

require labor intensive operation all tend to be high life cycle cost projects.

d. Ease of Expanding Facilities to Meet Future Services Demands. Projects which can be expanded easily to meet future services demands will receive higher priority, projects which have restrictions in meeting future services demands will receive lower priority.

e. New Facility, Expansion of Existing Facility, or Rehabilitation of Existing Facility. Projects involving construction of new facilities will receive higher priority, assuming no facility is currently operating to deal with the environmental issue being addressed. Projects which expand the capacity of an existing facility or require addition of new facilities to existing facilities will receive medium priority and projects which rehabilitate existing facilities will receive lower priority.

4. Economic and Financial Feasibility

Economic and financial information will be used to verify the viability of proposed projects and assess the economic sustainability of the projects.

Information Requested

Applicants are requested to submit an analysis that shows a reasonable internal rate of return and payment capability and the basis for the assumptions. Furthermore, the applicant is requested to provide the following information:

a. Analysis of the cash flow, balance sheet, income statement, and sources of financing.

b. Plan to recover the investment and operational and maintenance costs. This plan should include an analysis of interest rate and anticipated income sources. If a user fee will be used discuss how the system will be set up and what assurances there are that users will pay.

c. Sensitivity analysis which compares the result of economic factors differing from those assumed in project planning (e.g. different interest rates, population growth rates, economic growth rates).

d. Financial statements for a 15 year horizon.

Fundamental BECC Criteria

a. Benefit/Cost (B/C) Ratio. This ratio is the main indicator of the economic feasibility of a project. It measures the proportion of benefits to costs. Projects must have a ratio greater than 1 in order to be considered for certification.

Sustainable Development Criteria

a. Relationship Between User Fees and Operating Costs (debt coverage). Projects which have a higher projected

debt coverage (under payments as a percentage of required debt payment) will receive a higher priority.

b. Internal Rate of Return (IRR). The IRR indicates the economic feasibility of a project according to its expenditures and recoveries program. Projects having a greater IRR will receive higher priority than projects with a smaller IRR.

c. Community Economic Development. Projects which have a highly effective plan to promote local economic development such as procurement preference for local businesses and products and development of local employment and other community economic opportunities will receive higher priority. Projects with a plan which adequately promotes local economic development will receive medium priority and projects with less effective local economic development plans will receive lower priority.

d. Economic Sustainability. Projects should be both environmentally and economically sustainable. Projects which are economically sustainable over the long-term (e.g. projects which are sustainable with locally generated revenue) will receive higher priority. Projects which are only economically sustainable on a short-term basis (e.g. projects dependent on sources of revenue not reasonably assured for the life of the project) will receive lower priority.

5. Social Aspects

The BECC recognizes the need to assess social aspects which may affect the success of a project.

Information Requested

a. Project Impacts on Local Populations. Provide information on the number of people who will directly benefit if the project is implemented and the number of people who would be affected directly and indirectly if the project is not implemented. Discuss impacts on local employment, local economic development, and other local issues.

b. Project Impacts on Cultural Resources. Provide information on the cultural resources impacted by the project, if any.

c. Characterization of Local Economic Situation. Provide the most current information available on the local unemployment rate, the average per capital income, and current availability of environmental services.

Fundamental BECC Criteria

a. Compliance with Applicable Cultural Resources Regulations. All projects certified by the BECC must

comply with all appropriate cultural resource regulations.

Sustainable Development Criteria

a. Size of Benefiting Community. Projects developed by small communities with fewer resources to develop projects independently will receive higher priority.

b. Unemployment Rate. Projects benefiting a population with a higher unemployment rate will receive higher priority.

c. Average Per Capita Income. Projects affecting a population with a lower per capita income will receive higher priority.

d. Availability of Services. Projects affecting an area with no services (i.e. water, wastewater, electricity) will receive higher priority. Projects with partial services will receive medium priority and projects which improve existing services will receive lower priority.

e. Creation of Local Employment Opportunities. If most of the jobs created by a project are within the border zone the project will receive higher priority. Projects which create jobs outside the border zone rather than within the border zone will receive lower priority.

f. Negative Direct Cultural Resource Impact at Project Site. Projects which do not create a direct negative impact on cultural resources will receive higher priority. Projects which have a direct negative impact that will be mitigated will receive medium priority and projects which have a direct negative impact that will not be mitigated will receive lower priority.

6. Community Participation

Due to the nature of BECC's mission, community acceptance of a project takes on a highly meaningful role. An interactive process has been developed to ensure meaningful community participation in the project planning and process of developing project proposals. Applicants should obtain community approval for a project by establishing consensus on the need for project implementation as well as for acceptance of user payments for service, operations, and maintenance of the proposed project.

Information Requested

a. Public Expectations. Indicate what the public expects if the project is executed. Indicate how the public was involved in the project development process and how public priorities were measured. For example, media campaigns, mailings, community