

**Capital Improvements Plan  
2015-2019 Implementation Plan**

**2016 Annual Assessment**

**(February 2016)**

The Red Lodge City Council adopted a Capital Improvements Plan (CIP) on February 10, 2015 that identifies capital projects in excess of \$25,000 for wastewater, the cemetery, police, streets, the library, storm water, water, and parks. Included is a provision that an annual assessment be conducted of capital needs for incorporation in the City's annual budget and a complete update be conducted every five years. The 2015-2019 Implementation Plan includes 21 projects.

The annual assessment includes four sections documented in this write-up:

- (1) Status of Adopted 2015-2019 Projects.
- (2) Projects Included In The Current CIP In Out Years To Be Brought Into The 2016-2019 Period.
- (3) Summary of 2016-2019 Projects (Amended).
- (4) Financial Summary.

## Section 1

### Status of Adopted 2015-2019 Projects

#### **2015-1, Wastewater: New Generator at Lift Stations**

**Cost:** \$150,000. Sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utilities Service Loans and Grants, TSEP Construction Grants and DNRC RRGL Construction Grant, financed and backed by the Equivalent Dwelling Unit (EDU) sewer rate adjustments.

**Obligated:** \$0

**Rationale (from adopted CIP):** Required by DEQ. Generator with automatic transfer switch that will initiate with loss of power, eliminating the need for manual attention by City personnel.

**Status:** Portable generators are currently being used at the two lift stations, one at the north end of Highway 212 at Two Mile Bridge Road and the other located at the Spires Subdivision. A standby generator is now planned to be included in the rehabilitation of the lift station in conjunction with the proposed Force Main Project (project 2015-5) precluding the need for one of the generators.

**CIP Modifications:** Reduce cost to \$75,000 for a new generator at the Spires lift station and program for 2016. Incorporate second generator with project 2015-5.

#### **2015-2, Wastewater: Install New Generator at Waste Water Treatment Plant**

**Cost:** \$150,000. Sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants and DNRC RRGL Construction Grants, financed and backed by the EDU sewer rate adjustments.

**Obligated:** \$0

**Rationale (from adopted CIP):** Required by DEQ. Generator with automatic transfer switch that will initiate with loss of power, eliminating the need for manual attention by City personnel.

**Status:** Have an old backup if power does go off; can do manual operation.

**CIP Modifications:** Confirm need and cost for a new generator and for other capital projects when the Preliminary Engineering Report (PER) for the sewer plant is completed. Cost for a new generator is now anticipated to exceed \$150,000. Program project in 2016 if confirmed by the PER.

#### **2015-3, Wastewater: Invest in a Sewer Jetter Truck**

**Cost:** \$275,000

**Obligated:** \$342,830 total in annual payments of \$68,566 for five years, ending in 2019. First payment was in 2015 from resort tax funds.

**Rationale (from adopted CIP):** It is necessary that sewer and storm drains be maintained. A truck could be purchased for about half of what it takes to hire an outside contractor to complete all of required work.

**Status:** Truck has been acquired and is being used extensively to clean sewer manholes and multiple clogged lines, including the trimming of invasive tree roots. Supplemental sewer inspection camera required to insure that the jetter truck is used so that it corrects and does not exacerbate a problem and that the truck is utilized on a regular maintenance schedule.

**CIP Modifications:** Purchase sewer inspection camera (see write-up under Section 2, Projects To Be Brought Into the 2016-2019 Period).

#### **2015-4, Wastewater: Preliminary Engineering Report**

**Cost:** \$100,000

**Obligated:** \$63,500 contract, not to exceed \$100,000. Source of funds: \$15,000 TSEP grant, \$10,000 DNRC RRG grant and \$80,000 budgeted from resort tax.

**Rationale (from adopted CIP):** Investigate spray irrigation and other alternatives to dispose of wastewater.

**Status:** Contract scheduled to be completed by April 2016.

**CIP Modifications:** Evaluate recommended PER projects and program accordingly. See recommendations under project 2018-1.

#### **2015-5, Wastewater: Siphon Under Rock Creek and Construct Interceptor Main to Serve Country Club Estates Area**

**Cost:** \$1,600,000. Sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Development/Rural Utilities Service Loans and Grants, TSEP Planning Grants, TSEP Construction Grants, and DNRC's RRGL Planning and RRGL Construction Grants, financed and backed by the EDU sewer rate adjustments.

**Obligated:** \$38,000 for task order with Great West Engineering for preliminary design phase, from resort tax funds.

**Rationale (from adopted CIP):** The project would reduce use of or eliminate one of the City's lift stations, thereby reducing time spent by City crews on operations and maintenance measures inherent to a lift station.

**Status:** Preliminary Design Summary completed and report distributed December 2015. The report recommends a feasible alignment from south of the lift station to Highway 212 and Two Mile Bridge Road, and then to the sewer plant within public rights-of-way and an existing utility easement. In addition, Project 2015-6, North Sewer Force Main, would be converted into a gravity sewer main so that service can be maintained to the existing services using this line, and the lift station would be rehabilitated and converted into a wet well, duplex type lift station. Estimated cost, exclusive of engineering, is \$1,268,000. Cost of construction engineering is projected to be 20% = \$253,600. Total project cost would be \$1,521,600, within the \$1,600,000 estimate.

**CIP Modifications:** Combine with project 2015-6, Replace Red Lodge North Sewer Force Main, and modify project description to be "Force Main Project To Include New Alignment, Conversion of Existing Force Main to Gravity and Rehabilitation of Existing Lift Station". Program project construction in 2016 utilizing a loan financed and backed by Sewer Enterprise Funds in accordance with the following schedule: final design during January-March, Montana DEQ project review in April, bidding in May, contracting in June and construction during July-September.

#### **2015-6, Wastewater: Replace Red Lodge North Sewer Force Main**

**Cost:** \$977,000

**Obligated:** \$0

**Rationale (from adopted CIP):** Existing 12" force main is 20+ years old and fails frequently. Approximately 6,000' of force main.

**Status:** The Preliminary Design Summary prepared by Great West Engineering documents the feasibility of converting the existing sewer force main that pumps from north to south to a gravity main that flows from south to north, precluding the need to replace the North Sewer Force Main. Final approval by the Montana DEQ is contingent on meeting all aspects of Circular DEQ-2, the major concerns being having manholes at all vertical and horizontal

alignment changes as well as at a minimum of 400' along the route and ensuring the pipeline maintains a minimum slope for a 12" gravity main and enough flow to prevent the undo settlement of solids.

**CIP Modifications:** Combine with project 2015-5, Siphon Under Rock Creek and Construct Interceptor Main to Serve Country Club Estates Area, and modify project description to be "Force Main Project To Include New Alignment, Conversion of Existing Force Main to Gravity and Rehabilitation of Existing Lift Station". Costs for the North Sewer Force Main are included in the \$1,600,000 programmed under project 2015-5.

#### **2015-7, Cemetery: New/Expanded Irrigation System**

**Cost:** \$145,000. Sources of funding identified in the CIP include an INTERCAP Loan and a USDA Rural Development/Community Facilities Loan.

**Obligated:** \$0

**Rationale (from adopted CIP):** This project would replace and expand the existing system and provide a more user-friendly system. Current system is very inefficient and requires frequent maintenance due to sand blocking the intake. Current system requires one-man full time for irrigation.

**Status:** No activity.

**CIP Modifications:** Increase costs from \$145,000 to \$300,000. Scope project to define cost components to include well, pump and irrigation lines. Determine course of action for construction dependent upon development of cemetery district that would provide a dedicated source of funding. Move construction to 2017.

#### **2015-8, Cemetery: Mausoleum Renovation**

**Cost:** \$240,000

**Obligated:** \$72,307 spent from Fund 4031, Cemetery Capital Improvement Fund. The balance of the fund is \$47,062.

**Rationale (from adopted CIP):** This project would complete additional restoration work on the mausoleum.

**Status:** Building stabilization repairs have been made on the mausoleum, primarily the turrets, with further repairs to be made to the roof and painting of the facility. The cost for the remaining repairs is estimated to be \$50,000 that will use the remaining dollars in the Cemetery Fund.

**CIP Modifications:** Modify estimated cost from \$245,000 to \$120,000. Complete project in 2016.

#### **2015-9, Police: Building Roof Repair**

**Cost:** \$28,000. Adopted FY 2016 City budget includes \$29,318 from resort tax funds.

**Obligated:** \$0.

**Rationale (from adopted CIP):** Roof on north side of building leaks.

**Status:** Repairs planned for spring 2016.

**CIP Modifications:** Complete project in fiscal year 2016 ending September 30<sup>th</sup> with programmed funds.

### **2016-1, Streets: Rehabilitate Golf Course Streets From Highway 78 to Grizzly Circle**

**Cost:** \$1,250,000. Sources of funding identified in the CIP include an INTERCAP Loan repaid from the general fund, a USDA Rural Development/Community Facilities Loan or creation of a special improvements district. MCA 7-12-4401 authorizes the establishment of a street maintenance district and assessments against property owners for the costs.

**Rationale (from adopted CIP):** This project would resurface deteriorated streets with chip and scrub seal. Necessary to prevent further deterioration.

**Status:** No recent activity.

**CIP Modifications:** Maintain project in 2016. Discuss creation of a citywide street maintenance district that would provide curb, gutter and sidewalks when streets are rehabilitated.

### **2016-2, Library: Add Vestibule to West Entrance**

**Cost:** \$200,000. The source of funding identified in the CIP is a trust dedicated to the Library. Supplemental funds, if necessary, would be available in Account 2220, Library Special Fund and Account 101060, Library Cash Reserve Account.

**Rationale (from adopted CIP):** Enable 24-hour book return, improve flow into/out of Library and be handicap accessible.

**Status:** On schedule for 2016.

**CIP Modifications:** None.

### **2017-1, Storm Water: Storm Water Master Plan**

**Cost:** \$120,000. Sources of funding identified in the CIP include an INTERCAP Loan, TSEP Planning Grant and DNRC RRGL Grants and Loans.

**Rationale (from adopted CIP):** Locations and extent of storm water facilities have never been fully documented nor has a master plan ever been completed for the City. A master plan would identify and prioritize storm water problems and provide a planning tool for future and existing development.

**Status:** The Public Works Department has acquired a citywide storm system map developed in 2009 and is verifying the location of the lines and outfalls to Rock Creek and the Sewer Plant. Pursue the TSEP and RRGL Planning Grants in the spring of 2016 after completion of the PER funded grants for the sewer plant from the same sources.

**CIP Modifications:** Move project to 2016 given that the PER for the sewer plant will be completed and the infiltration estimates of storm water to the sewer system will have been better documented.

### **2018-1, Wastewater: Conduct Spray Irrigation Improvements to Dispose of Wastewater by Land Application**

**Cost:** \$4,000,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Grants and Loans, TSEP Planning Grant, TSEP Construction Grant and DNRC RRGL Planning Grants and RRGL Construction Grants and Loans, financed and backed by the EDU sewer rate adjustments.

**Rationale (from adopted CIP):** This project is Phase 2 outlined in the Wastewater Facility Plan and, if approved, will provide additional treatment of nitrates and phosphates to meet wastewater discharge requirements through land application. Project includes land application.

**Status:** The draft discharge permit released by the Montana DEQ, November 2015, notes that monitoring and reporting requirements, primarily regarding metals, will be the primary new activities necessary under an approved permit. The results of the Preliminary Engineering

Report for the Sewer Plant will incorporate the conditions of the draft permit. The new permit will expire five years after approval.

**CIP Modifications:** Rename this activity to be “Implementation of PER Recommendations for Sewer Plant”, per the results of project 2015-4. It is anticipated that the PER will determine that spray irrigation will not be a required, cost-effective or feasible alternative. Capital projects to include metering, treatment or pumping, however, could be identified in the PER as necessary and should be programmed accordingly for implementation starting in 2018. Costs should be less than the \$4,000,000 currently programmed for the spray irrigation.

### **2019-1, Water: Replace Generator at Water Plant**

**Cost:** \$150,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grant, DNRC’s RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, financed and backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** The generator is old and unable to start.

**Status:** The specific location and generator size need to be determined.

**CIP Modifications:** Move to 2016 as the project is critically needed (no backup) and could be affordable as a lower cost project.

### **2019-2, Water: Install Pressure Reducing Valve on Broadway Avenue Near Robinson Lane**

**Cost:** \$130,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants, DNRC’s RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, financed and backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** There is currently no valve located there. It would be extremely beneficial to the area to avoid damage to appliances or accidents involving burst pipes or conduits.

**Status:** The specifications and cost should be finalized.

**CIP Modifications:** Move to 2017 as the water main in that area is 12”, creating water pressure that can exceed plumbing code standards and that wastes water. The project could be affordable as a lower cost project.

### **2019-3, Water: Replace Pressure Reducing Valve on White Avenue**

**Cost:** \$130,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants, DNRC’s RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** This project will replace an old and deteriorated pressure-reducing valve thus increasing its reliability and decreasing the need for maintenance. Need to get the valve above ground into a building to eliminate the need to enter a confined space for routine maintenance/monitoring.

**Status:** The specifications and cost should be finalized.

**CIP Modifications:** Move to 2017 as a 16” line is transitioning to a 6” line, creating psi greater than 100, exceeding plumbing code standards and wasting water. The project should be affordable as a lower cost project.

#### **2019-4, Parks: Rehabilitate City Pool**

**Cost:** \$250,000. The sources of funding identified in the CIP include an INTERCAP Loan and the USDA Rural Development/Community Facilities Loans.

**Rationale (from adopted CIP):** Rehabilitate pool at current location per the Comprehensive Parks Plan. Research liner rehabilitation options at existing location.

**Status:** No activity yet to address a permanent fix for leakage issues.

**CIP Modifications:** Program a project in 2016 for \$20,000 to conduct an engineering assessment for rehabilitation of the pool to determine feasible solutions for leakage, to identify needed repairs for filters and pumps, recommend structural modifications to improve the function and use by the public, and develop a better cost estimate. Maintain construction project for \$250,000 in 2019.

#### **2019-5, Water: Platt Avenue Rehabilitation, 14<sup>th</sup> Street - 16<sup>th</sup> Street, Connect Services to an Existing 8” Water Main**

**Cost:** \$50,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants, DNRC’s RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, financed and backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** This project will provide improved water pressure for the residences connected to the smaller mains.

**Status:** No activity.

**CIP Modifications:** None.

#### **2019-6, Streets: Reconstruct Haggin Avenue, 1<sup>st</sup> Street to 17<sup>th</sup> Street**

**Cost:** \$4,012,500; \$3,748,535 if constructed with project 2019-7, Haggin Avenue Water Rehabilitation. The sources of funding identified in the CIP include an INTERCAP Loan and a USDA Rural Development/Community Facilities Loan.

**Rationale (from adopted CIP):** Reconstruct to provide “complete street” section, including facilities for non-motorized users. Includes one-half block of intersecting streets on both sides.

**Status:** No activity.

**CIP Modifications:** Move to 2018 to construct with Haggin Avenue Water Rehabilitation Project. Make project termini 3<sup>rd</sup> Street to be consistent with termini of Haggin Avenue Water Rehabilitation Project.

#### **2019-7, Water: Haggin Avenue Water Rehabilitation, 3<sup>rd</sup> Street to 16<sup>th</sup> Street, Upgrade Water Main from 4” to 8”**

**Cost:** \$2,565,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants, DNRC’s RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, financed and backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** This project will provide improved water pressure, fire flows and increase the reliability of the water main by installing new materials.

**Status:** No activity.

**CIP Modifications:** Move to 2018 given integrity of existing main and recent failures.

**2019-8, Water: Haggin Avenue Water Main Replacement/Extension, 3<sup>rd</sup> Street to Beartooth Electric Cooperative (Beartooth Lane)**

**Cost:** \$1,080,000. The sources of funding identified in the CIP include the State Revolving Loan Fund, USDA Rural Utility Service Loans and Grants, TSEP Construction Grants, DNRC's RRGL Construction Grants and Loans, and the Water Resources Development Act Grants, financed and backed by the EDU water rate adjustments.

**Rationale (from adopted CIP):** Extending the water main to a developable area will eventually result in revenues for the City and provide clean water to new development. The existing 4" water main is old and replacement is necessary. Coordinate with project 2019-6 to reduce costs for the street project.

**Status:** No activity.

**CIP Modifications:** Modify description to read as follows: "Haggin Avenue Water Main Connection to Cooper Avenue and 2<sup>nd</sup> Street". The extension north along Haggin Avenue to Beartooth Electric does not need to be made given that a 10" water main was installed along Robinson Drive when that road project was constructed, providing service to this area. Instead, tie to the water main from Cooper Avenue at 1<sup>st</sup> Street to Haggin Avenue, south to 3<sup>rd</sup> Street, west to the alley, north to 2<sup>nd</sup> Street and west to Broadway Avenue. The cost needs to be confirmed by the Public Works Director.



## Section 2

### Projects Included In The Current CIP In Out Years To Be Brought Into the 2016-2019 Period

#### Lions Park Storage Addition

**Cost:** \$30,000-\$35,000.

**Rationale:** This project is included in the adopted CIP under the Parks and Recreation Section, referenced as the Lion's Den Building Rehab/Replacement along with other Lions Park projects referenced in the Comprehensive Parks Plan. It is not included in the current short-term (5-year) implementation plan. The Council voted in December 2015 to coordinate with an architect to prepare bid-ready construction drawings based on an approved concept design plan of 708 square feet for storage for Red Lodge Ice, the Farmers Market and the Red Lodge Lions Club.

**CIP Modification:** Include a project in 2016 entitled "Lions Park Storage Addition" for a cost of \$30,000-\$35,000. Funding sources for construction of the project, including possible shared cost with the City by the three referenced organizations, has not been determined.

#### Sewer Inspection Camera

**Cost:** \$97,595. \$50,000 currently programmed in the FY 2016 budget with resort tax funds.

**Rationale:** This project is included in the adopted CIP under the Wastewater Section but not in the short-term (5-year) implementation plan. As documented in the CIP, a TV inspection program would provide a tool to evaluate the condition of older sewer mains for prioritizing replacements that would in turn reduce wastewater infiltration into the groundwater. Information from this project would also greatly enhance any future updates to the Sewer Plan and aid with prioritizing wastewater projects.

The Public Works Director recommends that the sewer lines be initially inspected by existing City staff using a purchased camera rather than employing a third-party contractor to establish a baseline. It is anticipated by the Public Works Director that 25% of the 63,000' of sewer line could be inspected each year. Costs for a third-party contractor could be well in excess of \$125,000 and would require that a City staff member accompany the contractor. Purchase and use of the camera in the near term, rather than after the baseline inspection, will insure that the jetter truck is always used so that it corrects and does not exacerbate a problem. The Council Public Works Committee has recommended that the Public Works Director develop a proposed inspection and maintenance program that would include, among other elements: (a) a yearly sewer line, manhole and lift station inspection schedule and reporting system, to include the methods of inspection, and (b) separately scheduled time to conduct preventative maintenance, respond to complaints and emergencies, and provide corrective maintenance.

**CIP Modification:** Include a project in 2016 entitled "Purchase Sewer Inspection Camera and Associated Equipment". Additional funding to supplement the current \$50,000 programmed from resort tax funds would have to be programmed.

**Section 3**  
**Summary of 2016-2019 Projects (Amended)**

**2016**

|  |                   |  |
|--|-------------------|--|
| <b>New Generator at Spires Sewer Lift Station</b>  | \$75,000          | Reduced from \$150,000, as second generator is included in the force main project. Carried over from 2015. |
| <b>New Generator at Waste Water Treatment Plant</b>  | >\$150,000        | Carried over from 2015.  |
| <b>Force Main Project - New Alignment, Conversion of Existing Force Main to Gravity, Rehabilitation Of Existing Lift Station</b> | \$1,600,000       | Combined with North Sewer Force Main Project. Carried over from 2015.                                      |
| <b>Cemetery Mausoleum Renovation</b>   | \$120,000         | Finish repairs with remainder of Cemetery Capital Improvement Fund. Carried over from 2015.                |
| <b>Police Building Roof Repair</b>   | \$28,000          | Carried over from 2015.  |
| <b>Rehabilitate Golf Course Streets</b>  | \$1,250,000       | Carried over from 2015.  |
| <b>Add Vestibule to West Entrance of Library</b>   | \$200,000         | Maintained in 2016.  |
| <b>Storm Water Master Plan</b>   | \$120,000         | Moved from 2017 to 2016.   |
| <b>Replace Generator at Water Plant</b>  | \$150,000         | Moved from 2019 to 2016.   |
| <b>Engineering Assessment for Rehabilitation of City Pool</b>  | \$20,000          | New subtask in support of Pool rehabilitation construction.  |
| <b>Lions Park Storage Addition</b>   | \$30,000-\$35,000 | Moved from a long-term CIP project to the short-term.  |
| <b>Sewer Inspection Camera and Associated Equipment</b>  | \$97,500          | Moved from a long-term CIP project to the short-term.  |

**2017**

|   |           |   |
|---|-----------|---|
| <b>Cemetery Irrigation System</b>   | \$300,000 | Scope cost components in 2016. Moved from 2015. |
| <b>Install Pressure Reducing Valve on Broadway Av. Near Robinson Lane</b> | \$130,000 | Moved from 2019 to 2017.                        |
| <b>Replace Pressure Reducing Valve on White Avenue</b>                    | \$130,000 | Moved from 2019 to 2017.                        |

**2018**

|   |              |   |
|---|--------------|---|
| <b>Implementation of Preliminary Engineering Report Recommendations for Sewer Plant</b> | <\$4,000,000 | Replaces spray irrigation project. Identify projects and confirm costs after completion of PER. |
|---|--------------|---|

|  |             |  |
|--|-------------|--|
| <b>Reconstruct Haggin Avenue,<br/>3<sup>rd</sup> - 17<sup>th</sup> Streets</b>                           | \$4,012,500 | Moved to 2018 from 2019. Construct jointly with Haggin Avenue Water Rehabilitation Project. Cost for the street project would be reduced to \$3,748,535. |
| <b>Haggin Avenue Water Rehabilitation, 3<sup>rd</sup> - 16<sup>th</sup> Streets</b>                      | \$2,565,000 | Moved to 2018 from 2019. Recent failures of mainline.  |
| <b><u>2019</u><br/>Platt Avenue Water Main Rehabilitation, 14<sup>th</sup> - 16<sup>th</sup> Streets</b> | \$50,000    | Maintain in 2019.  |
| <b>Haggin Avenue Water Main Connection to Cooper Avenue and 2<sup>nd</sup> Street</b>                    | \$1,080,000 | Modified termini. Confirm costs.   |
| <b>Rehabilitate City Pool</b>  | \$250,000   | Confirm costs after completion of 2016 engineering analysis.   |

## **Section 4**

### **Financial Summary**

#### **2015**

A total of \$551,137 was obligated in calendar year 2015 for the following projects:

- Sewer Jetter Truck - \$342,830.
- Preliminary Engineering Report for the Sewer Plant - \$100,000.
- Preliminary Engineering for Siphon Under Rock Creek - \$38,000.
- Mausoleum Rehabilitation - \$72,307.

Though proposed expenditures totaled \$3,665,000, leaving \$3,113,863 unobligated, \$2,652,000 is attributable to the Force Main Project as follows:

- \$1,600,000 is programmed to construct the project.
- \$977,000 previously programmed to replace the North Sewer Force Main along Highway 212 that has been incorporated into the Force Main Project, given the conversion of the North Main to gravity flow.
- \$75,000 previously programmed for a new generator at the North Lift Station along Highway 212 has been incorporated in the Force Main Project.

#### **2016**

While proposed expenditures for 2016 total \$3,715,500, \$1,922,500 can be financed/backed by the five-year EDU (equivalent dwelling unit) sewer rate adjustments adopted by the Council in June 2015. These projects include:

- New Generator at Spires Subdivision Sewer Lift Station - \$75,000.
- New Generator at Waste Water Treatment Plant - \$150,000.
- Force Main Project - \$1,600,000.
- Sewer Inspection Camera And Associated Equipment (to support sewer jetter truck) - \$97,500.

The replacement of the generator at the water plant (\$150,000) can be financed/backed by the EDU water rate adjustments.

According to the Water and Sewer Rate Study, March 2015, developed by Great West Engineering, every dollar assessed as a capital project surcharge will generate an estimated \$20,496 for the water enterprise fund and \$21,132 for the sewer enterprise fund. The cumulative water capital projects surcharge totals 14.07 that equates to \$288,378 per year. The cumulative sewer capital projects surcharge totals 24.48 that equates to \$517,311 per year.

Non-water/sewer projects proposed for 2016 that have a programmed funding source include:

- Cemetery Mausoleum Renovation - \$120,000 (approximately \$50,000 of work remaining funded by the Cemetery Capital Improvement Fund).
- Police Building Roof Repair - \$28,000 (programmed in FY 2016 resort tax budget).
- Add Vestibule to West Entrance of Library - \$200,000 (dedicated trust funding).

The rehabilitation of the Golf Course Streets (\$1,250,000) could be funded through a street maintenance district with an assessment against property owners for the costs.

Remaining 2016 projects that do not currently have a programmed/secured funding source include:

- Storm Water Master Plan - \$120,000 (could be partially funded through TSEP/DNR).
- Engineering Assessment for Rehabilitation of City Pool - \$20,000.
- Lions Park Storage Addition - \$30,000-\$35,000.

### **2017**

The two \$130,000 Water Pressure Reducing Valve projects, on Broadway near Robinson Lane and on White Avenue, can be financed and backed by the EDU water rate adjustments.

The Cemetery Irrigation System project, with an updated cost estimate of \$300,000, does not currently have an identified funding source as the Cemetery Capital Improvement Fund is projected to be depleted after the mausoleum rehabilitation is complete. Annual contributions to the fund from the 25% of cemetery plot sales equates to only about \$1,000 so additional source(s) of funding such as from a cemetery district are required.

### **2018**

Projects programmed from the results of the Preliminary Engineering Report for the Sewer Plant are anticipated to total less than the \$4,000,000 that had been programmed for spray irrigation. These projects can be financed and backed by the EDU sewer rate adjustments.

The Haggin Avenue Water Rehabilitation Project (\$2,565,000) can be financed and backed by the EDU water rate adjustments.

There is currently no funding programmed for the accompanying reconstruction of Haggin Avenue to a complete street (\$3.7 million - \$4.0 million).

### **2019**

The Platt Avenue Water Main Rehabilitation Project (\$50,000) and the Haggin Avenue Water Main Connection (\$1,080,000) can be financed and backed by the EDU water rate adjustments.

The construction for the rehabilitation of the City Pool does not currently have a programmed funding source.

### **Grants and Loans**

The CIP identifies multiple potential loan and grant programs. While the loan programs can primarily be financed through the EDU water and sewer rate adjustments, grant programs that could offset future EDU rate adjustments need to be explored for not only water and sewer projects but for other projects such as the Storm Water Management Plan in 2016.