6) Purchase of equipment with a unit cost of less than \$1,500 when the cumulative cost of such equipment in any one grant period exceeds 1 percent of the grant award, without prior approval of the Council.

(h) Federal funds may not be used to substitute for State and local funds that would have been made available for water management planning programs in the absence of the grant funds provided under this part. Federal funds may be used to supplement and complement existing water management planning programs. It does not prevent drawing matching shares from individual programs or from existing agency appropriations, budgets, or resources so long as expenditures are not substituted by Federal funds for the purposes of the Act.

(i) Payments shall be made in accordance with Attachment J of OMB Circular A-102 and TC 1075. Grant funds shall be requested only on an as needed basis.

(j) Financial management procedures shall comply with Attachment G of OMB Circular A-102 and with TC 1075. The applicable Federal requirements shall apply to the State and to local governments or non-governmental entities that receive funds as a sub-grantee for the purposes of the Act.

### § 740.8 Reporting.

(a) The designated agency shall submit program status reports and financial statements in accordance with procedures established by the Council. Instructions and a description of the content of these reports and the appropriate forms will be provided by the Council and will be in accordance with

## 18 CFR Ch. VI (4-1-04 Edition)

Attachments H, I and K of OMB Circular A-102 and TC 1075.

(b) The annual program report shall be due 90 days after the end of the grant period, as specified in the grant agreement, and shall contain:

(1) A summary description of the major accomplishments and results of the water management planning activities for the year, and an explanation of any work proposed in the work plan that has not been completed;

(2) An updated activity milestone chart, for each major activity in the work plan, showing the completion dates of major tasks;

(3) For those States implementing an evaluation system, a summary of the results of the evaluation efforts on the overall program effectiveness and key water management activities;

(4) A list of publications, public information materials, and other documents prepared in whole or in part with program funds which must duly note the use of Council grant funds in the printing of these documents;

(5) Other pertinent information, including any specific need for assistance; and

(6) An annual Financial Status Report.

(c) The Report of Federal Cash Transactions, as required under the provisions of Treasury Circular 1075, is due 30 days after the end of each quarter of the grant period, as specified in the grant agreement.

### § 740.9 Recordkeeping.

Each State or other entity within a State receiving financial assistance under this part shall make and retain records required by the Council, including records which fully disclose the amount and disposition of financial assistance received; the cost of administration; the total cost of all activities for which assistance is given or used; and any data and information which the Council determines are necessary to protect the interests of the United States and to facilitate an effective financial audit and performance evaluation. The Council and the Comptroller General of the United States shall have access to any books, documents, records or receipts which the Council determines are relevant or pertinent,

## Water Resources Council

## § 740.13

either directly or indirectly, to any financial assistance provided under this part. Such records shall be retained for a period of three years, which starts from the date of the submission of the annual financial status report for the grant period.

### § 740.10 Program review and assistance.

(a) Each State's program will be reviewed annually by the Council to evaluate program management and accomplishments relative to the approved work plan. The Council shall:

(1) Review program information including the application, annual reports, and other relevant information; and

(2) Make onsite visits as frequently as practicable to review the State program to:

(i) Provide assistance in the administration of the program, and at the request of the State, specific technical assistance in water resources management;

(ii) Determine whether Council policies, procedures or guidelines need revision to more effectively administer the grant; and

(iii) Gather information on practical or innovative techniques, methodologies, or other relevant information on the program.

(b) Based on the Council's annual review of each State program, the following may occur:

(1) If the program conforms to the requirements of the Act, the State will be advised of its continued eligibility for a grant;

(2) If it appears that the program does not comply with the requirements of the Act in either design or administration, the Council shall ascertain all the relevant facts. The State shall be notified immediately of the apparent inadequacies of the program with citation of specific requirements of the

Act, this part, or other relevant instructions which apparently have not been met. The State shall be given timely opportunity to be heard through the filing of written statements and personal presentations in support of their position. If the Council is satisfied that sufficient adjustments have been made in the design and operation of the program, payments to the State will be continued; and

(3) If the Council determines on the basis of all the facts that the program still does not meet the requirements of the Act, the Governor shall be notified of the decision and the reasons therefore, and that no further payments shall be made until the noted inadequacies are satisfactorily resolved.

### § 740.11 Federal/State coordination.

The Council will coordinate the program under this part with similar or related programs of other Federal agencies in an effort to achieve consistency and compatibility in the administration of Federal programs.

### § 740.12 Amendments.

The Council may amend all or portions of these guidelines in accordance with established procedures. If it does, it will:

(a) Consult with appropriate advisory groups;

(b) Publish such proposed rulemaking in the FEDERAL REGISTER; and

(c) Simultaneously provide a copy of such proposed changes to each designated agency.

### § 740.13 Supplemental instructions.

As deemed appropriate, the Council may amplify the guidelines in this part by means of supplemental instructions, and may clarify program or administrative requirements set forth in these guidelines by the means of policy bulletins.