



DEPARTMENT OF  
**HOUSING**



# CDBG-MIT

## INFRASTRUCTURE MITIGATION PROGRAM OPERATIONS AND MAINTENANCE (O&M) PRELIMINARY PLAN FORM

Puerto Rico Highway and Transportation Authority  
PR-10 Utuado to Adjuntas

Agosto 1, 2023

**INFRASTRUCTURE MITIGATION PROGRAM APPLICATION – O&M PRELIMINARY PLAN**

Section V.A.(2)(a)(10) of Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, 45848 requires grantees to plan for long-term operation and maintenance (O&M) of infrastructure and public facility projects funded with CDBG-MIT funds and include in its Action Plan a description of how it will fund long term operation and maintenance of CDBG-MIT projects.<sup>1</sup> Additionally, the grantee must describe any State or local resources that have been identified for the operation and maintenance costs of projects assisted with CDBG-MIT funds. Applicant must exclude O&M Costs from the total estimated project cost.

This document compiles information required for the Puerto Rico Department of Housing (PRDOH) to determine preliminary compliance with U.S. Department of Housing and Urban Development (HUD) requirements related to the O&M of the proposed project under the Application. Compliance with the O&M requirements affects the project's eligibility under CDBG-MIT. Also, PRDOH will require the Applicant to submit a complete and compliant O&M Plan, which will require PRDOH approval before committing CDBG-MIT funds to the project.

Requirements for the O&M are based on the current CDBG-MIT Operations and Maintenance Plan Guide.

**Filing Instructions:**

Applicants must complete all sections of this Form to the best of their knowledge to be considered for the CDBG-MIT Infrastructure Mitigation Program. This Form will serve to document basic O&M information required to determine compliance with this CDBG-MIT eligibility criteria.

*If additional space is necessary, the Applicant may submit an attachment with the required information. Please specify the attachment in which the information is being included in the field for the section.*

**APPLICANT INFORMATION**

ENTITY NAME	Puerto Rico Highway and Transportation Authority (PRHTA)
UNIQUE ENTITY ID (UEI)	LLHFKQLNAL4

**PROJECT INFORMATION**

PROJECT NAME	PR-10 Utuado to Adjuntas Highway
MUNICIPALITY	Utuado and Adjuntas

<sup>1</sup> The CDBG-MIT Action Plan is available in the PRDOH website in English and Spanish at <https://cdbg-dr.pr.gov/en/cdbg-mit/> and <https://cdbg-dr.pr.gov/cdbg-mit/>.

## OPERATION AND MAINTENANCE REQUIREMENTS DURING APPLICATION

### PRELIMINARY ESTIMATE OF USEFUL LIFE AND COSTS ASSOCIATED WITH O&M ACTIVITIES.

- Describe a preliminary estimate of the useful life of the project and O&M costs associated to the project using project-specific industry standard practices.

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*According to appendix B of the O&M Plan Guidelines the useful life of a Road/Highway Project is estimated to be between 35 and 50 years. We have estimated the useful life of the PR-10 Utuado to Adjuntas Highway Project at 35 years.*

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### PROPOSED RESPONSIBLE ENTITIES

- Describe the proposed entity(-ies) responsible of the O&M activities.
- Describe the entity's current capacity for carrying out similar O&M activities (related to their staffing, funds, management structure, etc.).

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The PRHTA and Department of Transportation and Public Works (DTPW) are the two Puerto Rico Central Government Agencies that have the primary responsibility to design and implement the operation and maintenance of freeways and state roads in Puerto Rico. These entities have a process in place for managing the short- and long-term operation and maintenance of the roadway network in Puerto Rico. The Puerto Rico Highways and Transportation Authority (PRHTA) Transportation Asset Management Plan (TAMP) for the National Highway System (NHS) for pavements and bridges for the years 2019 to 2028 details current asset management. As a division of the DTPW, the PRHTA will Develop and implement a detailed plan for the Operations and Maintenance (**O&M**) of the proposed segments of the PR-10 project throughout its useful life. PRHTA will expand the maintenance program of the DTPW to include the new segments of the PR-10 as it has been done with the sections/segments already completed and in use. Once the Final O&M Plan has been developed by PRHTA and construction completed, the PRHTA will turn over the Operation and Maintenance requirements to the DTPW for implementation. In addition to being the Parent Agency to the PRHTA, the DTPW is also the Puerto Rico State Government Agency that by Law is responsible for the Operation and Maintenance of all State Roads throughout the Island. PRHTA and DTPW have been in communication and are aware that the PR-10 Project will be transferred for operations and maintenance to the DTPW as soon as construction has completed. Completion of the construction phase of the project is estimated to take place during the year 2028. Prior to the completion of the construction of the project the DTPW will request the additional funds needed to include the operations and maintenance activities for the proposed 7.6 kms of the PR-10 project. The DTPW currently operates and maintains the 50.4 kms of the existing and currently in use PR-10 highway.

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**PROFORMA (PROJECTION OR FORECAST) OF BUDGET AND REVENUE**

- Describe the projected sources of revenue and other sources of funding that are expected to support the O&M activities for the useful life of the project.
- In the case of Covered Projects<sup>2</sup>, the budget calculations must provide detail at the individual O&M task level and schedule over the useful service life of the project.

The long-term funding for O&M of the PR-10 project will be included into the operating and capital budgets of the PRHTA and DTPW as a standard asset. Funding will be provided by annual budget assignments from the Central Government. The funds identified for the implementation of the Operations and Maintenance Plan for the PR-10 project are State Funds. Funds for the implementation of the O&M Plan would not come from a Borrowing Authority or from the retargeting of existing financial resources. Also, the O&M Plan to be implemented for the PR-10 Project at this time does not contemplate any tax collecting policies. Funding would be obtained from State Special Funds and from a Joint Resolution of the General Budget (State Funds) approved by the Puerto Rico Legislature. As can be seen in **table below** the maintenance and conservation State Roads in Puerto Rico are funded from State Special Fund and from the Joint Resolution of the General Budget (State Funds). Below, is an example of the existing sources of financing and operations costs of the road network in Puerto Rico between 2018 and 2021.

**MAINTENANCE AND CONSERVATION OF ROADS**

**Program Description**

**Maintains, conserves, and improves the state road system. It includes maintaining in optimum conditions the road surface, green areas, shoulders, and drainage systems.**

**Clients**

Municipalities, communities, residents, and the private sector.

**Breakdown of Budget**

Budget (in thousands of dollars)	2018	2019	2020	2021
<b>Origin of funds</b>				
<b>Operation Funds</b>				
Special State Funds	468	565	652	709
Federal Funds	0	0	138	65
Joint Resolution of the General Budget	11,375	12,783	8,948	9,325
<b>Subtotal, Operational Funds</b>	<b>11,843</b>	<b>13,348</b>	<b>9,738</b>	<b>10,099</b>
<b>Pensión Payments (Pay As You Go)</b>				
Special State Funds	0	0	48	47

<sup>2</sup> Notice 84 FR 45838 defines a Covered Project as an infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source (CDBG-DR, CDBG-National Disaster Resilience (NDR), CDBG-MIT, or CDBG)). According to HUD, an "infrastructure project," as it relates to Covered Projects, is an activity or group of related activities that develop the physical assets that are designed to provide or support services to the general public in the following sectors: surface transportation, including roadways, bridges, railroads, and transit; aviation; ports, including navigational channels; water resources projects; energy production and generation, including from fossil, renewable, nuclear, and hydro sources; electricity transmission; broadband; pipelines; stormwater and sewer infrastructure; drinking water infrastructure; and other sectors as may be determined by the Federal Permitting Improvement Steering Council. Infrastructure projects that meet the definition of a Covered Project must be included in the action plan or a substantial action plan amendment. 24 C.F.R. §58.32 (a)

Joint Resolution of the General Budget	0	0	21,528	21,113
<b>Subtotal, Pension Payments (Pay As You Go)</b>	<b>0</b>	<b>0</b>	<b>21,576</b>	<b>21,160</b>
<b>Permanent Improvements</b>				
Joint Resolution of the General Budget	0	0	0	76,500
<b>Subtotal, Permanent Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76,500</b>
<b>Total, Origen of Funds</b>	<b>11,843</b>	<b>13,348</b>	<b>31,314</b>	<b>107,759</b>
<b>Concept</b>				
<b>Operational Expenses</b>				
Personnel and Related Costs	11,780	12,318	9,348	9,782
Subcontracted Services	32	19	167	63
Donations, Subsidies and Distributions	5	4	0	0
Transportation Costs	16	19	30	36
Professional Services	0	35	112	95
Other Operational Costs	4	3	0	2
Purchase of Equipment	0	0	18	46
Materials and Supplies	6	950	48	53
Advertisements and Public Media	0	0	15	22
<b>Subtotal, Operating Costs</b>	<b>11,843</b>	<b>13,348</b>	<b>9,738</b>	<b>10,099</b>
<b>Pension Payments (Pay As You Go)</b>				
Pay As You Go	0	0	21,576	21,160
<b>Subtotal, Pension Payments (Pay As You Go)</b>	<b>0</b>	<b>0</b>	<b>21,576</b>	<b>21,160</b>
<b>Permanent Improvements</b>				
Disbursements for Permanent Improvements	0	0	0	76,500
<b>Subtotal, Permanent Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76,500</b>
<b>Total, Concepts</b>	<b>11,843</b>	<b>13,348</b>	<b>31,314</b>	<b>107,759</b>

## O&M REQUIREMENTS DURING APPLICATION – ONLY REQUIRED FOR COVERED PROJECTS

### O&M TASKS

- Based on the project's level of completeness, describe the O&M tasks required over the useful life of the project. Description of the O&M tasks should contain as much detail as possible based on the level of project completion.

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At this stage of design several major components of the PR-10 highway have been defined. The exact location of all these components cannot be established at this stage since 100% design has not been completed for all four sections of highway. Below is a list of these main components.

1. Asphalt pavement;
  2. Reflective raised pavement markers;
  3. Thermoplastic painting;
  4. Metal beam guard rail;
  5. Concrete barriers;
  6. End terminals;
  7. Permanent road signs;
  8. Overhead signs;
  9. Swales, ditches and channels;
  10. Inlets, catch basins and manholes;
  11. Culverts and drainage pipes;
  12. Bridges; and
  13. Retaining walls and slope protection devices.
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**FUNDING SOURCES FOR O&M ACTIVITIES**

- Describe, if applicable, any borrowing authority, retargeting of existing financial resources, proposed changes to tax policy or practices required, or any State or local resources identified to pay or provide the O&M costs and resources.
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Funding will be provided by annual budget assignments from the Central Government. The funds identified for the implementation of the Operations and Maintenance Plan for the PR-10 Highway project are State Funds. Funds for the implementation of the O&M Plan would not come from a borrowing authority or from the retargeting of existing financial resources. Also, the O&M Plan to be implemented for the PR-10 Highway Project at this time does not contemplate any tax collecting policies. Funding would be obtained from state special funds and from a joint resolution of the general budget (State Funds) approved by the Puerto Rico Legislature. The maintenance and conservation of state roads in Puerto Rico are funded from State Special Fund and from the Joint Resolution of the General Budget (State Funds). On a yearly basis, the DTPW will request the additional funds needed for the operations and maintenance activities of PR-10 Highway for the following fiscal year, during the last semester of the current fiscal year. For the year of 2023, the DTPW has an island-wide budget of \$86M for the operation and maintenance of all of its assets.

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**Applicant Certifications**

Check	
<input checked="" type="checkbox"/>	I hereby understand that the Operations and Maintenance Plan is a HUD National Objective compliance aspect and understand that failure to comply could result in a potential re-payment of CDBG-MIT funds to PRDOH. I also understand that not meeting this National Objective may affect my eligibility to receive CDBG-MIT funds for the proposed project.
<input checked="" type="checkbox"/>	I hereby understand that specific requirements and elements are required for the Operations and Maintenance Plan, and I am familiarized with those requirements as defined under Appendix A of the CDBG-MIT Operations and Maintenance Guide.
<input checked="" type="checkbox"/>	I hereby understand that completion of the funding request or this Form does not guarantee my eligibility for this Program. Further, I understand that participation in the Infrastructure Mitigation Program is voluntary and that I may withdraw at any time. I also understand that if I choose to withdraw from participating in the Program, federal law states that I must return any funds CDBG-MIT disbursed to me.

My signature below indicates that I have read, understood, and agree to all statements in this Form. I affirm that all information provided in this Form is true and accurate to the best of my knowledge. I agree to hold harmless PRDOH and the CDBG-MIT Infrastructure Mitigation Program, its employees, agents, and assignees from liability for any damages that may arise as a result of my participation in the CDBG-MIT Infrastructure Mitigation Program.

X 

Primary Applicant Signature

AUG — 7 2023

Date

**Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. §287, §1001 and 31 U.S.C. §3729.**