

## Rural Utilities Service, USDA

## § 1778.100

that such a decline or shortage is imminent, and that the proposed project will eliminate or alleviate the problem. For projects to be funded in accordance with §1778.11 (a), evidence must be furnished that a significant decline in quantity or quality occurred within two years before filing the application with the Agency, or is expected to occur within one year after filing the application.

(b) When favorable action will not be taken on an application, the applicant will be notified in writing by the State Program Official of the reasons why the request was not favorably considered. Notification to the applicant will state that a review of this decision by the Agency may be requested by the applicant in accordance with 7 CFR part 11.

### § 1778.22 Planning development and procurement.

Planning development and procurement for grants made under this part will be in accordance with subpart C of Part 1780 of this chapter. A certification should be obtained from the State agency or the Environmental Protection Agency if the State does not have primacy, stating that the proposed improvements will be in compliance with requirements of the SDWA.

### § 1778.23 Grant closing and disbursement of funds.

(a) Grants will be closed in accordance with §1780.45 of part 1780 of this chapter.

(b) RUS Bulletin 1780-12, "Water or Waste Grant Agreement," will be executed by all applicants.

(c) The Agency's policy is not to disburse grant funds from the Treasury until they are actually needed by the applicant. Grant funds will be disbursed by using multiple advances.

### §§ 1778.24-1778.30 [Reserved]

### § 1778.31 Performing development.

(a) Applicable provisions of subpart C of part 1780 of this chapter will be followed in performing development for grants made under this part.

(b) After filing an application in accordance with §1778.21 and when immediate action is necessary, the State

Program Official may concur in an applicant's request to proceed with construction before funds are obligated provided the RUS environmental requirements are complied with. The applicant must be advised in writing that:

(1) Any authorization to proceed or any concurrence in bid awards, contract concurrence, or other project development activity, is not a commitment by the Agency to provide grant funds under this part.

(2) The Agency is not liable for any debt incurred by the applicant in the event that funds are not provided under this part.

### § 1778.32-1778.33 [Reserved]

### § 1778.34 Grant servicing.

(a) Grants will be serviced in accordance with §1951.215 of subpart E of part 1951 of this title and subpart O of part 1951 of this title.

(b) The grantee will provide an audit report in accordance with §1780.47 of part 1780 of this chapter.

### § 1778.35 Subsequent grants.

Subsequent grants will be processed in accordance with the requirements set forth in this part. The initial and subsequent grants made to complete a previously approved project must comply with the maximum grant requirements set forth in §1778.11.

### § 1778.36 [Reserved]

### § 1778.37 Forms, Instructions and Bulletins.

Bulletins, instructions and forms referenced are for use in administering grants made under this part and are available from any USDA/Rural Development office or the Rural Utilities Service, United States Department of Agriculture, Washington, DC 20250-1500.

### §§ 1778.38-1778.99 [Reserved]

### § 1778.100 OMB control number.

The information collection requirements contained in this part have been approved by the Office of Management and Budget and assigned OMB control number 0572-0110.