**WEP Program Funding – Eligible Costs**

**Objective**

The objective of this guide is to provide clarification on what surface and repair costs are deemed eligible for Agency WEP Program Funding Assistance in North Dakota. A sound understanding of eligible versus ineligible costs will assist Applicants and Consultants in helping both plan and fund infrastructure projects.

**Background**

Following are excerpts from Agency Regulations (RUS Instruction 1780) relevant to RUS Program Funding:

1780.9 **Eligible loan and grand purposes**

Loan and grant funds may be used only for the following purposes;

(a) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.

(b) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a) of this section.

1780.10 **Limitations**

(a) Loan and grant funds may not be used to finance:

(1) Facilities which are not modest in size, design, and cost;

(7) For other purposes not directly related to operating and maintenance of the facility being installed or improved;

1780.57 **Design policies**

Facilities financed by the Agency will be designed and constructed in accordance with sound engineering practices, and must meet the requirements of Federal, State and local agencies.

(n) **Economical service.** The facility’s design must provide the most economical service practicable.
**Guidance**

Improvements not directly related to the operation and maintenance of items in 1780.9 (a) are not eligible for funding assistance through the RUS program. Eligible street, curb & gutter, driveway, sidewalk, seeding, and other repair and restoration costs directly related to Agency funded utility installation or replacement will be limited to any existing surface infrastructure falling within five-feet either side of centerline of the utility being constructed (10-foot wide construction trench). While the Borrower and their Engineer may choose to specify wider trench widths, ten-foot is considered by the Agency, for eligibility purposes, to be the minimum surface disturbance necessary to successfully construct the planned utility improvements.

Other factors to consider:

1. While ten-foot is considered the Agency standard, there may be instances where larger pipe sizes, or extreme depths, may warrant further consideration.

2. Where multiple utilities are to be constructed, if within these guidelines, over 75-percent of an existing surface item will be disturbed, the Agency may deem it reasonable to remove and replace that item in its entirety. Those instances should be brought to the Agency’s attention early in the design phase for consideration.

3. Following this Guide, if less than two-feet of existing pavement were to remain between the trench edge and the existing curb face, or gutter pan (where applicable), the Agency will consider it an eligible cost to remove and replace.

It has been a long standing interpretation of Agency regulations that the surface repair and restoration is to be constructed in a manner consistent with the improvements that were in-place before the project was undertaken. Therefore, for clarification, the following items will be considered ineligible for Agency funding unless it was in-place prior to the project

1. Street Underdrain Systems: Considered ineligible due to it being a street improvement, not a storm water collection system improvement.

2. Geotextile Fabric: If not existing, it is deemed ineligible due to it being a street improvement.

**Cost Allocation for Multiple Utilities**

The following allocation guidelines will be used by the Agency in evaluating potential projects and their costs, and should be used by the Engineer when preparing Preliminary Engineering
Reports (PER) and design documents when surface repair and restoration costs result from work on more than one utility system:

1. Sanitary Sewer and watermain in the same street: 60% and 40% respectively.

2. Sanitary sewer and storm sewer in the same street 60% and 40% respectively.

3. Sanitary sewer, watermain, and storm sewer in the same street: 40%, 30%, and 30% respectively.

**Procedure**

The quantity breakdowns prepared for each Alternative considered in the Preliminary Engineering Report (PER) should include a street by street breakdown of eligible and ineligible items (if included in project).

**Summary**

As stated earlier, this Guide does not prohibit ineligible items from being incorporated into an Agency funded project. The intent is to provide assistance in determining what portions of a project are eligible for Agency funding.