

USDA-RD PER CHECKLIST

5/2/2007

The following is intended to assist in completing the Preliminary Engineering Report for Rural Development construction projects:

PER - Area Office Review

- Preliminary review before submission to State Engineers
- Check for conformance with Bulletins 1780-2, -3, -4, -5
- Focus on documentation of existing conditions and affordability
- PER **MUST** list 3 Alternatives of Design (This does not include the “No Alternative”)
- Design Alternatives are for **both** lines and treatment when dealing with wastewater
- Project design should utilize the Best Technology Available, (regardless of current or past design preference).
- Project must be modest in design, at the **most** reasonable overall cost to the applicant.
- All alternative Engineering Design should be based upon **Loan Only**.

PER – State Office Review

Alternatives Considered

- Construction Problems
 - Soil boring reports
 - Field conditions
 - Potential construction issues
- Cost Estimates (explicit amounts)
- Advantages/Disadvantages

Selection of an Alternative

- Present Worth Analysis
- Rating System

Proposed Project

Describe full (maximum) planning area (can delete sections later, if needed)

List project components – miles/size of lines, lift stations, tanks, etc.

- For extensions, list existing facility
- Include maps with each component clearly marked/labeled

Cite need for project

- Include copies of OEPA F&O's, violation notices, etc. (Current)

Users

- Specify number of users and locations
- Identify number of users in each census tract (village/city, or if outside the village corporation limit, the township they are in).
-
- Include County's enforcement of mandatory hook-ups (sewer) if outside corporation limits
- For water projects, assume 80% sign-up of possible users

Discuss population trends, reasons for decrease, and justification for proposed increases

http://factfinder.census.gov/servlet/AdvGeoSearchByPlacenameServlet?_lang=en&_command=getPlacenames&_geoAreaType=ALL

Include current water/sewer rates:

- Minimum and overage costs
- Calculate EDU's – Equivalent Dwelling Unit - use 4,500 gpm as average
- Provide current (1-year) water usage records from water supplier

Annual Operations and Maintenance Costs:

- For new systems, identify similar systems consulted to arrive at estimated O&M costs – type of system, location, number of users
- Include the following (as applicable):

- Salaries & Benefits
- Contract Services
- Utilities
- Supplies (Office)
- Supplies (System)
- Repairs/Maintenance
- Treatment
- Water Purchase
- Insurance
- Legal
- Accounting
- Admin/Office
- Existing Debt Service – applicant to include copies of promissory notes, agreements
- Short-Lived Asset Schedule, listing item and estimate costs by years:

1 – 5 years

5 – 10 years

10 – 15 years

List of Possible Short-Lived Assets

- Tanks
- Tank Painting
- Booster Pumps
- Buildings
- Vehicles
- Heavy Equipment
- Trenching and boring machines
- Telemetry
- Computers
- Testing Equipment
- Safety Equipment
- Master Meters

Project Cost

Include summary table listing the following:

- Construction - separate lines, treatment facility
- Contingency -separate from construction cost - use 10% for pre-bid; may be reduced to 5% - 8% after bid
- Engineering – separate Basic Design, Resident Inspection, Additional Services
- Legal – include local solicitor/attorney fees and Bond Counsel fees for public bodies – Villages, Counties, Districts
- Land/ROW – purchase of sites, ROW process/recording, etc.
- Interest during construction – use 2-year construction period; include interest on any outstanding planning loans – i. e, OWDA
- Initial O&M – for new systems only – 6 months of est. annual O&M costs
- Equipment – for new systems only
- Funds Administration - \$10,000 maximum if CDBG funds involved
- Refinancing – only very small amounts, i.e., new water meters

FUNDING SOURCES

- List all potential funding sources and amounts
- Debt Repayment - **Do NOT** assume grant when listing funding sources, use loan only. RD loan underwriting program calculates percentage of grant, on a project-by-project basis
- Identify whether applications submitted/timeframes, funding committed

Community Development Block Grants (CDBG)

- usually \$500,000 if rates > 2% of MHI and 51% LMI percentage met
- do not include service line connections – usually additional \$100,000

Ohio Public Works Commission

- Loans – most 0 percent; terms were 20 years, may increase to 30 years in some cases
- Grants
- Credit Enhancement (loan assistance) Grants
 - interest during 2-year construction period
 - remaining funds can be used to pay RD first year interest payment

OTHER FUNDING SOURCES

- ARC Grants
- OWDA/EPA/WPLCF Loans – include rates/terms
- Congressional Appropriation
- County CDBG
- Army Corps - 594 Program
- STAG Grant
- Other
- Applicant Contribution – identify whether tap fee, surcharge, etc.