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The following information Supplements certain sections of RUS Bulletin 1780-2, Preliminary Engineering Report (PER). All documents referenced are available at the Iowa Rural Development website: <http://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program/ia>

**Section 2.c.** An example of minimum information needed to document existing conditions of the system can be found in Attachments A and B of this supplement. This is not an all inclusive guide, add or delete information as required for your system.

**Section 2.d.** Tabulation of users and annual usage will be documented in RD Apply. While the applicant will provide much of the information, it is essential that the engineer consider the number of residential, non-residential and bulk users, and expected water/sewer flows when developing alternatives for the proposed facility. Therefore, the Volume/Flow tab of RD Apply should be prepared jointly between the applicant and engineer to ensure the information is consistent.

**Section 4.h.** Cost estimates should include construction contingency not to exceed 10% at the PER stage. An example of information required for documenting O&M expenses can be found in Attachment C of this supplement.

**SECTION 5.a.** An example of a spreadsheet for comparing life cycle costs of alternatives can be found in Attachment D of this supplement. Be sure to include the entire Water or Wastewater system, not just the proposed project, when evaluating O&M and Short Lived Assets.

**SECTION 6.e.** Include costs associated for compliance with the Build America Buy America Act (BABA). Reference OMB Memorandum M-22-11 for additional guidance.

**SECTION 6.f.** An example of information required for documenting the proposed Annual Operating Budget can be found in Attachment C of this supplement. Be sure to include the entire existing Water or Wastewater system, not just the proposed project, when evaluating the Operating Budget.

#### **ADDITIONAL INFORMATION**

For additional information and guidance in preparing the Preliminary Engineering Report, design, and construction please refer to the Iowa RD web site for the following:

- RUS Bulletin 1780-2 – Preliminary Engineering Report
- RUS Instruction 1780 Subpart C - Planning, Designing, Bidding, Contracting, Constructing and Inspections
- RUS Bulletin 1780-26 – Guidance for the use of EJCDC Bidding and Contract Documents
- RUS Bulletin 1780-35 – Guidance for implementation of American Iron & Steel (AIS) Requirements (references to AIS also apply to BABA, as modified by OMB M-22-11).

If you have any questions during the preparation of the Preliminary Engineer Report, please contact the Rural Development Area Specialist or State Engineer.