
United States
Department of
Agriculture

**Soil
Conservation
Service**

**National
Watershed
Manual**

Part 501

Program Administration

Part 501

Program Administration

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Subpart 501A Introduction**501.00 General**

This manual is written primarily in terms of Public Law 83-566, but applies to Public Law 78-534 projects as well. Where procedures differ for Public Law 78-534 projects, special instructions are given.

Watershed projects should be formulated to accomplish one or more of the purposes stated in the preamble of the Act. Overall guidance in the formulation process is provided by the Water Resources Council's "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies." Watershed projects are to be formulated and evaluated in full recognition of the National Environmental Policy Act (NEPA) of 1969 (Public Law 91-190).

Program activities will be conducted in accordance with the Secretary's equal opportunity initiatives. This assures elimination of any program practices that result in inequitable treatment of groups protected by the Civil Rights Act and equal access to the benefits of the small watersheds program.

Most documents prepared to request funding will be a combination watershed plan-Environmental Assessment (plan-EA) or plan-Environmental Impact Statement (plan-EIS), hereinafter referred to as a watershed plan. The watershed plan contains all elements required for authorization by Congress and NEPA. If a Finding of No Significant Impact (FONSI) is filed, an EIS is not required. References to the watershed plan should be considered to mean only the plan-Environmental Assessment in these cases.

The Sponsoring Local Organizations (SLO) should understand that the Soil Conservation Service (SCS), in administering the provisions of the Act, will give high priority to watersheds in which local people are willing to include provisions for all the land and water management needs. Such projects generally will be multiple purpose and should include watershed protection and flood plain management. SCS recognizes

five resources to be considered in planning and implementing conservation management systems. These resources—soil, water, air, plants, and animals—are described in detail in 450-GM 401.03(b)(3)(iii).

Public participation throughout the planning process is required on all projects. This is a significant item both in time and cost of watershed plan development. A reviewable record of public participation must be available for all plans. SCS policy on public participation is stated in the General Manual, Title 400.

Some plans will be prepared to provide guidance for local implementation without Public Law 83-566 cost-sharing assistance. An Environmental Assessment will be prepared for these projects. Planning will be conducted in accordance with the rules and guidelines of the implementing authority.

Procedures outlined in the "Channel Modification Guidelines," developed and agreed upon by the Secretaries of Agriculture and the Interior, are to be used as a guide for projects likely to contain channel modification (Federal Register, V-44, No. 248, December 26, 1979; 190-GM-410).

Subpart 501B Agency responsibilities

501.10 Soil Conservation Service

(a) Public Law 83-566 assistance

SCS will provide information on the potential and type of assistance available through the Public Law 83-566 program. When a local organization becomes aware of a problem, SCS will provide guidance in making preliminary evaluations to determine if assistance is warranted and help in preparing the necessary applications.

(b) Preparation of watershed plan

SCS will assist the SLO in preparing a watershed plan with the cooperation and assistance of State, local, and other Federal agencies. Investigations and surveys will be made by SCS to determine the extent of watershed problems and needs and to set forth viable alternative solutions consistent with local, regional, and national objectives. Alternatives will consist of land treatment practices, nonstructural measures, and structural measures, or a combination of these measures that will benefit one or more of the authorized project purposes. Alternatives should not be limited to those eligible under Public Law 83-566, but should also include those available from USDA and other Federal, State, and local sources.

(c) Implementation assistance

SCS will provide technical or financial assistance, or both, to install all measures for projects that include Public Law 83-566 implementation assistance.

(d) Property rights work maps

Real property rights work maps will be provided to the SLO for Public Law 83-566 assisted projects.

(e) O&M assistance

SCS will provide technical assistance to the SLO in the operation and maintenance of Public Law 83-566 assisted projects and replacement of installed measures as defined in the Operation and Maintenance (O&M) Agreement.

501.11 Land administering agencies

Land administering agencies generally are responsible for the installation, operation, and maintenance of works of improvement on lands they administer. Federal funds appropriated for Public Law 83-566 work may not be used to install, operate, or maintain land treatment measures on Federal lands. Other works of improvement on Federal lands will be cost shared as provided in the plan.

501.12 Forest Service

The USDA Forest Service (FS) is responsible for administering the forestry aspects of the program on the National Forest System and rangelands within National Forest boundaries, on adjacent rangelands administered under formal agreement, and on other forest lands (7 CFR subtitles A, 2.60(a)(8)(ii)(iii)). Specific actions for program development, funding, and reporting are to be coordinated annually between the SCS state conservationist and the FS regional foresters and area directors. Program responsibilities are covered in a memorandum of understanding between SCS and the FS (exhibit 501-1).

501.13 Rural Development Administration

The USDA Rural Development Administration (RDA) is responsible for administering the watershed loan and advance provision of Public Law 83-566. These responsibilities have been transferred from the Farmers Home Administration. The memorandum of understanding that outlines coordination procedures between SCS and FmHA is in exhibit 501-2. Information on applying for watershed loans and advances is available from the regional offices of the RDA.

501.14 Department of the Army, Corps of Engineers

Close coordination with the Corps is necessary to avoid overlap of activities. The Corps may have information and expertise that can be used in planning and evaluating projects. As part of their responsibilities under Public Law 92-500, Amendments to the Federal Water Pollution Control Act of 1972, the Corps issues "404 Permits" needed before most project construction can begin.

501.15 U.S. Department of Interior, Fish and Wildlife Service

Authority for Fish and Wildlife Service participation in watershed planning is in Section 12 of Public Law 83-566. They are to make surveys and investigations and provide a report with recommendations for conservation and development of wildlife resources. Where channel modification may be used as a technique for implementing water and related land resource projects, the Fish and Wildlife Service will participate in accordance with procedures described in the Channel Modification Guidelines (190-GM 410.27).

501.16 Other agencies

Other Federal and State agencies will provide technical and financial assistance in the planning and installation of watershed projects under their authorities. Special agreements that are outlined for projects in the Delaware River Basin Commission area and the Tennessee Valley Authority area are shown in exhibits 501-3 and 501-4, respectively.

Subpart 501C Sponsor responsibilities

501.20 General responsibilities

Watershed projects are sponsored by one or more local organizations qualifying as the SLO. At least one SLO that can carry out each planned purpose of the project must be included. The SLO of projects that include nonstructural or structural measures, or both, must, individually or collectively, have the power of eminent domain so that they may acquire real property and water rights needed for the project. They must also have authority to levy taxes or another adequate means of financing their share of the cost of the project as well as operation and maintenance expenses. To receive Federal assistance for project installation, the SLO must assure SCS that they will use their powers and authority to ensure the installation, operation, and maintenance of the project as planned. Each local conservation district in the watershed area should be encouraged to be a sponsor.

501.21 Request for assistance

(a) Application for assistance

The SLO must notify in writing the State's Single Point of Contact for Federal Assistance of their intent to submit an application for assistance. This will be followed by the preparation and submission of a formal application through the appropriate designated State agency to the state conservationist. The SLO should use, to the extent practicable, county rural development committees to aid them in identifying all needs that should be considered in preparation of the application.

(b) Planning assistance only

In cases where the SLO is requesting only planning assistance, section 501.21(a) does not apply. Their request will be in the form of a letter to the state conservationist. An information copy of the request will be furnished to the State planning agency.

501.22 Public participation

The SLO will arrange for and carry out activities, including meetings, that encourage the public to participate in the watershed planning process. The public is to be asked to provide data for problem identification and an environmental, social, and economic impacts study and to provide suggestions and comments throughout the planning process.

501.23 Real property rights

The SLO will acquire needed real property rights, permits, and licenses in accordance with State and Federal laws. Acquisition procedures shall conform to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Also, the SLO will acquire or provide evidence that landowners or water users have acquired necessary water rights in accordance with State law.

Where U.S. Forest Service lands are involved, the special use permit granting construction and occupancy rights must be requested at least a year before the planned construction. If cost-sharing with a National Forest on a multiple-purpose structure is involved, a minimum of 3 years' lead time should be allowed to meet the normal requirements of the FS budgetary process.

501.24 Financial

The SLO will finance their share of the installation cost and install or implement planned structural and nonstructural measures on nonfederal land. All activities must comply with applicable local, State, and Federal statutes and regulations.

A satisfactory repayment plan must be submitted by the SLO for repaying advances or loans obtained under the provisions of sections 4 or 8 of the Act.

The SLO must agree to provide relocation assistance in conformance with Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

501.25 Watershed management

To protect the integrity of project measures and assure that the project will function as planned, the SLO should implement needed watershed management features, such as permitting, zoning, land use regulations, and upstream watershed protection, to prevent deterioration of the watershed to the point that the project would be jeopardized.

Before construction of any project for local flood protection, the SLO shall agree to participate in and comply with applicable Federal flood plain management and flood insurance programs.

The SLO will agree to prohibit construction of any facility or the alteration of any works of improvement that would interfere with a planned measure functioning as designed or serving the purpose for which it was installed. They will also obtain necessary permissions and permits for making investigations and surveys needed during the planning phase.

Landowners and others participating in planning, installing, and maintaining the works of improvement will be informed by the SLO of their responsibilities for compliance with applicable local, State, and Federal laws.

501.26 Operation and maintenance

The SLO will carry out all activities related to the operation and maintenance of installed measures. The operation and maintenance (O&M) agreement and plan as described in the National Operation and Maintenance Manual, 180-500, shall define the requirements, responsibilities, and reporting for all installed measures.

They must provide assurance that planned measures will be operated, maintained, and replaced in accordance with State and Federal laws and as provided in the O&M agreement entered into with SCS.

501.27 Land treatment

The SLO will obtain agreements with land users to carry out recommended land treatment measures based on proper conservation plans. Projects that include land treatment practices shall, as a minimum, include an SLO that has soil and water conservation responsibilities organized under State law.

501.28 Municipal and industrial water

If municipal and industrial water are included in the plan, the SLO must employ or retain professional engineers or other specialists to provide technical services needed for planning and installing measures needed for that special purpose. These services will be provided, at no cost to SCS, to

- plan the measures relating to municipal and industrial water supply and
- prepare final plans and specifications for installation of these measures.

The SLO must provide satisfactory evidence that any proposed municipal and industrial water supply use will be acceptable in quantity and quality to meet the anticipated needs, evaluate the monetary benefits accruing thereto, and present satisfactory evidence to support its evaluation.

The SLO must also furnish a written statement for inclusion in the plan. This statement must show that they intend to use the water from the storage capacity provided for future use within the life of the reservoir, when applicable.

501.29 Storm and sanitary sewers

New storm and sanitary sewers, or relocations and changes to existing sewer facilities, in urban or built-up areas are the responsibility of the sponsor. No Public Law 83-566 cost share is available for these features. Storm sewers include facilities for the collection and conveyance of urban runoff to outlets in natural drainageways or channels. However, this restriction does not apply to measures to improve natural drainageways or channels to prevent significant flood damage to existing developed property. Such measures are not considered to be storm sewers and are, therefore, eligible for assistance.

Subpart 501D Watershed program management

501.30 General

A major objective of SCS is to manage the water resources program effectively to facilitate planning and installation of authorized projects. Technical and financial assistance is to be provided for viable high priority projects. A balanced program between new planning starts and authorized work is to be maintained through program management.

Each State is to develop and maintain a State program analysis and long-range water resources plan that identifies viable projects, sets operation schedules, and identifies the program resources needed to achieve and maintain a balanced program. This long-range plan will be the basis for requesting annual program budgets.

501.31 Responsibilities

(a) State responsibilities

The state conservationist is responsible for the overall management of the program and is to provide for the coordination, organization, and management of program activities to insure that all phases of the water resources program are carried out effectively and efficiently.

(b) National Technical Center responsibilities

The National Technical Center (NTC) is responsible for providing technical assistance to the States to facilitate project planning and implementation. Their responsibilities include quality assurance, technology transfer, and training.

(c) National Headquarters responsibilities

The Watershed Projects Division (WPD) is responsible for developing national policy, standards, and procedures for watershed project planning, installation, operation and maintenance, and allocation of program funds to maintain a balanced program. Direct assistance is provided to the NTC and states in program management. The WPD maintains coordination and liaison with appropriate Federal agencies and Congressional committees to administer the program.

501.32 State water resources long-range plan

A long-range plan is to be developed that identifies viable planning and operations workload, sets priorities, and establishes funding needs. The long-range plan, along with the plan of operations and management matrix, will serve as the fund integrity document. The plan is to be updated annually before the submission of annual budget requests. A copy of the updated long-range plan will be sent to the NTC, WPD, and Basin and Area Planning Division (BAPD).

The plan should identify those land and water resource problems, opportunities, and needs that require project-type action regardless of funding source. Projects must address one or more of the purposes described in the Act. As a minimum, the long-range plan should identify the anticipated projects, needed personnel, products to be produced, and funding needs for planning and operations for 3 to 5 years. The management matrix shall define annual outputs. Support data for operational projects shall include project status, remaining work, cost, and probability of installation as required in Subpart 507D, Reports.

The long-range plan should summarize the status of each operational project. Each project should be listed, followed by an identification of the remaining work, current estimated Federal cost, probability of installation, status of compliance with NEPA, and actions needed to accomplish the next increment(s) of work. Include only viable work in the total estimated cost of the remaining work to determine future obligations. Actions and resources needed to deal with the nonviable projects are to be included in the long-range plan.

Operations budget estimates for the current fiscal year, and at least the next two fiscal years of operations based on a detailed operations schedule, are to be included in the long-range plan. Staff-years and technical and financial assistance needs should be shown. The current annual budget estimates and remaining future obligations are to be submitted to the National Headquarters as specified in part 507 of this manual.

The long-range plan should be maintained in such a manner that annual updates can be made easily.



Subpart 501E Exhibits

Exhibit 501-1 Memorandum of Understanding between SCS and FS

**Memorandum of Understanding
Between
The Soil Conservation Service and the Forest Service
Pertaining to:
The Watershed Protection and Flood Prevention Program
The Emergency Watershed Protection Program**

Purpose

The purpose of this agreement is to describe policies and procedures between the Soil Conservation Service (SCS) and the Forest Service (FS) to assure continued effectiveness of the watershed programs. This agreement builds on the general principles of cooperation, coordination, and communication which exist between the two agencies.

Authorities

The Secretary of Agriculture is authorized by Public Law 566, 83rd Congress, 68 Stat. 666 (Public Law 83-566), as amended, and the 1944 Omnibus Flood Control Acts (Sec. 13, 58 Stat. 905), to cooperate with State and local governments and with other Federal agencies, to make investigations and surveys of watersheds as a basis for the development of coordinated programs and to carry out works of improvement for soil and water conservation and other purposes.

The Watershed Plans which lead to Federally funded structures are guided by the principles in the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies" established by the Water Resources Council as authorized by the Water Resources Planning Act of 1965 (Public Law 89-80), approved by the President on February 3, 1983, and published on March 10, 1983.

Activities for emergency assistance in the Emergency Watershed Protection (EWP) program are authorized by Section 216, Public Law 81-516 and Section 403 of Title IV of the Agricultural Credit Act of 1978 Public Law 95-334.

Delegations of Authority

The Secretary of Agriculture has delegated authority to the Assistant Secretary of Natural Resources and Environment and hence to the Chief of the Soil Conservation Service. The Forest Service is responsible for the forest and Federal range aspects of these programs as outlined in this agreement.

**Exhibit 501-1 Memorandum of Understanding between the SCS and FS—
Continued**

Major Responsibilities of Participating Agencies

Soil Conservation Service agrees:

At the National Level

To provide general administration and guidance for all U.S. Department of Agriculture activities related to the watershed programs.

To transfer funds for Forest Service participation.

To represent the U.S. Department of Agriculture on interagency committees relating to the watershed programs.

To involve the Forest Service in program planning and development.

To approve the release of funds for the forestry related EWP projects.

At the State Conservationists Level

To notify the Forest Service of proposals for new plans as they are received.

To inform and involve the Forest Service in the selection and scheduling of projects.

To consider the Forest Service as a member of the planning team when addressing planning issues.

To request funding for Forest Service participation in the small watershed and flood prevention planning and operation programs during the annual budget planning process.

To compile, edit, and prepare watershed reports.

To incorporate Forest Service needs into EWP requests.

Forest Service agrees:

To be responsible for the forestry aspects of the watershed program on all Federal and non-Federal woodlands, forest lands, and rangelands which are administered in conjunction with National Forest System lands.

To participate with State planning teams in the scoping process to determine watershed problems and to assist in the development of information which meets sponsors needs.

Exhibit 501-1 Memorandum of Understanding between the SCS and FS—
Continued

To identify and propose forestry solutions to watershed problems on both forested and non-forested lands.

To coordinate and encourage the involvement of State forestry organizations and the National Forest System in the watershed projects.

To review project proposals for impacts on other Forest Service activities.

To conduct assessments and implement approved EWP measures on public and private lands as mutually agreed to with the State Conservationist.

To submit financial information on obligations by small watershed project within each State for small watershed planning and operations, and for each flood prevention project.

Duration

This Memorandum of Understanding shall become effective as of the date of approval and shall continue in effect until modified or terminated by mutual agreement of the parties hereto. The Memorandum of Understanding on this subject entered into in 1977 is hereby cancelled.

/s/ Allan J. West (for)

F. Dale Robertson
Chief, Forest Service

June 30, 1992

/s/ Galen S. Bridge (for)

William Richards
Chief, Soil Conservation Service

July 10, 1992

Exhibit 501-2 Memorandum of Understanding between SCS and FmHA

MEMORANDUM OF UNDERSTANDING
Between the
SOIL CONSERVATION SERVICE
and the
FARMERS HOME ADMINISTRATION
Relating to the Making of WS Loans and WS Advances
Under the
Watershed Protection and Flood Prevention Act

(1) **Purpose:** This memorandum is to coordinate general agency responsibilities and functions of the Farmers Home Administration (FmHA) and the Soil Conservation Service (SCS) in connection with loans and advances made to sponsoring local organizations under the provisions of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended.

(2) **General agency responsibilities:** The general assignments to the SCS and the FmHA for the administration of the Watershed Protection and Flood Prevention Act are contained in the Secretary's Policy Statement dated October 19, 1962. Each agency will establish policy and procedures and take such other action as required to carry out its responsibility.

(i) The FmHA is responsible for making and servicing WS loans or advancements under Section 8 and obligations for repayment of WS advances made by the SCS under Section 4 of the Act.

(ii) The SCS is responsible for administration of all authority under the Act, except making and servicing WS loans made under Section 8, and for servicing obligations for repayment of WS advances made by the SCS under Section 4 of the Act.

(iii) The SCS and the FmHA will cooperate in developing and carrying out their respective policies, procedures, and requirements, as they relate to WS loans and WS advances made under the Act.

(3) **Receipt and processing of applications for loans and advances:**

(i) A works of improvement must be included in an approved watershed plan before a loan or advance for it is made under the Act. During the development of a Watershed Plan, the State Conservationist of SCS will afford the State Director of FmHA an opportunity to gain an understanding of watershed problems and needs, and the proposed plans for works of improvement. When a sponsoring local organization indicates a desire for a WS loan or WS advance the SCS State Conservationist will consult with the FmHA State Director on matters such as organizational arrangements, specific local or State requirements and other problems related to the plan for financing, installing, operating and maintaining the planned works of improvement being considered.

(ii) The SCS State Conservationist will furnish the FmHA State Director a copy of each Watershed Plan. The Administrator of SCS will furnish the Administrator of FmHA a copy of each approved WS Plan.

Exhibit 501-2 Memorandum of Understanding between SCS and FmHA—
Continued

(iii) A Watershed Plan and the related executed watershed plan agreement will not obligate FmHA to make a WS loan or obligate the SCS to make a WS advance to sponsoring local organizations.

(4) **Coordination of assistance for design, construction and maintenance.** The following principals are to be used as a guide for the design, construction, operation and maintenance of works of improvement when a WS loan or WS advance is involved.

(i) The SCS will furnish or assume the cost of engineering services required to plan and install the portion of the works of improvement allocated to flood prevention, agricultural phases of the conservation, development, utilization, and disposal of water, fish and wildlife, and recreational development, and not more than 50 percent of the costs of engineering services for minimum basic facilities. Sponsoring local organizations are expected to furnish and assume the cost of other engineering services required. The SCS will give such engineering advice and guidance to the sponsoring local organization as required to insure that plans, specifications and cost estimates furnished by them meet the design and construction standards and criteria established for the project and that the works are properly coordinated with any other works to be installed under Watershed Plan. The SCS State Conservationist will consult with and keep the FmHA State Director informed during the development and construction plans and the construction of works of improvement. This will include an engineering review and a statement by the SCS of the adequacy and appropriateness of cost estimates, designs, plans, and specifications prepared by private engineers.

(ii) Engineering plans, including specifications, drawings and cost estimates for works of improvement involving WS loans or advances will be approved by the SCS State Conservationist and the FmHA State Director.

(iii) The SCS State Conservationist will consult with the FmHA State Director as to terms and conditions to be included in invitations to bids and contracts for construction or purchase of supplies and materials in connection with works of improvement to be installed with loans or advances. The SCS will provide technical assistance advice needed by the sponsoring local organizations for the preparation of these documents and in analyzing bids and selecting the lowest responsible bidder. The contracts shall be acceptable to the FmHA State Director and the SCS State Conservationist before execution by the sponsoring local organization receiving a loan or advance.

(iv) The sponsoring local organization will not be permitted to accept a bid which would require additional loan funds or make changes in plans or specifications in order to obtain a bid within the estimated cost without the concurrence of the FmHA State Director. Should the sponsoring local organization desire to reject bids or to not call for bids and undertake construction of works of improvement by force account, the concurrence of the FmHA State Director shall be obtained.

(v) The SCS will provide technical assistance including periodic inspections during construction as necessary to protect the Government's interest and to assure that the works of improvement are being constructed in accordance with approved drawings and specifications. The SCS may approve minor changes during construction in the contract terms and conditions and the drawings and specifications which do not appreciably affect the design, cost or function of a structure without concurrence of the FmHA. Major changes or changes which affect the overall cost of the works of improvement will require the prior concurrence of the FmHA State Director.

Exhibit 501-2 Memorandum of Understanding between SCS and FmHA—
Continued

(vi) The SCS and FmHA will make annual joint inspections, for a period of three years after completion thereof or more frequently if necessary, to see that works of improvement are being operated and maintained according to agreements. The sponsoring local organizations will be required to make annual inspections throughout the life of the structure and report their findings to the SCS and FmHA offices. When SCS or FmHA determine that there are serious deficiencies in operation and maintenance, the FmHA State Director will collaborate with the SCS State Conservationist in arranging with the local sponsoring organization for the correction of such deficiencies. The FmHA or SCS may make other inspections as necessary to service the loan or advance account of the borrowing sponsoring local organization.

(vii) Responsibility rests with the local sponsoring organization to acquire any land, easements, or rights-of-way that will be needed for works of improvement. If a lien is to be taken on works of improvement and the land, easements, or rights-of-way, the FmHA will, after consultation with the SCS, approve the easements, deeds, and permits before they are executed. The FmHA will provide instructions to the local sponsoring organization pertaining to acknowledgement, title searches and examinations, obtaining consent of holders of liens outstanding against the land, and recording easements and deeds. The SCS will check land description in all real property rights instruments to the extent necessary to determine that the areas required for construction, operation and maintenance of works of improvement are included, except that the SCS will make property line surveys.

(viii) When loan payments will depend upon a right to use a specific quantity of water, the local sponsoring organization will furnish to FmHA satisfactory evidence of such rights, and any required additional information concerning the water supply. This evidence will include such documents and materials as affidavits, permits, title certificates, court decrees, stream gage records, rainfall records, well logs, records of pumping tests and water analysis. The SCS will examine information that is furnished together with other available information and give FmHA a written opinion of the adequacy of supply, including quality, to meet the requirements of the plan.

(5) **Disbursement of funds.** Proceeds of WS loans will be deposited in, and withdrawn from, bank accounts in the manner required by FmHA regulations. Checks on these bank accounts for payments to contractors and suppliers of materials will be based upon Form SCS 49a, "Contract Payment Estimate and Construction Progress Report." Form SCS 49a prepared by the local sponsoring organization for this purpose will be approved by the SCS. In giving his approval to Form SCS 49a, the SCS representative shall be certain that the items covered are for the purposes and in the amounts authorized in the project agreement.

(i) Advances for future water supply shall be made as provided in the project agreement. The maximum amount of such advance shall be shown in the project agreement.

(ii) Advances for site preservation will be handled in accordance with procedures mutually agreeable to the SCS and the FmHA, which will be developed on a case by case basis.

(6) **Starting construction:** The local sponsoring organization will not be authorized to start construction on works of improvement to be financed in whole or in part, with a WS loan or a WS advance until:

(i) The SCS has entered into a Project Agreement for Construction of Works of Improvement.

Exhibit 501-2 Memorandum of Understanding between SCS and FmHA—
Continued

(ii) The State Conservationist has notified the State Director that the local organization has complied with all SCS requirements for receiving PL 566 construction assistance and the State Conservationist has furnished the State Director with a schedule indicating the approximate times that construction work will begin on works of improvement to be installed with such funds.

(iii) The State Director has notified the State Conservationist and the borrower that the loan or advance has been properly closed.

(iv) Any contract entered into by the local organization for materials, labor, or the construction of works of improvement to be financed with loan funds has been found acceptable by the FmHA.

(v) The State Director has notified the State Conservationist that any advance for the preservation of sites has been repaid.

(vi) All engineering drawings and specifications for works of improvement to be financed in part by WS loans or advances have been approved by the FmHA and the SCS

(7) **FmHA contracts with local organizations:** Ordinarily, a WS loan or advance will be made to the local organization having primary interest in, and direct responsibility for, the operation and maintenance of works of improvement to be installed with loan or advance funds rather than to an organization that would have to contract with another organization for the operation and maintenance of works of improvement and the collection of revenues for repaying the loan or advance. When it is proposed to make a WS loan to an organization that would have to contract with another organization, the organization and the contractual arrangements will be mutually acceptable to the FmHA and the SCS. This determination will be made before the approval of the Project Agreement for Construction of the Works of Improvement.

(8) **Information activities:** The SCS will be responsible for the preparation, release, or other handling of the overall informational and educational material regarding the watershed protection program, including bulletins, press releases and other public announcements. The SCS will obtain the recommendations of the FmHA prior to releasing pamphlets and similar informational material which makes reference to loans. The FmHA may prepare and release informational material on the handling of loan applications. Such material will be reviewed with the SCS if it alludes to overall costs or benefits or to technical aspects for which SCS has responsibility. When desirable or necessary in particular watershed areas for SCS to arrange for community meetings to discuss and explain the program to interested local people, the FmHA will be invited to participate in such meetings if a loan or advance may be needed by a local organization to carry out planned works of improvement.

/s/ Victor H. Barry, Jr.
Acting Administrator
Soil Conservation Service

May 26, 1978

/s/Gordon Cavanaugh
Administrator
Farmers Home Administration

May 31, 1978

Exhibit 501-3 Administrative Agreement with Delaware River Basin Commission

DELAWARE RIVER BASIN COMMISSION

ADMINISTRATIVE AGREEMENT

Pursuant to Section 1.5 and Article 11 of the Delaware River Basin Compact and to Rule 2-3.3 of the Rules of Practice and Procedure of the Delaware River Basin Commission (Administrative Manual - Part 11), this Administrative Agreement is hereby entered into by and between the Delaware River Basin Commission and the Soil Conservation Service, U.S. Department of Agriculture, hereinafter referred to as SCS.

1. **Definitions.** For the purposes of this Agreement, unless otherwise required by the context:

(a) "SCS" shall mean the Soil Conservation Service.

(b) "DRBC" shall mean the Delaware River Basin Commission.

(c) "Compact" shall mean the Delaware River Basin Compact.

(d) "Facility" shall mean a facility as defined by the Compact, and within the planning jurisdiction of the SCS.

2. **Planning Consultation.** No less frequently than once a year the SCS and DRBC shall hold one or more joint staff conferences for review of future plans and consideration of new projects in which either agency may have an interest.

3. **Initiation of Project.** As to any watershed project, the SCS receives an application for assistance from the project sponsors and after due authorization for planning proceeds with helping the sponsors develop a plan. The DRBC will be consulted by the SCS during the preliminary investigation of the planning stage to determine any features of the project in which the DRBC may have an interest.

4. **Planning in Consultation.** Prior to the issuing of a Work Plan Draft, the SCS will consult with the DRBC in regard to those features of the plan in which the DRBC has expressed interest and the DRBC may assist the SCS in planning those features of the project.

5. **Informal Field Review.** Upon the completion of the Work Plan Draft by the SCS, the DRBC will be furnished with copies of the draft for review. The DRBC will participate in the informal Field Review.

6. **Work Plan Submission.** The SCS will prepare a Work Plan based on the Work Plan Draft and incorporating any changes resulting from the Informal Field Review. On behalf of the project sponsors, the Work Plan will be submitted by the SCS to the DRBC for inclusion by the DRBC in its Comprehensive Plan in accordance with the Rules of Practice and Procedure. Either concurrently or subsequently the Work Plan will be reviewed in whole or in part for inclusion in the Water Resources Program or for approval under Section 3.8 as the sponsors may elect. No further approval of individual structures constructed substantially in accordance with the Work Plan will be required.

Exhibit 501-3 Administrative Agreement with Delaware River Basin Commission

7. **Work Plan Amendments.** Amendments to the Work Plan resulting from significant changes in final design or for other reasons will be handled in accordance with paragraphs 4-6 above.

8. **Effective Date.** This Agreement shall take effect upon its execution by both parties.

IN WITNESS WHEREOF, the DRBC through its duly authorized Executive Director, and the SCS, through its Administrator, as authorized by the Compact and the laws of the signatory party, have executed this Agreement by affixing their respective signatures thereto this twenty-third day of December 1966.

SOIL CONSERVATION SERVICE
U.S. Department of Agriculture

ATTEST:

/s/ Frances C. Harris

By /s/ Gladwin Young
Acting Administrator

DELAWARE RIVER BASIN COMMISSION

ATTEST:

/s/ W. Bienton Whitall

By /s/ James F. Wright
Executive Director

Exhibit 501-4 Memorandum of Understanding between TVA and SCS

MEMORANDUM OF UNDERSTANDING
Between the
TENNESSEE VALLEY AUTHORITY
and the
UNITED STATES DEPARTMENT OF AGRICULTURE

RELATIVE TO: Coordinating activities of the Tennessee Valley Authority under the Tennessee Valley Authority Act of 1933, as amended (48 Stat. 58, 49 Stat. 1079), with those of the Soil Conservation Service under the Watershed Protection and Flood Prevention Act, as amended (68 Stat. 666, 70 Stat. 1088).

THIS AGREEMENT, made and entered into this 6th day of November 1958, by and between the Tennessee Valley Authority, hereinafter referred to as the "TVA" and the Soil Conservation Service of the United States Department of Agriculture, hereinafter referred to as the "SCS".

WITNESSETH

WHEREAS, the SCS is assigned responsibility for the administration of the Watershed Protection and Flood Prevention Act, as amended (68 Stat. 666, 70 Stat. 1088); and

WHEREAS, under the Tennessee Valley Authority Act of 1933, as amended (48 Stat. 58, 49 Stat. 1079), the TVA is concerned with and has statutory responsibilities relating to navigation and the control of flood waters in the Tennessee River and its tributaries; and

WHEREAS, it is the desire of the SCS and TVA to coordinate their mutual interests and activities in carrying out their assigned responsibilities in the Tennessee River Basin,

NOW THEREFORE, the SCS and the TVA agree on procedures to accomplish their desires as follows:

A. Preapplication Phase:

1. SCS and TVA will inform each other of local interest in watershed programs within the Tennessee River Basin as such interest comes to their attention.

2. At the time local interest in a specific watershed is first recognized, TVA also will advise SCS regarding any of TVA's active projects or plans which might significantly influence the feasibility of a small watershed project under the Watershed Protection and Flood Prevention Act.

B. Application Phase:

1. Upon receiving an application for planning assistance, SCS will forward a copy to TVA for review and comment.

Exhibit 501-4 Memorandum of Understanding between the TVA and
SCS—Continued

2. In response, TVA will indicate the nature of its interest in the Watershed, including reference to any identifiable TVA requirements for approval of structures under Section 26a of the Tennessee Valley Authority Act of 1933, as amended, in the affected area. This statement of interest will become a part of the application file for the watershed in question.

3. SCS will inform TVA of plans for a field examination or similar preliminary survey, will invite TVA to participate, and will furnish TVA a copy of the preliminary field report.

4. SCS will inform TVA of the action taken on the application by the Service.

5. SCS will inform TVA when planning assistance is authorized.

6. SCS will inform TVA of interest and needs expressed by local sponsoring organizations and will arrange to inform local sponsoring organizations of the nature of the interest of TVA in the watershed.

C. Work Plan Development Phase:

1. On apprising TVA of an approval and authorization for assistance in Watershed Work Plan development, SCS will send TVA a list of the types of data needed from TVA for planning.

2. TVA will furnish SCS such data and planning materials as are available and applicable under the generalized list supplied by SCS.

3. SCS will furnish TVA a copy of the Plan of Operations (work outline) for developing the Watershed Work Plan.

4. a. SCS will consult with TVA on the development of Watershed Work Plans, specifically with respect to proposed structural works of improvement, that TVA decides or has previously indicated would significantly affect TVA's interests. As appropriate, SCS will also discuss with TVA the interpretation and application of data submitted by TVA.

b. SCS will furnish TVA (a) a map showing the tentative location of contemplated structural works and (b) preliminary structure estimates of items usually listed in the standard "Structure Data Table" of Watershed Work Plans after preliminary agreement has been reached with the responsible local sponsoring organization.

c. TVA will examine this preliminary information, request of SCS any additional information, if needed, and advise SCS of any significant conflict between the proposed works and TVA's responsibilities for navigation, flood control, public lands, or other properties.

d. After any necessary consultation with SCS, TVA will advise SCS as to any structures requiring approval under Section 26a of the Tennessee Valley Authority Act of 1933, as amended. SCS will formulate and develop with the local sponsoring organization further plans and recommendations with respect to such structures on a basis which will enable them to meet the requirements of the TVA Act.

**Exhibit 501-4 Memorandum of Understanding between the TVA and
SCS—Continued**

5. SCS will inform TVA of the time and place of the informal review of the Work Plan draft with other agencies. In advance of this meeting, SCS will transmit to TVA copies of the Work Plan draft for information and office review. Following the informal review of the Work Plan draft, TVA will advise SCS of its views.

6. SCS will furnish TVA copies of the final Watershed Work Plan for review and comment. TVA will reply, identifying the structures, if any, requiring further review or approval under Section 26a of the Tennessee Valley Authority Act of 1933, as amended.

D. Installation Phase:

1. SCS will direct attention of the Sponsors of each watershed project to the requirements of Section 26a of the Tennessee Valley Authority Act of 1933, as amended. When the watershed goes into installation phase and when SCS has been advised that review and approval of the design of structures is required, the Sponsors will be informed by SCS of the requirement for Section 26a approval prior to construction.

E. General:

1. This agreement will be effective as of the date appearing in the first paragraph hereof. The agreement may be amended by mutual agreement. Either party may terminate the agreement upon 90 days' notice given in writing to the other party.

2. This agreement does not constitute a financial obligation to serve as a basis for expenditures.

IN WITNESS WHEREOF, the parties have executed this agreement on the day, month and year first above written

TENNESSEE VALLEY AUTHORITY

By /s/ A.J. Wagner
Title General Manager

APPROVED BY TVA
BOARD OF DIRECTORS

Nov. 6, 1958

/s/ Leona L. Malkemus
Assistant Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE
SOIL CONSERVATION SERVICE

By /s/ Gladwin Young
Title Acting Administrator

